

# Well disposed

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Responding to the waste challenge



**National report**

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**Summary**

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September 2008

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 **audit**  
commission

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# Summary

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## **1 Reducing the amount of waste sent to landfill is an urgent environmental and financial priority for the UK.**

- Methane emissions from landfill sites account for 3 per cent of total UK greenhouse gas emissions.
- The UK still sends more waste to landfill than many other western European countries.
- At the current rate of use, the UK's landfill sites will accommodate only seven more years of landfilling waste.
- The EU has set targets for diverting biodegradable waste from landfill by 2010, 2013 and 2020 and will impose fines if these are not met.

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## **2 English councils with waste disposal responsibilities are under pressure to act to reduce the volume of municipal waste sent to landfill.**

- If these councils exceed their landfill allowances they face penalties of £150 per tonne.
- Although these councils have the opportunity to trade allowances, there has been very little trading so far.
- Landfill tax costs councils £32 per tonne of waste landfilled today (around £25 per household per year), rising to £48 per tonne in 2010, with the possibility of future increases.
- Nearly all local area agreements include at least one waste indicator that depends on diverting waste from landfill.
- Councils feel pressure from the public to act on environmental concerns, including waste management and climate change issues.

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## **3 Councils are planning to spend billions of pounds on new waste disposal infrastructure.**

- Private finance initiative credits of £2 billion are available between 2008 and 2010.
- By 2020, councils plan to introduce enough recycling and treatment capacity to divert ten million tonnes of biodegradable waste per year from landfill.
- Procuring a major new waste treatment facility typically takes seven years or more.

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#### **4 Diverting waste from landfill will substantially increase the amount of waste that is incinerated to generate energy.**

- The amount of waste recycled or composted should increase by half and the capacity of treatment plants to deal with residual waste will double.
- By 2020, a minority of councils with waste disposal responsibilities expect to be able to recycle more than half their biodegradable waste.
- Most council plans involve generating energy by burning waste or its by-products.
- Few councils expect waste minimisation to reduce total waste significantly.
- Cost considerations discourage landfill, but may not help councils to choose the most environmentally sustainable alternative.

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## **5 Short term landfill diversion targets are likely to be met, but the medium and longer term picture is less certain.**

- A combination of improved recycling and more waste treatment means that the 2010 target is likely to be met.
- Unless plans are delayed, we would expect the 2013 target to be met by a small margin.
- Targets are most likely to be missed if waste treatment infrastructure is not operational in time.
- If those plans are delayed by a year, English councils will landfill slightly above the 2013 target.
- The 2020 target is achievable if councils' plans are delivered without significant delays.

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## **6 Councils face significant financial risks if targets are not met.**

- Councils could face costs of up to £7 million (£30 per household) if the 2013 national target is missed.
- Councils that have put facilities in place could benefit by up to £5 million in 2013.
- Even if the national target is met, councils that miss their own targets risk facing bills of up to £2 million.
- Additional costs resulting from new facilities, or the burden of penalties, will need to be met by local taxpayers.

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## **7 New waste disposal facilities may not secure good value for money.**

- Few councils generate enough waste alone to justify building an incinerator with energy recovery of the most efficient scale; and few partnerships are able to achieve the maximum benefits of coordination and scale.
- Business cases for new investment are based on uncertain future values of landfill allowances and levels of landfill tax.
- Long term investment decisions may be proved obsolete by adoption of more advanced technologies or by changes in regulation or public opinion.
- The amount of new infrastructure that is needed in a relatively short timescale may result in higher prices.

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# Questions for councils

- How much municipal waste do we expect to be collecting over the next five years? What are we doing to reduce that? What effect do we expect our efforts to have on the amount we collect, its composition or the cost of disposing of it?
- How much of our municipal waste do we expect to be recycled over the next five years? How are we going to achieve that? What will we need to spend on new facilities or collection arrangements?
- What will be left (that we can't recycle) beyond what our landfill allowance permits us to landfill? What are we going to do with that waste?
- Do our arrangements for disposing of waste complement what neighbouring councils are doing? Do they take account of developments in local commercial waste markets?
- Would our arrangements still look efficient if viewed from a regional perspective? From a national perspective?
- How do we know we are getting good value for the money we spend on waste disposal arrangements (right scale of facilities, right balance of technologies, right contract structure and funding arrangements)? What will we do with any treatment capacity we don't need for our own waste?

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# Questions for councils

- Who bears the cost of our waste management arrangements? Do those arrangements represent good value for money for local and national taxpayers?
- What are the risks that any new waste treatment facilities we need will not be ready on time? What will the consequences be if they are not? How are we managing those risks?
- What will we do if we landfill more than we expect? Do we have a strategy for trading landfill allowances and are we equipped to implement it?
- Do we know what landfill allowances might cost if we had to buy some unexpectedly? How would we pay for them?
- How are we engaging the public in the challenges of disposing of waste in the most efficient and environmentally desirable way?
- Do we have adequate arrangements for considering options and for making and scrutinising decisions on waste disposal?



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Stock code: LSY 3471