

## **Draft speech for ESD Minister at WLGA Cabinet Member Event - 5 July 2012, City Hall Cardiff**

Diolch i chi am y gwahoddiad i siarad yma heddiw. I ddechrau, ga' i achub ar y cyfle i longyfarch yr holl aelodau sydd yma heddiw ar eu llwyddiant etholiadol diweddar.

Thank you for the invitation to speak today. To begin with, can I take this opportunity to convey my congratulations to all the members here today on their recent electoral success.

As Minister for Environment and Sustainable Development I have a diverse and wide ranging portfolio, as do some of you. I cover among other things, flood, planning, the new single body and three forthcoming Bills on sustainability, planning and the environment. This morning I want to focus on waste, an area that has seen excellent progress

by local authorities in recent years but where we still face a number of significant challenges.

Sustainable development has been a fundamental principle underlying policy development in waste management. We have also seen excellent collaboration between local authorities and Welsh Government. As the figures published on 28 June show, Wales is now leading the UK with a combined average of 48% in 2011/12 for reuse, recycling and composting of municipal waste.

The waste infrastructure procurement programme is another success story. This was established in 2008 to help local authorities meet the European targets for the diversion of bio-wastes from landfill, to avoid infraction and help local authorities address the affordability of sustainable waste treatment in Wales.

The aim of the programme, worth some £750 million, is to help local authorities access alternative treatments to landfill for bio-wastes and residual waste – the waste which is left over after they have met the statutory recycling targets. Welsh Government is providing funding and technical support for procurement and a 25% contribution to project gate fees.

There are two work streams: food waste treatment using Anaerobic Digestion (AD) and residual waste treatment. Projects range from single authority projects to five-authority consortia. The AD projects are in the final stages of procurement with the first contract awarded in May this year by the Central Wales partnership. Other projects will start on site later this year.

The economies of scale and public value benefits of collaboration are substantial. Financial savings to the

public purse so far total £30 million and are projected to rise significantly further.

Treatment of food waste by AD has a far greater positive impact on climate change than alternative treatment options. It produces renewable energy and high quality digestate – providing farmers with a cheaper, more sustainable source of fertiliser at a time when the price of non-organic fossil-based fertilisers is increasing rapidly.

To maximise social benefits we will continue to prioritise reduction of food waste which is estimated to cost the average UK family £680 a year, rather than to just collect and treat the food which is wasted. Welsh Government support for WRAP (the Waste and Resource Action Programme) and organisations like Fareshare is designed to help achieve this.

The recycling and composting of municipal waste is a success story for Wales. In 2001 we were only recycling 7% of our municipal waste; now it is 48 per cent. Over the last decade, Welsh Government has provided substantial support to local authorities - over £400 million - in the form of the Sustainable Waste Management Grant (SWMG). This has enabled new systems to be introduced to collect recyclates and food waste.

Welsh Government has published a 'Collections Blueprint' for household waste. This was developed using an evidence based approach, informed by experts including WRAP, and it is consistent with the principles of sustainable development. It is based on a kerbside sort system which, if adopted across the whole of Wales, would result in high rates of high quality recycling, significant cost savings and improved SD outcomes.

Currently there are a number of different collection systems being used across Wales with a wide range of results in terms of recycling performance, cost per household and value for money. This is shown in the financial data collected by the WLGA as part of the benchmarking exercise supported by Welsh Government.

I am well aware that some authorities believe that commingled collections give better results. However, the transposition of the revised European Waste Framework Directive by Welsh Government and DEFRA in the Waste Regulations 2011 has been challenged by judicial review by a number of major UK reprocessors. The claim is that the regulations do not accurately transpose the requirement for 'separate' collections required under the Directive and that commingled recycling does not count as separate collection.

Our understanding is that the directive requires separate collection of wastes with a specific obligation for separate collection of specified wastes by 1 January 2015, unless it is not necessary to do so in order to achieve high quality recycling or it is not technically, environmentally and economically practical (which has become known in the jargon as “TEEP”).

The outcome of the judicial review has yet to be determined and therefore the matter is still under consideration. Furthermore, the European Commission has recently issued Guidelines on the interpretation of key provisions of the Directive. We are studying the guidelines, as I am sure you and your officials are. In spite of some of the more sweeping headlines in the waste media Welsh Government believes there is now a clear direction of travel towards separate collections subject to the provisions relating to high quality and TEEP.

Welsh Government will be issuing its own guidelines to the regulations in Wales and we will take legal advice on these and consult local authorities. This is a serious matter which may bring about a requirement for service change in some local authority areas. If what Welsh Government believes to be the case is borne out, any local authority wishing to collect wastes by means other than separate collection will have to make the case for doing so, taking account of the requirement for high quality and TEEP. They could face the possibility of judicial review as we have, or be deemed to be non-compliant with the directive. If that were the case, there could be problems for Welsh Government in continuing to grant aid services which were deemed to be non-compliant.

Where local authorities do wish to review services and introduce service change, Welsh Government is willing to help. We are already helping a number of authorities to



review their services under the 'Collaborative Change Programme' for waste. We will be giving you more details of this programme during the course of this meeting and there will be a presentation by Eumonia after lunch about how the business planning and options appraisal elements can be applied.

Irrespective of the outcome of the judicial review, current funding pressures dictate that we must address the issue of costs. Over the last four years we have worked closely with the WLGA, local authorities themselves and the Wales Audit Office to bench mark services across all authorities in Wales. The data shows a wide variation of costs between authorities when collecting dry recycling from households and there appears to be no correlation between spend and recycling performance.

The costs of local authority waste services are currently under the spotlight. A Wales Audit Office report earlier this

year questioned whether we were getting value for money from SWMG. This has been followed up by the National Assembly's Public Accounts Committee, who have formally written to the Welsh Government Permanent Secretary on this issue.

We have to respond to these challenges. I would urge you all to look at your costs along side the recycling performance and sustainability of your waste management services. Given the resource pressures we all face, it is likely that minor changes will not give us the radical savings and cost effective services we need. In many cases a complete review of services will be necessary. There are many good practice examples where local authorities can learn from each other. If we can get the implementation of sustainable waste management services across Wales right, in the longer term the Welsh Government would like to move away from ring-fenced grants and can consider the unhypothecation of SWMG.

I also believe comprehensive business planning of waste services is imperative if we are to achieve sustainable waste management services and if Welsh Government and local authorities are to have confidence they will meet their targets up to 2025.

I understand that a complete service review and the introduction of service changes requires substantial resources that you may not have. That is why we have launched the Collaborative Change Programme and allocated significant additional funding and technical support to help local authorities with service planning. The programme provides support to authorities and is specifically tailored to their needs. The overall aim of the programme is to develop and deliver holistic long term business plans setting out how authorities will meet targets and the outcomes in Towards Zero Waste.

This programme can also be used to assist any authorities who require support to take forward the Simpson agenda in waste management services.

The Collaborative Change Programme has been developed to help you to deliver sustainable services, reduce your service costs and meet the targets. I would encourage you to consider taking advantage of working within this programme. The presentation later today will give a better insight into how this works and my officials will be on hand later to answer any questions.

I want waste management to continue to be an area in which Wales and Welsh local authorities excel. We currently lead the UK in recycling but there is so much more we can do. We can use waste to show how using sustainable development as our central organising principle can really make a difference.

Rwyf eisiau i reoli gwastraff barhau i fod yn faes y mae Cymru ac awdurdodau lleol Cymru'n rhagori ynddo. Rydym ar hyn o bryd ar y blaen yn y Deyrnas Unedig o ran ailgylchu ond mae yna gymaint mwy y gallwn ei wneud. Gallwn ddefnyddio gwastraff i ddangos sut mae gosod datblygu cynaliadwy fel ein prif egwyddor drefniadol yn gwneud gwir wahaniaeth. Nid Llywodraeth Cymru yn dweud wrth awdurdodau lleol sut i ddarparu eu gwasanaethau mo hyn: mae'n ymwneud â dull datblygu cynaliadwy fydd yn cynnal lles pobl a chymunedau yng Nghymru er ein budd ni gyd.