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Director General – Economy, Skills and Natural Resources  
Group  
Welsh Government

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19 March 2020

Dear Andrew,

**Beyond Recycling: A strategy to make the circular economy in Wales a reality**

As you will be aware the Public Accounts Committee has undertaken an inquiry into Waste Management and examined issues relating to this subject, building on the Auditor General's three reports published in 2018–19.

Rather than report our observations, we agreed it would be timely and constructive to feed these into the Welsh Government's current consultation on, *Beyond Recycling A strategy to make the circular economy in Wales a reality*. Our findings are attached at Annex A. Our inquiry also touched on matters relating to earlier consultations at a UK government level, but relevant to Wales, on packaging regulations and on deposit return schemes.

The Committee acknowledges that the Welsh Government regards this as an early stage consultation, aimed at engaging as wide a range of people as possible early in the policy cycle, and that the consultation looks wider than waste policy. Nevertheless, I understand the strategy is intended to replace Towards Zero Waste as the overarching strategic document but that other supporting documents may be developed to support it. The Welsh Government's response to several of the recommendations in the Auditor General's reports was rooted in this strategy review process.

I also wish to draw your attention to a survey we undertook with the public relating to the recycling performance and participation of individual local authorities. The open survey looked to gather the opinions of the public on the current state of waste services across Wales and examine differences between local authorities. A summary of the results can be found at:



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While there are a range of possible initiatives outlined in the strategy consultation, it is difficult at this stage of the process to get a feel for the possible timeline for delivery, the resources that may be necessary to help realise the ambitions, and the relative priority that will be placed on waste prevention at the very top of the waste hierarchy. Local government will be a key partner to help the Welsh Government realise its ambitions, but we are concerned about capacity across the sector considering ongoing financial pressures.

The Committee also heard during its inquiry about plans for a new behaviour change campaign. Many of the actions proposed in the strategy consultation will ultimately rely on behaviour change but we suggest that the Welsh Government could reflect on whether this challenge could be given greater prominence as it finalises its strategy. Finally, we recognise that Wales' track record on recycling has itself attracted interest from other countries around the world but trust that the Welsh Government will itself continue to look for examples of good practice and learning from experience elsewhere as it takes forward new initiatives.

I hope you find the Committee's more detailed observations useful during your analysis of the responses received to the Welsh Government's consultation. The Committee would like to be kept informed as the Welsh Government publishes any further documents on this subject before it finalises its strategy later in the year, including any summary of consultation responses. The Committee may then look to return to this issue before the end of the 5th Assembly to inform its legacy reporting.

I am also copying this letter to the Chair of the Climate Change, Environment and Rural Affairs Committee.

Yours sincerely,



**Nick Ramsay AM,**  
**Chair**

Croesewir gohebiaeth yn Gymraeg neu Saesneg / We welcome correspondence in Welsh or English



## Public Accounts Committee

### Response to the Welsh Government's consultation on Beyond Recycling: A strategy to make the circular economy in Wales a reality

1. During the Welsh Government's consultation on the above, the Public Accounts Committee (the Committee) has completed an inquiry into Waste Management and has considered a number of issues which relate to the consultation. As a result, we have several observations which are set out in this memorandum.
2. The Committee has not considered all aspects of the consultation and the detailed questions that the Welsh Government has posed as our work primarily focussed on the key findings of the series of reports published by the Auditor General for Wales in 2018–19, which included:
  - [Procuring residual and food waste treatment capacity](#)
  - [Municipal recycling](#)
  - [Preventing waste](#)

## Recycling

During our inquiry, we noted that the Welsh Government considers that its Collections Blueprint yields cost savings and better-quality recyclables alongside delivering greater consistency to collection methods across Wales.

We noted from the Auditor General's report that additional financial and technical support for the development of recycling services has been provided to councils through a Collaborative Change Programme operated by WRAP Cymru on behalf of the Welsh Government. However, while all councils have had some degree of support from the Programme, take up varies.

In written evidence to us, WRAP referred to work it published in 2016 on [recycling collection costs](#) which suggested that separated kerbside collections offer the most cost-effective approach to achieving high recycling rates, coupled with weekly food waste collection and restrictions on the amount of residual waste collected.



The Welsh Government expects 15 councils to be using its Blueprint model by 2021. However, in population terms it is notable that the two largely urban areas, Cardiff and Swansea, have not yet adopted the Blueprint.

Natural Resources Wales's evidence paper to us also highlighted that there are practical challenges rolling out new recycling services, not least communicating changes with residents, which means this can take time and that it may not ultimately be possible to provide the same service for all within a local authority area.

It was interesting to hear the view that consistency in recycling arrangements was not necessarily going to improve recycling rates. The WLGA explained that there are differences between places and the make-up of communities and services were tailored to meet these specific community needs. For example, in rural areas composting rates tend to be higher so it is not efficient to send a green waste lorry down long lanes where there may only be one or two properties collecting green waste. Local authorities are developing systems to meet their local circumstances.

There is also a risk that inconsistency can be over played as across Wales all local authorities collect food waste separately, collect dry recyclables like paper, glass and metals, and all collect a residual amount. Although we welcome the Welsh Government's review of its Collections Blueprint it seems that basic collection methods are consistent across Wales with just some minor variances at local level.

Some of the reasons cited to us for Swansea and Cardiff not adopting the blueprint included the time it takes for vehicles to sort waste at the kerbside and the potential traffic congestion this could cause. Similarly, there might be health and safety risks involved for people lifting potentially heavy crates of glass in areas of high volumes of traffic.

We also heard that the feedback councils get when they ask is that residents prefer a simple system where everything goes in one bag rather than having to sort. That may not be the best system for getting the cleanest stream of recyclables, but often, if residents are asked, they would tend to prefer a simpler system.

We welcome the Welsh Government's consideration of developing a hygiene product/nappy facility in Wales, as well as the issue of wood waste, both of which present particular problems in terms of recycling.

A more recent problem has arisen from the growth in biodegradable plastic as Wales does not have the systems in place to deal with this type of plastic. If they go in the



plastic or food waste streams it causes contamination, so unknowingly the public might try to recycle but are confused by the process itself.

There is a need to continually communicate and engage the public about these emerging materials so they know what to do with them. We heard about the potential for apps that can read a barcode on a particular item and it will tell you exactly what it is and how it can be recycled by local services. However, this can be onerous for the public to keep using and requires significant resource to power the app. The Welsh Government's work with local authorities and other to support citizens to recycle is to be encouraged.

We surveyed the public on their experiences of recycling, and while most of our responses were positive about local recycling collections, a number of people focussed on how collection containers are not fit for purpose. There were some issues raised regarding the amount of rubbish left on the street after collections, particularly when the weather is bad and the containers become open or blow away in the wind, leaving waste all over the road.

A number of our respondents stated that they found the collections restrictive, confusing or inflexible. We were also told they'd had missed collections due to this inflexibility and it was causing a barrier to their aim to recycle.

We also asked the public *What would help you recycle more?* The main suggestions for improvement were that councils should offer to collect a wider range of materials.

The Welsh Government has outlined its intention to set further statutory recycling targets beyond 2025 but the strategy consultation is silent on the question of how best to measure recycling performance. There may be alternatives to the current weight-based approach that better reflect the carbon impact of recycling different materials and we were told that carbon indicators would be a key thing going forward. We assume that the Welsh Government will be considering its options in this regard as it develops any new targets and reflecting further on whether it is appropriate to continue to include certain materials in its measurement, such as incinerator bottom ash.

### **Supporting prevention and re-use**

We noted the findings of the Auditor General's report that the Welsh Government was working with councils to develop a new behaviour change campaign.



The Welsh Local Government Association told us that a number of local authorities are getting more sophisticated in terms of using social media. Some have developed apps that, once households sign up to it, they do get information pushed out to them to say, 'Don't put your bins out today because of the snow—we're not collecting', or, 'Remember tomorrow is your recycling day'. However, there is a general concern, that there needs to be a continuing dialogue with communities about, firstly, the practicality of using the service—how do you use it—and, secondly, the drivers and motivation for using the service.

People use the recycling service for lots of different reasons. It's not mandatory—no-one has to do it. Early adopters were typically people who were environmentally aware and wanted to engage on that front. Other people have different motivations, so there needs to be a constant review of behaviour change—how we can engage with different people in a different way to keep them engaged in this if we're going to continue to make progress in increasing recycling, and not plateau or regress.

Food waste continues to be a difficult area not only in encouraging participation with but also the complexity of some local authorities charging for food waste bags and others not providing them at all. We were surprised to hear that the corn starch bags that typically get used have to be stripped out from the food waste before it goes into anaerobic digestion because they do not digest in the anaerobic digestion plant. They then have to be taken to an in-vessel composting plant where they do compost.

We understand the difficulties arising from the fact that providing food waste bags encourages people to recycle food waste and the tension that exists between encouraging people to use the service by providing this bag or potentially having people disengage from the service by not providing a bag. WRAP research, shows that once people use the service, find they don't like it and stop using it, it is difficult to get them back into using that service.

We welcome the proposals to develop some additional targets relating to waste prevention, including avoidable food waste. However, we were less clear on how the actions proposed in the strategy consultation would respond to the Auditor General's recommendation about reviewing existing waste prevention targets and the approach taken to monitor them (in respect of the commercial/industrial and construction/demolition sectors in particular).



## **Driving innovation and materials use**

We place great importance on the Circular Economy Fund and welcome the Welsh Government's approach to supporting businesses to find uses and markets for materials currently considered waste and the investment provided to enable this through the fund.

Much of the oral evidence we heard focussed on agreement with the Welsh Government on the need to develop a circular economy. There is a need to look at more reprocessing capacity within Wales, and we welcome the discussions already underway to take this forward. We heard that ideally wastes materials should be collected locally, reprocessed in the area and the reprocessed material made available for local companies to use, which in turn creates jobs and develops the circular economy.

With regard to businesses we heard how the circular economy fund is designed to support manufacturers in Wales who are seeking to increase their use of recycled content, or to use recycled materials in the products, packaging, or components that they manufacture. We welcome the work being undertaken by WRAP Cymru to administer the fund particularly in working with businesses that use recycled materials that come from Welsh post-consumer waste and recycled plastics. If anything, we question whether the level of funding currently provided to support this area of work will be sufficient if the Welsh Government is serious about driving progress towards a Circular Economy.

We heard from WRAP Cymru that demand to date for funding has been high based on their experience of running similar grant schemes.

## **Using Government levers**

We heard that one of the factors that can reduced recycling rates is confusion amongst the public of what can be recycled and what cannot. For example, the public do not know what types of plastic items are made from including crisp packets and coffee cups. We are keen to see the development of an Extended Producer Responsibility (EPR) Scheme, and welcome the Welsh Government's approach to working with UK Government to take this forward. We would like to see the producers who bring these materials onto the market to have a greater cost driver to produce material that is 100 per cent recyclable because they will pay a lower modulated fee arising from that and these materials can be recycled locally.



EPR has significant potential as we heard that currently 10 per cent of the costs are borne by the producer whereas shifting this to 100 per cent would change producers approach.

However, once EPR was established there would need to be sufficient recycling infrastructure in place in Wales to ensure these materials can be recycled efficiently and effectively. Data would need to be submitted to DEFRA to set out how much it would cost Wales to recycle these materials, taking into account wider issues such as the circular economy and the foundational economy, so that the policy impact of recycling is maximised and EPR isn't about manufacturers finding the cheapest way recycling, because that's all they are willing to pay for. The Welsh Government will need to consider this when working to develop EPR.

These findings were further supported in the results of a public survey where a number of people told us that retailers should use more eco-friendly and recyclable materials within their packaging and there should be less confusion about what can be recycled by the council.

We also support the Welsh Government's work with other partners to look to develop an electronic waste tracking system which should help to ensure waste does not end up in the wrong place. The system will also provide data on business waste that is not currently gathered. The consultation document suggests that the system will provide annual information on industrial and commercial waste but we had understood that it was being developed to track waste arising from all sectors.

We heard that relatively little of the waste generated in Wales was exported but support the principle that we should take full responsibility for our waste in Wales, ensuring that we do not export waste to be a problem elsewhere.

We are aware that some local authorities have explored the potential to use section 46 of the Environment Protection Act 1990 to direct householders not to put recyclable material in their residual waste. Swansea City Council are an example of this and Rhondda Cynon Taf, amongst others, are considering it. This is partly a response to public feedback to authorities along the lines of 'Why am I doing all this recycling and my neighbour doesn't bother? What are you going to do about them?'

We heard that Swansea Council looks at whether there are recyclables in black bag collections and other authorities have enforced policies that if you have a wheelie bin that is your capacity for residual waste and if you place black bags around the wheelie





bin you will get a visit from a recycling officer and be encouraged and helped and provided with support to use the recycling service.

Looking at analysis much of what is put into wheelie bins is recyclable and in the case of Swansea, people have three visits before they get to the point of issuing a fixed-penalty notice.

We note that the Welsh Government is now consulting on the detail of the relevant regulations building on the groundwork laid by the Environment (Wales) Act and we believe the sooner the better regulations can be implemented to support enforcement the better. As part of its considerations the Welsh Government may wish to use the approach taken by Swansea Council as an example of good practice and encourage other local authorities to follow suit.

### **Enabling communities and businesses**

We heard a lot about the importance of engaging with communities and businesses to develop behavioural change and welcome the support being provided by the Welsh Government to local authorities to support this.

However, communication and engagement requires resources, which are diminishing for local authorities creating challenges in terms of prioritising service delivery over the communication aspect. This poses a long term risk because of the turnover of households and the need for peoples understanding to be refreshed on the recycling system and how to use it.

There needs to be a continuing dialogue with communities the practicality of using services and the drivers and motivation for using the service. The Welsh Government and Local Authorities will need to keep a close eye on behaviour change including how to engage with different people in a different way to keep them engaged with recycling and make progress in increasing recycling.

### **Investing in Infrastructure**

We noted the significant financial commitment that has already been made to invest in infrastructure for household recycling but also to support the treatment of food and residual waste.



We are concerned that the current street recycling on-the-go infrastructure remains undeveloped. We heard about problems of contamination with on-the-go facilities. There is a need for better public understanding and engagement on how to use these facilities.

However, there are other initiatives that may reduce the need for on-the-go infrastructure. For example, the aim for Wales to become a refill nation would reduce the number of plastic bottles that people recycle on the go. Equally, there are deposit-return schemes being developed at a UK level which could help reduce recycling and the need for on-the-go facilities.

This will be assisted by the Welsh Government's promotion of community infrastructure to reduce waste such as zero waste shops. Surplus food redistribution, refill, community hire shop and other similar initiatives.

We believe there is more work to be done to encourage businesses to recycle and we welcome the Welsh Government's approach to working in partnership with local authorities to develop regional hubs of recycling, reprocessing and remanufacturing technologies to capitalise on the economic opportunities arising from the circular economy. As already noted, we agree with investment in the infrastructure to handle more complex materials like wood and absorbent hygiene products.

