

Responsibility Deal between Government and the waste and resource management sector

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Introduction

The waste and resource management sector has been central to the major progress made in recent years in modernising the UK's approach to waste management, with decreasing use of landfill and more recycling and recovery. This has involved significant investment by waste management companies, and close working between companies, waste producers, householders, and central and local government.

The **objective** of this responsibility deal is to build on this progress and improve further the management of waste as a resource in the economy through an agreed set of commitments. Annex A to this document describes where we aim to get to through these commitments by 2014.

This responsibility deal has been developed jointly by Defra and the Environmental Services Association (the ESA, representing the waste and resource management sector), who are the founding parties. It reflects input from the Local Government Association, the Environment Agency (EA) and the Federation of Small Businesses (FSB).

The ESA and its members will be at the heart of this initiative. However, we welcome participation from others who wish to subscribe to the commitments which this document contains.



Lord Henley
Parliamentary Under-Secretary,
Department for Environment,
Food and Rural Affairs



Ian Goodfellow
Chairman,
Environmental Services
Association

1. Waste management companies as resource providers

Waste and resource management companies are key players in the move towards a more sustainable use of resources. They are part of a thriving market which the Government wants to support, and which contributes to the Green Economy.

They are well placed to:

- Provide help to their customers (businesses and local authorities) to adopt ever more sustainable resource management practices,
- position themselves as *resource providers* to the wider economy.
- help ensure that the benefits of the waste hierarchy and separate collection provisions of the revised Waste Framework Directive are fully realised.

2. Key Government priorities

This responsibility deal embodies a commitment to work together to achieve priorities on waste which Ministers wish to promote via the Waste Review, in line with the waste hierarchy:

- Greater focus on **waste prevention and resource efficiency**, within the waste and resource management sector and working with customers;
- Achieving **higher levels of recycling**, by helping customers do the right things;
- Levels of **quality** for recyclable materials that enable the UK to meet its obligations under the revised Waste Framework Directive and the waste shipment controls, and ensure the UK recycling system can withstand sudden changes in market specifications;
- In keeping with localism, **engaging further with local communities** to improve or maintain a high level of public confidence in the waste and resource industry, and foster acceptance of new infrastructure.

3. Helping businesses to do the right thing

By raising awareness of the need to prevent waste and manage what arises more sustainably

The ESA, its members and other waste management companies subscribing to this responsibility deal will promote the waste hierarchy, and the need for greater emphasis on waste prevention and resource efficiency. The Association expects its members to help raise awareness of the hierarchy in their dealings with waste producers. The Association will amend its Code of Conduct for members to reflect this.

Defra will work with partners (FSB and other business trade bodies and chambers of commerce, Business Link, BIS, regulators, CIWM, local government organisations and WRAP) to raise businesses' awareness of their waste responsibilities and provide signage to specific new services or changes. Parties to this deal will encourage waste producers to consider acquiring CIWM's Waste Awareness Certificate.

This responsibility deal could enable waste management suppliers to help Government achieve its Green Government Commitments. The Government Departments and their Agencies to whom the Green Government Commitments apply will be encouraged to include the relevant elements of this responsibility deal into the specifications of requirements criteria used in the tender for waste management suppliers when contracts are renewed.

By improving collections of recyclable materials for SMEs

While SME recycling rates are comparable to the average for all businesses, and recyclable collection services are widely available to SMEs, ESA recognises that the SME community values well signposted collection services and user-friendly contracts. ESA will encourage its members to raise awareness of their services amongst SMEs, beyond what is already done.

Waste management companies will continue to explore the potential for innovation in their offer to SMEs (including micro-businesses), to address SMEs' specific needs and constraints. This could take a wide variety of forms, the choice of which would be entirely for companies, subject to the separate collection provisions of the revised Waste Framework Directive.

WRAP will investigate and publicise a range of innovative trade waste service models that could be taken forward by waste management companies, social enterprises or local authorities.

Waste management companies will seek to ensure that small business customers are offered clear and transparent contract terms. The ESA and FSB will work together to draw up a set of good practice principles for contract terms with SMEs, exploring the issues raised by the FSB about how best to ensure SME customers are clear over arrangements for renewing contracts and have the information they need to choose contracts which meet their business needs and help them apply the waste hierarchy. The ESA will revise its Code of Conduct to reflect those principles once agreed.

During the summer of 2011 the ESA and Defra will work together to develop a Business Waste and Recycling Commitment which sets out best practice principles on the provision of services to businesses. The ESA will encourage their members to sign up to these best practice principles.

Defra will seek to include provisions on **improved SME collections** in the revised Waste and Recycling Services Commitment it is developing

with local authorities. Defra will also seek to ensure a level playing field between private sector and public sector service providers for trade waste and SMEs. Defra and ESA will jointly review evidence provided by ESA members on fairness and competition issues.

4. Promoting quality through an industry-led Code of Practice

Ensuring a high quality of recyclates from Material Recycling Facilities (MRFs) is vital in demonstrating that co-mingled collection is a valid form of separate collection under the revised Waste Framework Directive.

It is also critical for future-proofing the UK's recycling system by ensuring that its recyclable waste materials continue to be in demand in domestic and overseas markets.

The ESA will **develop quality measurement protocols on input and output quality** as part of a Code of Practice for MRFs. The ESA and the Government will work together to promote take-up of these protocol standards across the sector – whether collections are co-mingled, kerbside sort or bring, either through mandating their use, or through creating very strong incentives for adoption through procurement and regulatory enforcement policy. The Government recognises that in the absence of such measures to ensure widespread take up, firms which do adopt the Code of Practice may be vulnerable to price undercutting by MRFs not complying with the code.

As a minimum,

- Defra will actively encourage local authorities to contract as a norm with operators who adhere to and observe the standards embedded in the Code of Practice;
- EA will use adherence to the quality standards in the Code of Practice in their risk profiling, so that it lightens the regulatory load on compliant sites, and focuses the enforcement effort onto any that do not meet the standards;
- WRAP will provide access, on-demand, to tailored technical help to support the adoption of the Code of Practice, particularly among smaller operators, and support innovation that can be replicated across the sector.

A number of Government Buying Standards – which apply to Government and its Agencies – already include criteria which promote the use of recycled content, recyclability by design, waste prevention and management in line with the hierarchy. These criteria will be included in future Government Buying Standards where relevant, and where they fit with Government's overarching priorities of value for money and streamlining procurement processes.

5. Raising the environmental profile of the industry

Waste management companies are already subject to rigorous environmental permits ensuring that their activities do not threaten environmental harm. Recognising efforts already undertaken by some members of the industry, signatories will **aim where feasible to deliver environmental outcomes beyond permit conditions**, for example:

- by adopting practices that reduce nuisance and impacts on local communities;
- by maximising efficiency in recovery plants producing energy and fuel, and recovery of landfill gas, as far as is practically possible;
- by securing quality products from treatment processes, so that outputs are fit for purpose and deliver better wins for the environment, for example for land spreading and WEEE exports.

Government and the ESA recognise that **engaging with local communities** on waste services and infrastructure is vitally important. It is also acknowledged that many of ESA's members are already very active in promoting such engagement.

- ESA will amend its Code of Conduct to reflect the expectation that its members will adopt good communications with local communities, for example on where the materials they recycle go, or on the impact and benefits of new waste infrastructure.
- Government recognises the need for a significant increase in waste and resource infrastructure, and will give this full consideration as it reviews national waste planning policy.
- Government will ensure that local authorities put in place local waste plans.

ESA will continue to collect and publish aggregate greenhouse gas emissions on a consistent basis from ESA members. Defra will continue to quantify and report avoided emissions through waste prevention, activities that prepare waste for re-use, recycling, and recovery.

ESA is committed to promoting **Health and Safety** among its members. It is working with the Health and Safety Executive to produce industry-specific guidance and has a formal public commitment to reduce accident rates by 10% a year up to 2013.

Defra will ask the HSE to explore with ESA whether waste industry accident rates could be reported separately for the private sector part of the industry and the local authority part.

EA will continue to work closely with the industry, the Health and Safety Executive and other parts of Government through the *WISH* Forum to address possible conflicts between H&S and environment regulation.

6. Consistent and proportionate enforcement

EA will work with its field operatives to ensure **consistency** in interpretation of regulations and enforcement, in order to maintain a level-playing field for business.

Defra and the EA will prioritise **cracking down on illegal sites and waste crime**, using the best available tools identify and target priority offenders to prevent serious illegal dumping, high impact illegal waste exports and illegal waste sites. Flexibility of funding opportunities to deliver this will be explored.

ESA will assist this by sharing information and intelligence, and by helping the regulator identify where in the supply chain to intervene to maximum effect.

ESA is committed to continuing to run its placement scheme for EA operatives.

EA and the ESA will work together to develop, test and implement new approaches to compliance assessment to better target regulatory interventions and to recognise good performers. This will include a pilot to test reliance on Annual Statements of Compliance, as well as considering audits by accredited third parties and other measures which could lead to more efficient compliance effort by EA and thus reduce charges for good performers.

7. Working together

Good data on commercial and industrial waste will be needed to assess potential future need for infrastructure, measure greenhouse gas impacts and identify policy priorities. Government and ESA will therefore share data on key trends in this sector.

Defra and the ESA will also work together to explore the impact on the waste sector of Government policy in non-waste fields, for example on the energy market reform agenda and the Carbon Reduction Commitment Scheme.

Going forward, the Government and ESA will work closely to deliver this responsibility deal and achieve Ministers' key objectives. This will involve regular meetings on waste policy between ESA and Defra officials, and, as appropriate, Ministers.

Annex A - what will be different in 2014 as a result of this Responsibility Deal?

1. It's easier for businesses to do the right thing

1.1 Surveys show that more FSB members

- know what their responsibilities on waste management are;
- know what they can do to prevent waste and deal with what arises in the best way for the environment; and
- are happy with the waste management services, including recycling, offered to them

compared to a 2011 baseline.

1.2 Waste management companies who have signed up to the Responsibility Deal offer clear and transparent contract terms to small business customers and adhere to the good practice principles agreed by ESA and FSB.

2. The quality of recyclates coming out of the collection and sorting systems of signatories (and particularly from their MRFs) has improved. The 2009 WRAP sample survey¹ will be used as a baseline.

Over 90% of the industry in terms of share of the market, proportion of sites, and number of operators are in verified compliance with the MRF Code of Practice on quality.

3. The industry has successfully raised its environmental performance compared to 2011, as shown through:

- 3.1 a decline in the number of incidents recorded by the Environment Agency attributed to waste and resource recovery facilities;
- 3.2. an upwards trend in the efficiency of new EfW plants, and additional gas capture in landfills, using agreed methods of measurement.
- 3.3 all high profile sites having active liaison groups with local communities.

4. Government will lead by example

4.1 An increasing proportion of the waste management operations on the Government estate are provided by signatories to this agreement.

4.2 An increasing number of Government departments and agencies use the relevant Government Buying Standards (containing criteria on the use of recycled contents and recyclability by design) in their tenders/contracts, measured on a 2011 baseline.

4.3 As a result of action by both industry and government, the average time taken to determine planning applications has fallen compared to CLG's

¹ http://www.wrap.org.uk/downloads/MRF_Quality_Assessment_Study.cdd82dab.8307.pdf

2009/10 baseline. Also, there is a significant reduction in the number of waste infrastructure applications that are decided on appeal.

4.4 ESA and its members are more confident that a level playing field with public sector providers has been achieved.

5. Enforcement is consistent and proportionate.

5.1 Regulatory burdens will be reduced for good performers from 2011 levels, and compliance through third party accreditors encouraged where appropriate.

5.2 Illegal activities will be tackled using the most effective regulatory tools, to provide swift and decisive sanctions that realise the best outcomes for legitimate businesses, the environment and society in the most effective and timely way. EA will reduce the environmental risk posed by illegal activities