



Rt Hon George Eustice MP  
Secretary of State for Environment, Food and Rural Affairs Defra,  
Seacole Building  
2 Marsham Street London  
SW1P 4DF  
[An open letter – By email]

3 November 2021

Dear Minister,

### **Extended Producer Responsibility (EPR) Proposals for Business Waste**

The Waste Network Chairs is a long established forum for coordination between the key local authority waste networks collectively drawing on the full spectrum of perspectives across the sector from Councillors to recycling officers, from regional to national and from waste collection to disposal. The strong ethos of mutual support and the huge range of technical expertise within the sector is harnessed by this forum to allow it to speak as one voice.

With reference to the open letter addressed to you dated 16/09/21 from the Environmental Services Association (ESA) and various counter signatories we feel obliged to set out the local perspective on the proposed changes to increase business waste recycling which is central to current Government Policy and needs more support. Our perspective is much broader than the economic viability of individual businesses and the interests of their shareholders.

The Waste Network Chairs are interested in local economic development and are agnostic as to which businesses deliver on this. The regeneration of high streets is key and is an area where the priorities of local and central government are aligned. That is to say, commercial waste management must be viewed through the prism of supporting the local economy, Net Zero, local air quality, social equality, waste crime and local environmental control – all key priorities for central Government which local government delivers.

The estimated £1.5bn annual costs of EPR on business packaging waste in the recent consultation has understandably caused a great deal of concern. There are also other less quantifiable but equally real costs to businesses more widely, not least through a deterioration of high streets from a proliferation of bins and waste vehicle movements, if the right solution is not adopted. The locally administered commercial waste regulation framework that we seek will not just deliver on all of the wider priorities above but is the only and best way to significantly reduce the costs to business and, ultimately, the public.

It is disappointing that the drive to improve commercial waste recycling is so fiercely resisted by some stakeholders: we see that there are significant gains to be made by waste management companies and rather than viewing the government proposals as taking something away, it is in fact an opportunity for significant growth (perhaps doubling) of recycling markets. We are working hard with Defra and devolved administration colleagues and many other interested representatives including the ESA and their counter-signatories to achieve consensus between those with the most direct stake in these discussions. However, the current cycle of proposal and counter proposal is simply expending precious time when already the mobilisation period remaining is under extreme pressure.

WRAP's analysis of the efficiency gains from zoning/franchising highlights the inefficiency of the commercial waste market currently and the significant efficiency benefits possible if systemic change were undertaken. It is inevitable that the additional layers of complexity arising from EPR, DRS and the business recycling requirements will magnify the existing inefficiencies and costs of current practice in the absence of policies to regulate and improve the system. Our residents will not thank us for increasing the mess in their local streets of untidy bins, increased litter, trip hazards and a race to the bottom in what constitutes recycling by protecting the status quo.

Instead we agree with Defra proposals that enhanced regulation is an opportunity to increase efficiency to which waste collection businesses that can adapt, it is not a threat. We understand the concern being felt by small and medium sized waste management companies and we wish to reassure them and you that Local Government takes active steps to ensure small and medium sized businesses thrive for the benefit of our local communities. We are however surprised that many of the counter signatory trade bodies would not want to actively pursue a more regulated system that can deliver lower costs, lower risks, reputational enhancements and greater amounts of higher quality recycle for their members.

The Waste Network Chairs' asks are simple and that:

1. Policy is evidence-based, drawing on the extensive (and objective) research that WRAP has conducted in this context.
2. The government considers beneficial economic activity in the round and sets aside the views of individual business interests over other businesses/stakeholders.
3. The solution pursued is set within the context of other key Government priorities, specifically Net Zero, local air quality, social equality, waste crime and local environmental control.

We are keen to provide any further evidence needed by Government to inform these decisions and we are confident, if the chosen solution is tested as per our specific asks above, Government will reach the following conclusions:

- Pursuing solutions that perpetuate the current systemic failings of the commercial waste market will serve the vast majority of businesses poorly (including obligated packaging brand holders). Due to legislation local government is the provider of last resort in the waste market, we know more about the market failings than any other provider whereas the private sector analysis does not include this information.
- Zoning and franchising is viable and will deliver on a number of government objectives if properly designed. There are plenty of workable examples around the world to learn from and central government can regulate local government accordingly if it has any specific concerns. Zoning is not an existential threat to small/medium sized private sector commercial waste operators and as an example,

the recently proposed voucher system would work within a zoning and franchising system. There is still sufficient time to design such a system appropriately but this window is closing.

- Local delivery of business support and a fund for strategic development of packaging waste infrastructure are not concessions, they are necessities. WRAP's research very clearly highlights that local business support is critical to the necessary transition particularly for smaller businesses (especially in the absence of effective enforcement). Obligated businesses will seek to reduce their financial obligation over time and they rightly recognise that targeted strategic intervention is the best way to achieve this. There is no sector that is better placed to deliver this than local government and we look forward to being a part of the solution to the challenges of infrastructure development going forwards.
- Local government environmental enforcement will not be able to absorb the consequences of a poorly designed solution. The practicability of the separation of recyclates in a given area needs to be set at local level to avoid confusion and create consistency. However, the Environment Agency is not well placed to deliver the necessary enforcement at a local level. S47 powers are limited (more so outside London) and are effectively an 'end of pipe solution'. The retrospective gathering of evidence against offending businesses is very inefficient. New powers and responsibilities for local government will best deliver a wraparound solution for individual high streets through zoning/franchising.
- Fraud is a significant issue although it is not the only issue in play. A properly designed and transparent zoning/franchising system would readily address this concern and, combined with properly resourced business support, would present an immeasurably less daunting interface for individual small businesses which we know "just want recycling to be simple".

The Waste Network Chairs are keen to see no delay to the much needed reforms to business waste recycling, there is sufficient evidence already to point towards the optimal solution. We feel government should take a lead in stating what it believes to be the best solution based on the information it has in the knowledge that the doomsday warnings from some sections of industry will not play out. We also see the role of emerging digital solutions and clearly the future of business waste recycling should be both future proofed and adaptable. We believe that both public and private sectors innovate best when government takes a timely lead to set the scope of the challenge.

Yours sincerely

Waste Network Chairs

**Steve Palfrey**, Chair, Association of Directors of Environment, Economy, Planning & Transport (ADEPT) Waste Group

**Neil Carrett**, Chair, Association of London Cleansing Officers (ALCO)

**Carole Taylor**  
Chair, The Local Authority Recycling Advisory Committee (LARAC)

**Victoria Lawson**, Chair, London Environment Directors Network (LEDNET)

**Emma Beal**, Chair, National Association of Waste Disposal Officers (NAWDO)

**Tim Walker**, Chair, Local Government Technical Advisors Group (LGTAG) (Northern Ireland)