European Commission

TAIEX

Landfill Tax and Changes in Waste Management in the UK

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Scope

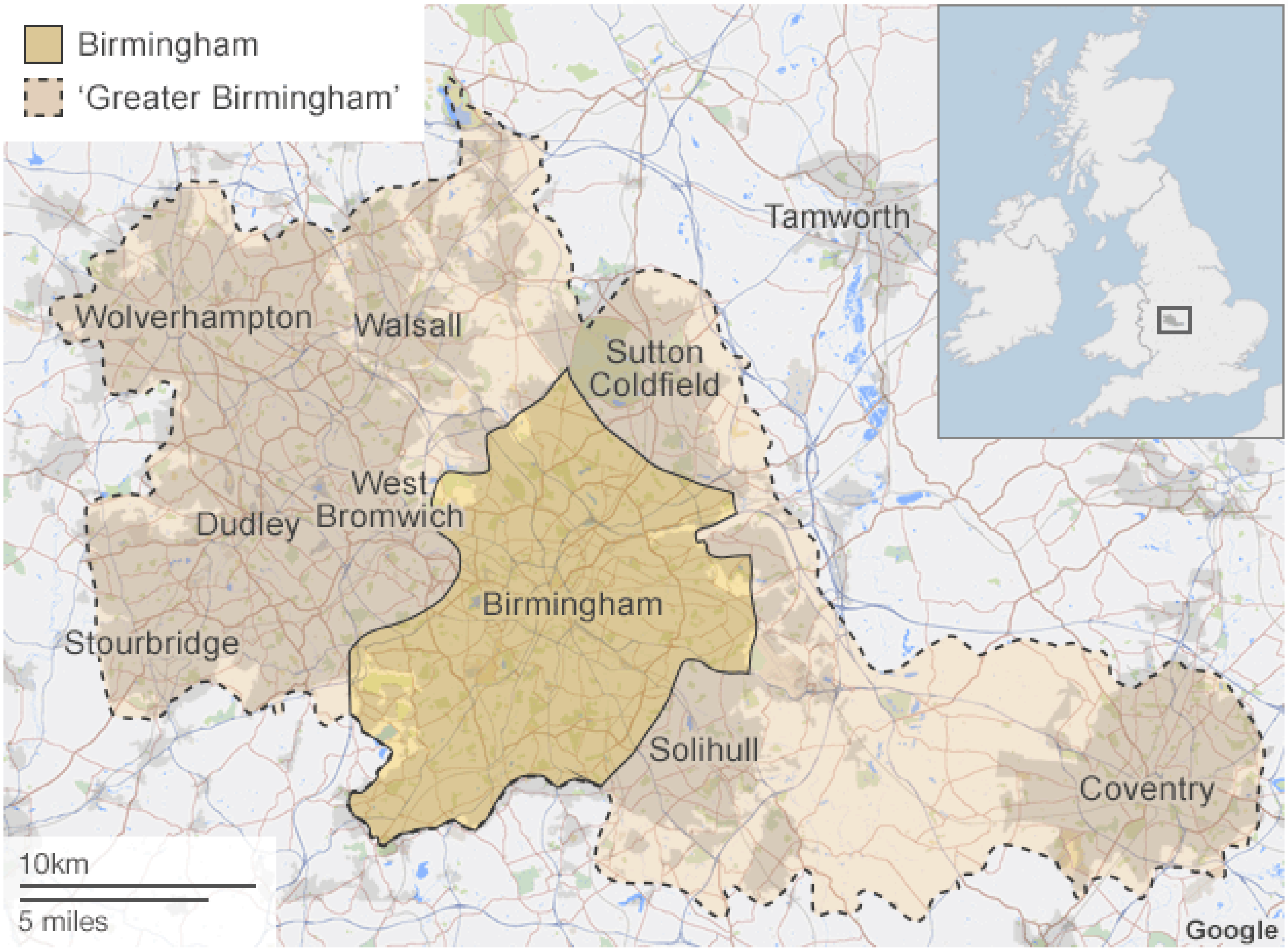
- Birmingham and West Midlands Context
- UK Fiscal and Policy Context
  - Impact of Landfill Tax
- West Midlands waste profile
- The role of the private sector
- Changes in waste management
- Politics and Planning for new facilities

Birmingham and West Midlands

Birmingham and West Midlands

- Populations 5.5 million and an area of 13,000 km^2
- 14 strategic local authorities responsible for waste management
- 20 smaller municipal authorities responsible for waste collection
- Birmingham metropolitan area is the UK's second largest with a population of about 3.7m and is also the 9th largest metropolitan area in Europe ;
- Specialist manufacturing and service based economy;
- 15% growth expected by 2031

Birmingham and West Midlands



UK Fiscal and Policy Context

Key Policy Instruments:

- Waste Management Plan for England 2013
- National Planning Policy for Waste 2014
- Landfill tax (1996 onwards)
- Waste (England and Wales) Regulations 2012
- Environmental Permitting (England and Wales) Regulations 2010
- Producer responsibility and waste shipment regulations and other topic-specific policies

UK Fiscal and Policy Context

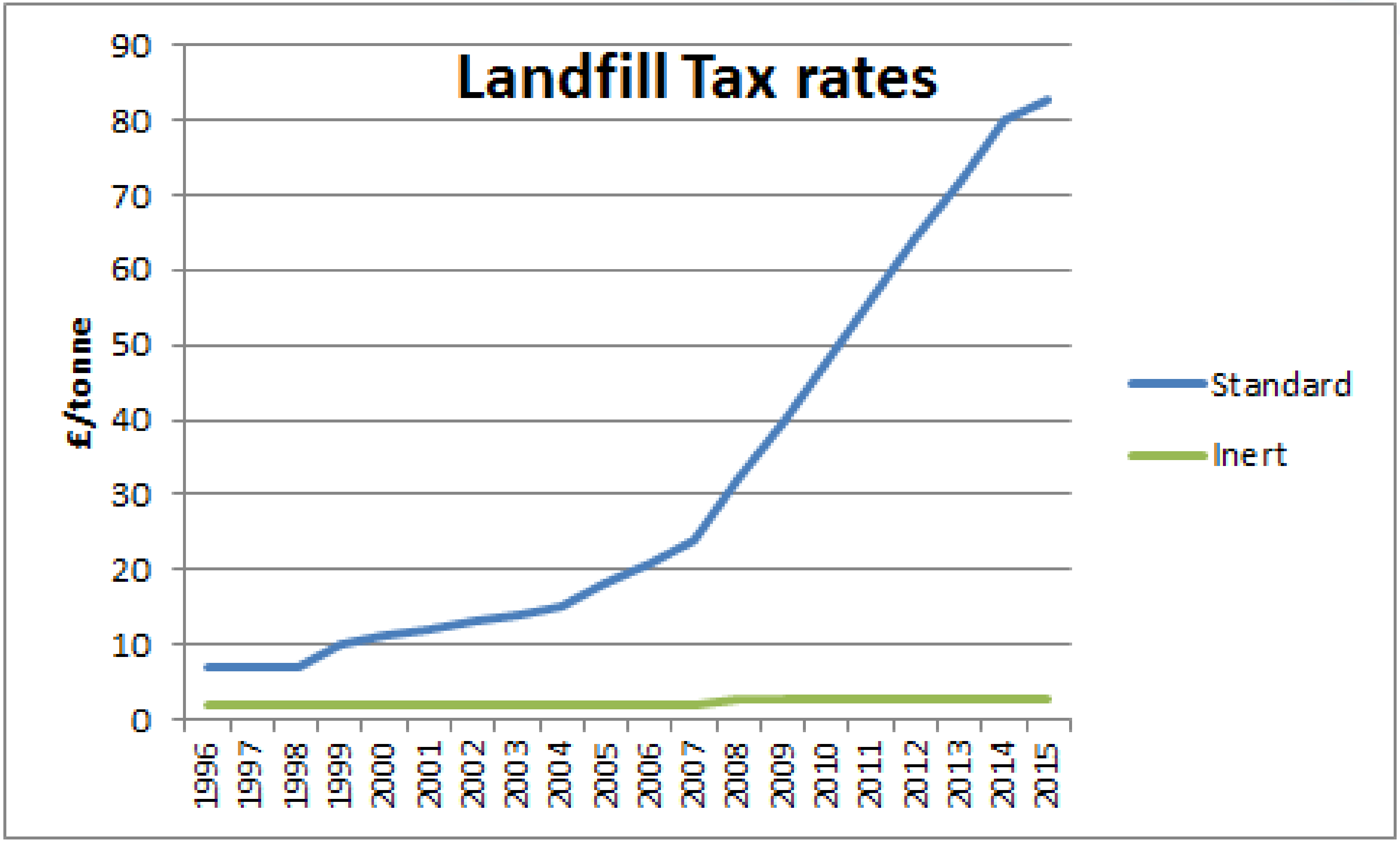
- Local (District) authorities responsible for the collection of municipal waste either themselves or by contracting private companies;
- Strategic authorities responsible for providing waste recovery and landfill facilities for municipal waste and for development consents for all waste management facilities;
- Private companies are contracted to provide about 50% of waste collection services and almost all waste recovery and landfill sites. They may also build and operate other facilities for managing business waste on a commercial basis;
- Many strategic authorities have long term, high value contracts with private companies which allow them to pay for expensive new facilities (EfW c. £60-£130 million) which they will then own.

UK Fiscal and Policy Context

UK Waste Regulation

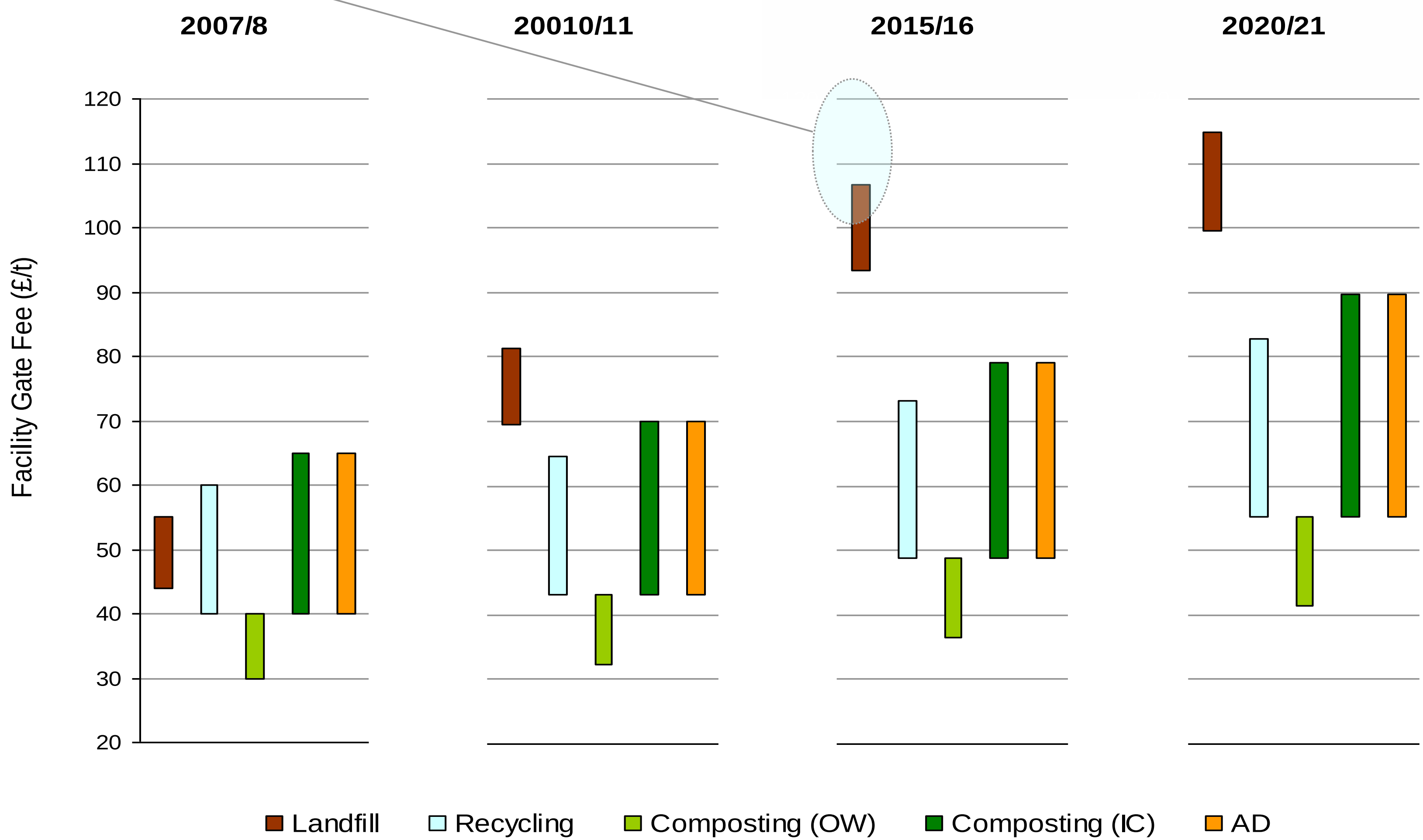
- From 2015, waste collection authorities must collect recyclable materials separately;
- All waste must only be transported by a licensed carrier;
- Waste Permits for all waste recovery and disposal facilities. Air emissions from waste to energy plants are very tightly controlled;
- Strict control and recording of Hazardous waste from production, movement, management, and recovery or disposal;
- Packaging waste regulations (Producer Responsibility);
- Waste shipment regulations control movements of waste between the UK and other countries

UK Fiscal and Policy Context



Impact of Landfill Tax

By 2015 landfill gate fee differential sufficient to allow for collection



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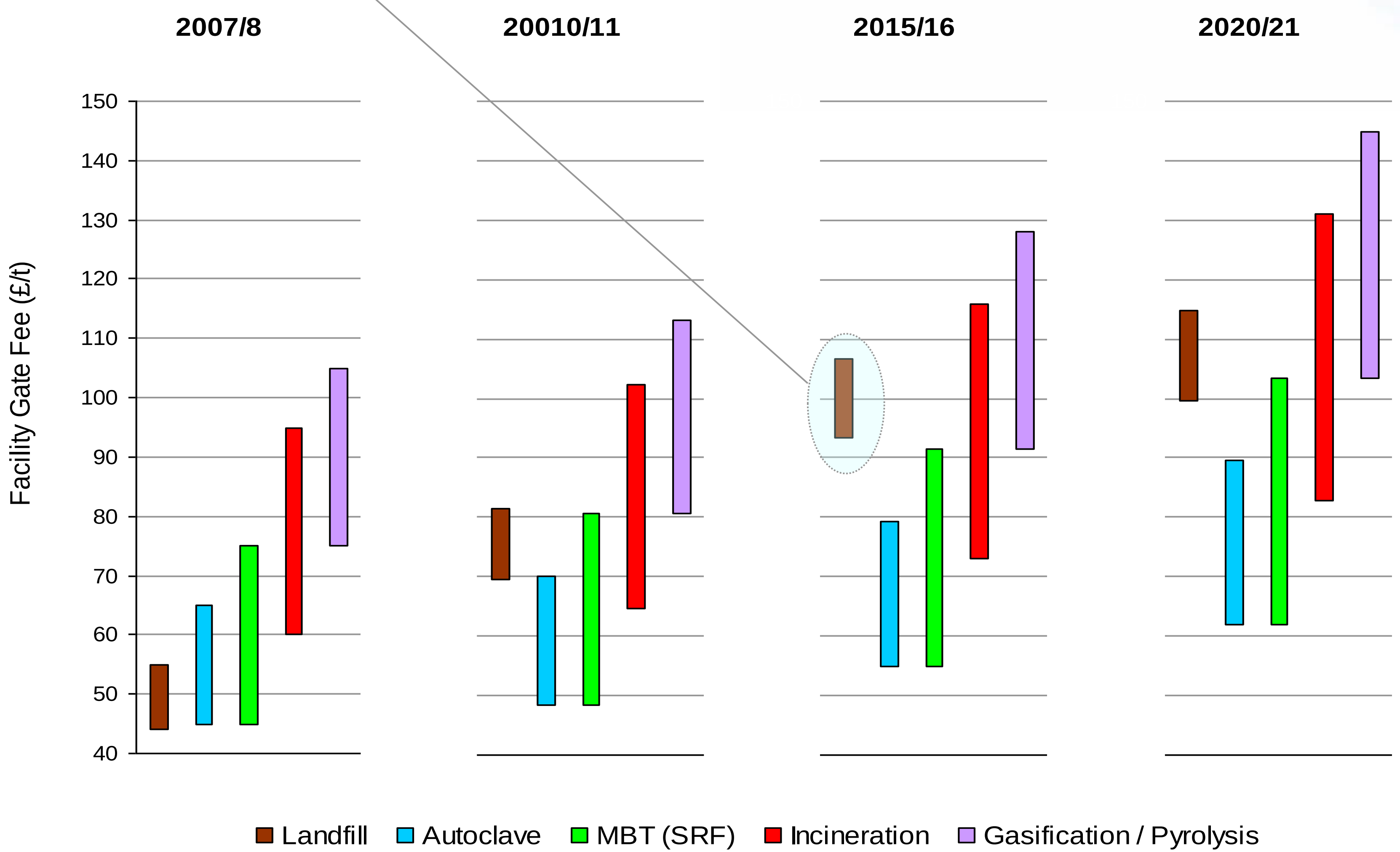
Impact of Landfill Tax

All technologies competitive with landfill by 2015



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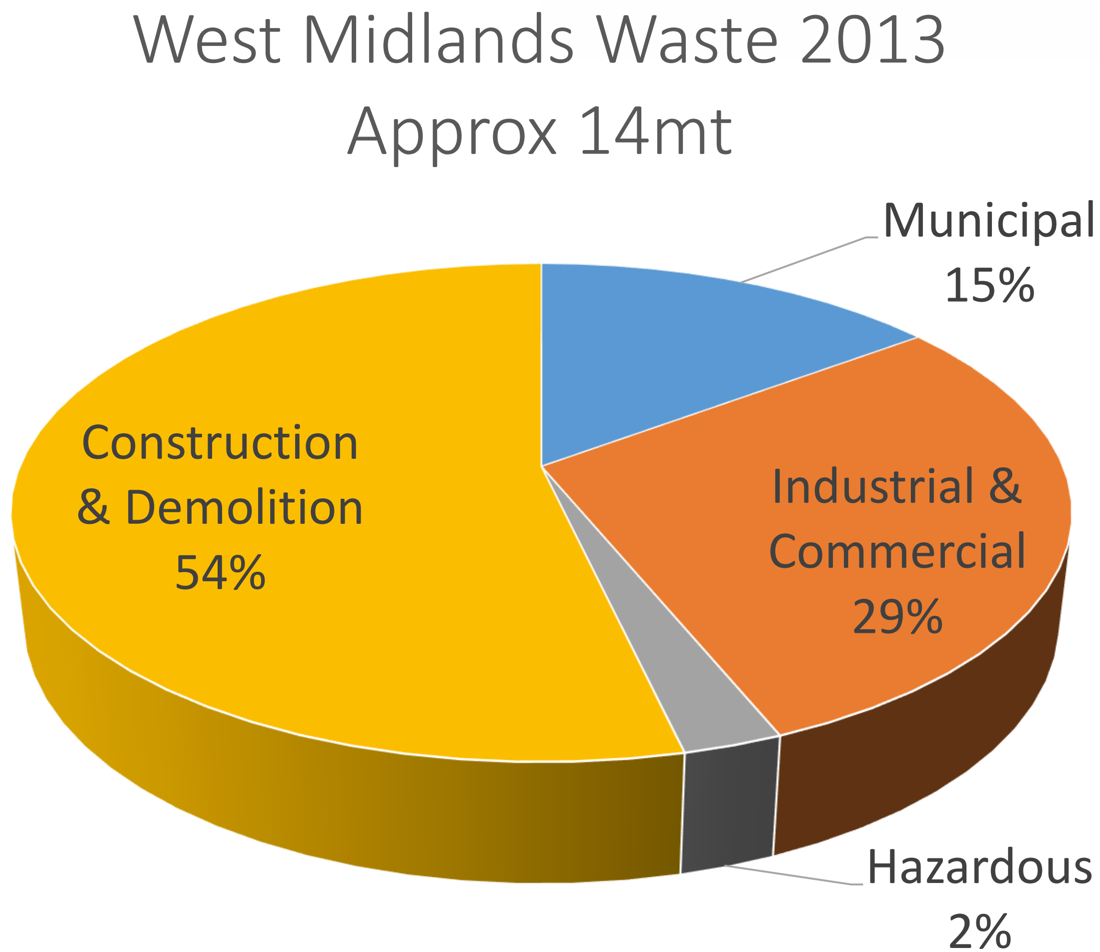
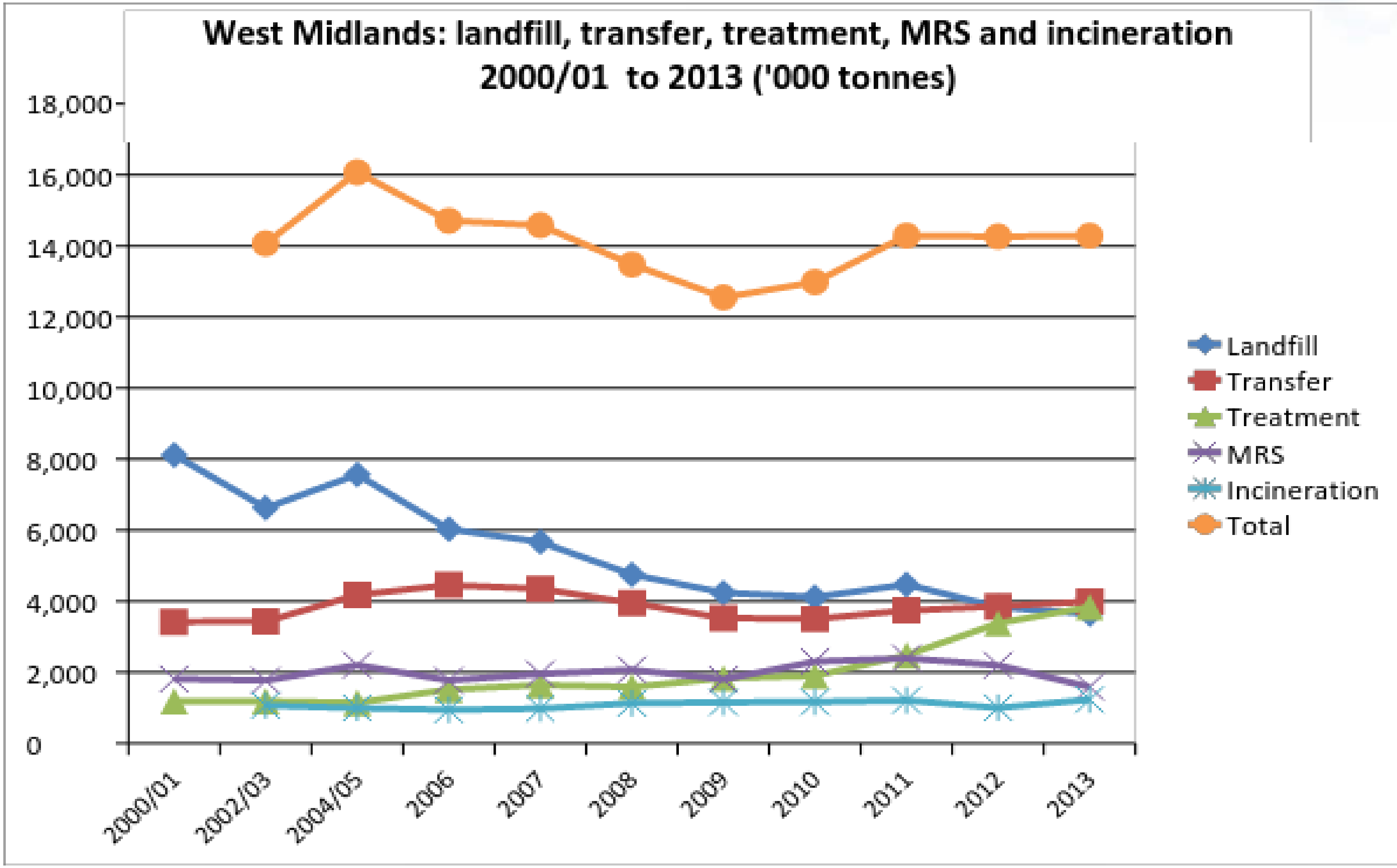
West Midlands Waste Profile



West Midlands Waste Profile

- Waste landfilled halved from over 8m tonnes in 2000/01 to about 4m tonnes in 2010;
- 80% increase in waste inputs to treatment sites (including metal recycling), from about 2.9m tonnes in 2000/01 to over 5.5m tonnes in 2012;
- Incineration increased to 1.23m tonnes in 2013, and new capacity is under construction;
- 53% of waste recovery in the metropolitan area, 63% of landfill in rural hinterland in 2013;

West Midlands Waste Profile



West Midlands Waste Profile

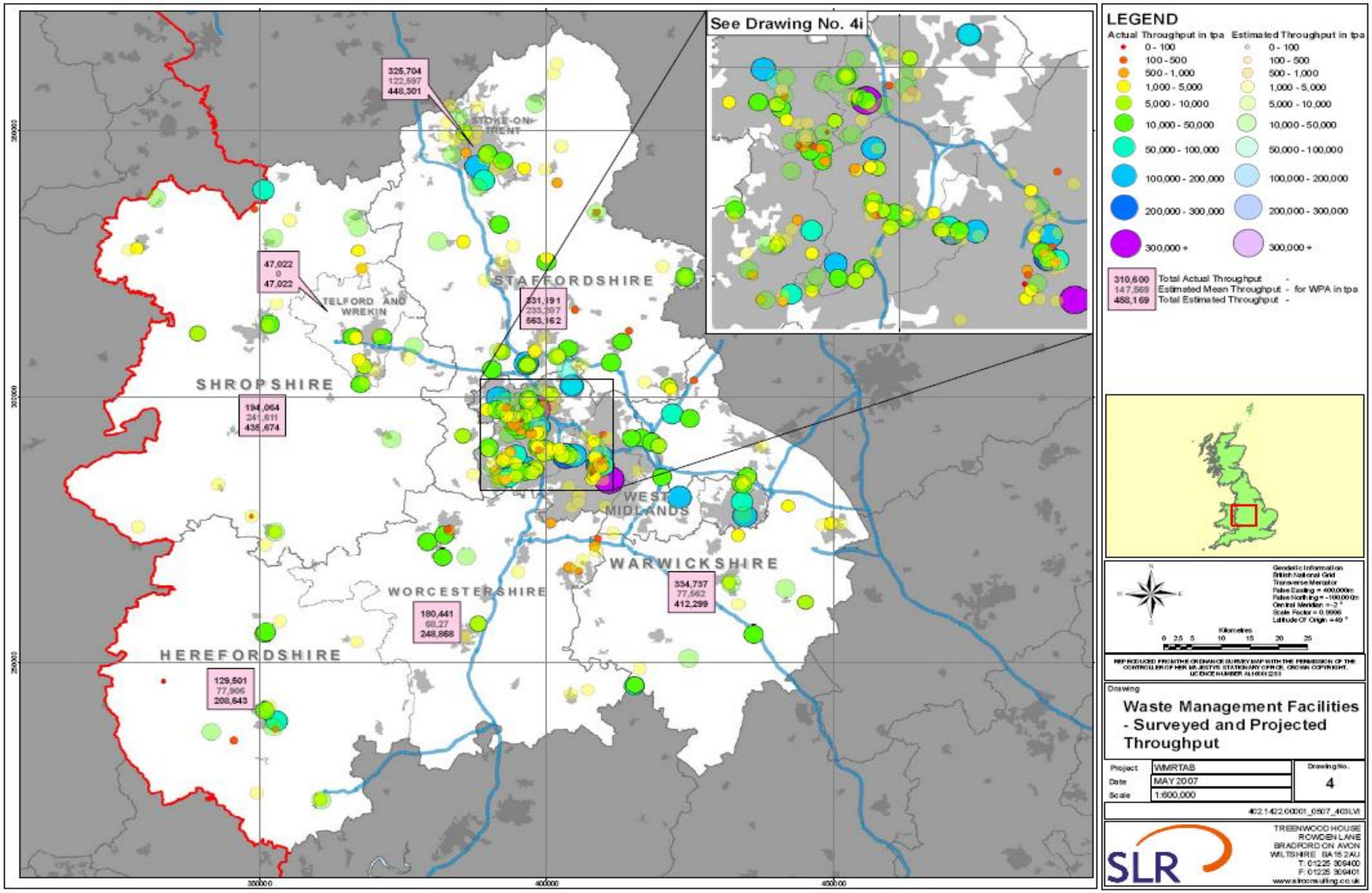
Key Issues:

- Region is largely self-sufficient in facilities;
- Significant intra-regional flow of waste;
- ‘Industrialisation’ of waste: 3.4mt additional ‘treatment’ capacity required (approx 133Ha);
- Safeguard existing waste processing facilities;
- More intensive use of existing facilities;
- 380,000? new homes needed – growth in waste / competition for development land?
- Severe penalties needed to discourage ‘waste crime’

West Midlands Waste Profile

- Recent closure of major landfill site for Birmingham: ‘Packington’:
  - 2009: 90% waste to landfill;
  - 2015: 50%
  - 2020 projection: 10%
  - Strategy for ‘Zero waste to landfill’ by 2026
- At peak: 2000 lorry deliveries/day (one of EU’s largest);
- 155Ha, 35 million tonnes in all;
- Now Recovery focus:
  - 7MW landfill gas generation;
  - Green waste 50ktpa;
  - Wood Fuel 70ktpa;
- Other facilities: Tyseley Energy Recovery Facility
  - 350,000 tonnes / year
  - 25MW (41,000 Homes)

West Midlands Waste Profile



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The role of the private sector

The role of the private sector

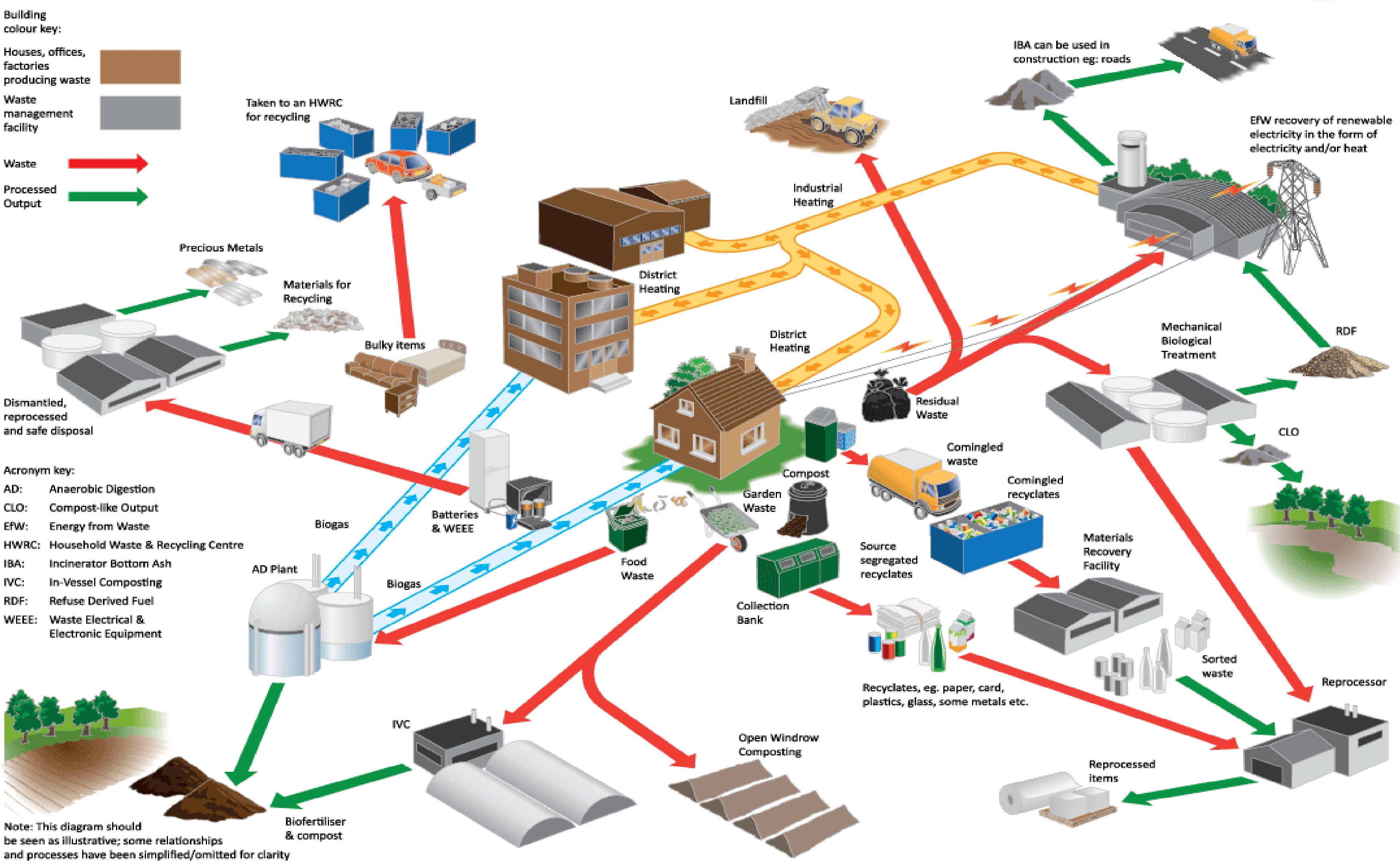
- Most non-municipal waste (85% of total) managed by private sector;
- Compulsory competitive tendering for municipal waste (Local Government Act 1988);
- About half of municipal waste services now contracted out to private sector;
- Small number of large contractors, many multi-national
- Contract scope / high value / long duration improves affordability, but limits competition;
- Planning and development of facilities is technically complex and expensive;
- Commercial only facilities can be risky – municipal facilities provide a stable base for commercial services.

Changes in waste management:

How it used to be (1980's)

Changes in waste management:

How it is now



Changes in waste management:

Reasons

- **Landfill is expensive** for waste producers.
  - Tax: April 1996: £7/tonne, April 2015: £82.60
  - Alternatives getting cheaper
- Increased competition from technology change;
- Policy Drivers: Climate change, producer responsibility, green procurement policies, zero waste, circular economy;
- Environmental compliance costs for landfill: post-closure liabilities.

Changes in waste management:

What's replacing landfill?

Dry recyclables:

- ➢Separate collection(s)
- ➢MRFs

Food/organics/garden:

- ➢Separate collection
- ➢AD (food/wet: source segregated)
- ➢Composting (woody/garden: open windrow & IVC)

Residual waste:

- ➢Separate collection
- ➢MBT (still needs an EfW outlet)
- ➢Fuel (RDF) to EfW
- ➢Landfill

Politics & Planning: Not in My Back Yard?

Politics & Planning

Contradictory messages:

✓ Sustainable waste management vital, we all need it, its modern and well controlled (National Policy Guidance)

✗ Waste Management facilities are bad neighbours and everyone should object and expect compensation and handouts if they live near one

Naivety?

- Community engagement seen as a ‘magic bullet’
- Unrealistic expectations for some technologies and scales of provision
- Rise of the objection “industry” and compensation culture
- Success takes time and money!

Conclusions

- Waste under-valued materials which are in the wrong form or in the wrong place;
- Good data is crucial;
- Landfill tax is a key tool;
- Working across sectoral and administrative boundaries is crucial;
- Private sector has a significant role to play;
- Openness & transparency is important to build public confidence in new technologies.