

response provided via email

Dear Bob

Thank you for your letter dated 6 November regarding the recent 'Simpler Recycling' announcement by DEFRA and the reinstatement of recycling credit payments.

The information shared by government on Simpler Recycling has been long awaited and the information it has provided on materials that must be collected for recycling, how they may be collected and the timeline for implementation are welcomed.

However, greater clarity is still needed on many aspects, particularly around payments that will be made to local authorities as New Burdens funding and through the Extended Producer Responsibility (EPR) Scheme for packaging waste.

The new requirements, particularly around the separate collection and treatment of food waste by March 2026 and the collection of flexible plastics for recycling by March 2027, present a significant challenge in bringing about changes to our respective waste collection and treatment systems. We look forward to working in partnership with you to bring about these changes to further improve recycling rates within Crawley Borough and across West Sussex.

Government has committed to meeting the additional costs falling to Waste Collection Authorities (WCAs) under Simpler Recycling (such as food waste collection costs) through New Burdens payments and, whilst the details are awaited, government expects these new WCA costs to be fully funded. The same cannot be said for the waste treatment costs that will fall to West Sussex County Council (WSCC). Here, government expects savings to result from lower residual waste treatment costs for Waste Disposal Authorities (WDAs). However, this position does not account for situations where WDAs such as WSCC have long-term contracts, including Private Finance Initiative (PFI) contracts, that are expensive to change. We estimated in March 2022 that the changes needed to process separately collected food waste under our Materials Resource Management Contract would require capital investment of circa £8 million. Changes needed to accept flexible plastics under our Recycling and Waste Handling Contract have yet to be finalised.

Government has also been clear that, under the EPR Scheme for packaging, WCAs will receive payment for the collection of packaging waste (cardboard, glass, cans etc) in their recycling, residual and street cleaning services.

The reinstatement of recycling credit payments to Crawley BC by WSCC would be a duplication of payments that Crawley BC will shortly be receiving from government through the Simpler Recycling regime and from obligated businesses packaging businesses under the EPR regulations. Government has stated that it does not intend to change the recycling credits mechanism at this stage but will monitor it to assess the impact of policy changes and adjust it if needed to prevent funding duplication.

Recycling Credit payments are intended to reflect the avoided costs of waste treatment by WDAs as a result of WCAs retaining the recyclable materials that they collect and arranging for them to be recycled. Crawley BC does not do this. The collected recyclable materials are delivered to WSCC, which arranges for them to be recycled under its contractual arrangements. As a result of this arrangement, there is no avoided cost to WSCC, which pays circa £28m per year to process the recyclable materials collected across the county.

I see no reason to reinstate recycling credit payments or make a commitment to pass through (as yet unquantified) savings from lower disposal costs to WCAs that will be fully funded through the other payments I've outlined above. Similarly, WSCC will not be asking WCAs to contribute to the additional costs that it may incur as a result of the new Simpler Recycling requirements. Both WCAs and WDAs should continue to meet their respective statutory requirements, whilst of course working together to ensure good coordination, improved environmental outcomes and best value for our residents. There will be much required to fulfil the new recycling requirements set out by Government and I look forward to working with you on this over the next couple of years.

Kind regards

Deborah Urquhart

Deputy Leader and Cabinet Member for Environment & Climate Change



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