

Title: Waste Management Plan for England IA No: 1509 Lead department or agency: Defra Other departments or agencies: NB: DCLG are responsible for the revised PPS10 document that is annexed to this plan. This has undergone separate SEA and IA processes by DCLG.	Impact Assessment (IA)		
	Date: 21/05/2013		
	Stage: Consultation		
	Source of intervention: EU		
	Type of measure: Other		
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Summary: Intervention and Options	RPC Opinion: RPC Opinion Status
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Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Two-Out?
£m NP	£m NP	£m NP	Measure qualifies as NA
			No

What is the problem under consideration? Why is government intervention necessary?

The EU revised Waste Framework Directive (rWFD) requires each member state to have a National Waste Management Plan (the Plan) in place by 2010. The Directive establishes principles to handle waste so it does not impact on the environment or human health and encourages the use of the waste hierarchy. To minimise the infraction risk by the EU we need to comply by the end of 2013. Government is committed to meeting our EU obligations and Ministers agreed to an English waste plan being produced. This ties in with the Government's ambition of a "zero waste, green economy".

What are the policy objectives and the intended effects?

The Plan does not introduce any new policies. It brings together current waste policies into one plan for England. Planning authorities must have regard to the Plan when determining local waste planning applications under the Town and Country Planning Act 1990 and when producing local waste plans. The Plan may help inform development of the infrastructure needed to manage waste further up the waste hierarchy as appropriate (as required under other EU Directives) and progress towards a zero waste economy.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Regulation is not required to publish the waste management plan for England. Article 28 of the rWFD (as transposed by the Waste (England and Wales) Regulations 2011. It is broader than Article 7 of the original Waste Framework Directive.

Option 1 'Do nothing', is to not produce an Article 28 compliant English waste management plan. This would risk EU infraction proceedings.

Option 2 is to produce an English waste management plan. This is our preferred option which will satisfy our EU obligations and avoid EU infraction and associated fines.

Will the policy be reviewed? It will be reviewed. If applicable, set review date: 03/2019					
Does implementation go beyond minimum EU requirements?			No		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.		Micro No	< 20 No	Small No	Medium No
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded: NA		Non-traded: NA

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister: Date:

Summary: Analysis & Evidence

Policy Option 2

Description:

FULL ECONOMIC ASSESSMENT

Price Base Year	PV Base Year	Time Period Years	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: NA

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	NA	NA	NA

Description and scale of key monetised costs by 'main affected groups'

The Plan contains current waste policies, the cost and benefits of which have or will be assessed separately; so, in itself, the Plan does not have any monetised costs associated with it. The policies contained within the Plan are at differing stages of implementation so producing an aggregated figure of all known costs for the policies would not produce any meaningful figures.

Other key non-monetised costs by 'main affected groups'

No non-monetised costs are expected to be introduced from the English waste management plan for key affected groups, business, householders or local authorities.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	NA	NA	NA

Description and scale of key monetised benefits by 'main affected groups'

This is the same position as for costs. The Plan contains current waste policies, the cost and benefits of which have or will be assessed separately; so, in itself, the Plan does not have any monetised benefits associated with it.

Other key non-monetised benefits by 'main affected groups'

In bringing together waste policies in a single document, the Plan is expected to have some benefits to local authorities who must take such policies into account in their local plans and to developers in providing certainty about Government policies. However, the main benefit is to satisfy our EU obligations, thereby removing the risk of EU infraction.

Key assumptions/sensitivities/risks N/A	Discount rate (%)	
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BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: None	Benefits: None	Net: None	No	NA

Evidence Base

This Impact Assessment provides an assessment of the impact of the Waste Management Plan for England. The Plan draws on existing waste policies that are in place to enable England to move towards a zero waste economy and comply with EU Directives on waste.

Overview

Problem under consideration

Government waste policies aim to ensure that a path is set 'towards a zero waste economy'. The Plan brings together the Government's priorities for waste management and delivery more generally – these are to: undertake sustainable waste management, to help protect the environment and preserve natural resources; contribute to tackling climate change; decentralise more decision making powers to local communities; ensure that the economic contribution of the waste management industry to the economy is maximised; and help tackle the fiscal deficit.

Rationale for intervention

In general terms, the rationale for Government intervention in waste policy is that there are market failures – in particular that decisions to produce and consume do not take full account of the environmental consequences of the waste that is generated as a result.

Producing waste has always been a by-product of economic activity, with costs and benefits. However, for various reasons, the market works less than perfectly in this area. These reasons (market failures) include:-

- Costs associated with waste disposal and treatment do not fully reflect the environmental effects associated with waste management including emissions of greenhouse gases, noise, air and water pollution and land use change.
- As a result, markets alone may not ensure that waste is treated at the appropriate level of the waste hierarchy (a pyramid of preferred waste solutions starting with prevention, then re-use, recycling, recovery and ends with disposal as the least environmentally favoured option).
- Prior to local provision of collection and disposal services, local environments were spoiled by the unregulated disposal of wastes. To overcome these problems government intervention has been necessary. Local governments have set up collection and disposal systems to ensure waste is properly disposed of by households, as well as regulating to ensure businesses dispose of waste properly.
- Other market failures and barriers, such as imperfect information, imperfect competition, or other barriers to efficiency such as excess planning costs, lack of access to credit, and long payback periods. Households and businesses can make better decisions about waste if they have more information on the direct and wider impacts of their actions.
- Concerns about the ability of the market to deliver the necessary waste infrastructure because of capital market imperfections, lags in investment coming on-line, a combination of uncertainty and long payback periods. New technologies can require additional intervention to overcome innovation market failures.

The Waste Management Plan for England has, therefore, brought together, in a single document, the waste policies that we currently have in place to address the types of market failure referred to above. A key point to be made about the Waste Management Plan for England is that it is a summary of existing policies and introduces no new measures.

The overarching aim is to ensure that waste is dealt with in a responsible manner that makes the best use of the resources contained within waste and minimises the detrimental effects of waste on the environment, human health and the economy.

The specific reason for the Waste Management Plan for England is that EU Member States are required, under the revised Waste Framework Directive (rWFD), to put in place one or more waste management plans covering all of their territory. Until all the UK's waste plans are submitted and accepted by the European Commission, there is a risk that the Commission will take action against the UK and ultimately that fines may be imposed upon us.

Planning authorities must have regard to the Plan when determining local waste planning applications under the Town and Country Planning Act 1990 and when producing local waste plans. The Plan may help inform development of the infrastructure needed to manage waste further up the waste hierarchy as appropriate (as required under other EU Directives) and progress towards a zero waste economy.

Waste is a devolved matter so each UK administration will produce individual plans.

Policy Options

Option 1 – Do not produce and adopt an English waste plan.

The main effect of this option would be that the UK would not fully transpose the revised Waste Framework Directive. This would leave the UK open to EU infraction proceedings and to potential fines being imposed.

Option 2 – Introduce the Waste Management Plan for England

This option involves producing and publishing a Waste Management Plan for England that summarises the Government's waste policies for England in one document. As noted previously, the Plan draws on existing waste policies, principally those set out in the Waste Review 2011. It provides information on the type and quantity of waste produced; details of current collection, recovery and disposal infrastructure; the need for new waste infrastructure; criteria for identifying new locations for waste infrastructure; details of waste management policies.

The draft Plan covers all the mandatory requirements of Article 28 except the requirement for information on criteria for locating waste infrastructure. This requirement is met by guidance from the Department for Communities and Local Government (DCLG). DCLG has provided guidance relevant to the location of waste infrastructure through its "Planning for Sustainable Waste Management" document. This has replaced the previous national waste planning policy set out in Planning Policy Statement 10.

Planning authorities must give material consideration to the Plan when deciding local applications under the Town and Country Planning Act, in addition to Planning Policy Statement 10. Local Waste Authorities will also have a duty to have regard to the waste plan when drawing up their local waste plans.

The National Planning Policy Framework, published on 27 March 2012, replaced and streamlined previous planning policies contained in a suite of Planning Policy Statements and Guidance, and equivalent Minerals Policy Statements and Guidance, into the one Framework document. In respect of waste planning, both the National Planning Policy Framework, and specific waste planning policy in "Planning for Sustainable Waste Management" must be taken

into account in the preparation of local authority local plans, and are capable of being material considerations in individual planning decisions.

The Waste Strategy 2007, in conjunction with the DCLG guidance will continue to fulfil the role of the national level waste plan for England until this plan for England is adopted.

Costs and Benefits

The “do nothing” option of not producing an English waste management plan is certain to lead to EU infraction and possible fines. These are not quantified as fines depend on individual circumstances, but could amount to £500,000 per day of non-compliance. Introducing the Plan therefore avoids such fines by complying with EU obligations.

The waste management plan does not contain any new policies or regulations. It relies solely on current policies - mainly on policies set out in the Waste Review 2011. Consequently the costs for industry (and the public sector) remain the same as before the Plan was produced.

The Waste Review 2011 was subject to an Impact Assessment that examined policies in more depth. A copy of this IA is available on the Defra web site at <http://archive.defra.gov.uk/environment/waste/documents/ia-review-waste-policy.pdf>

Policies that have been introduced since the Waste Review have also been subject to Impact Assessments, in particular:-

- packaging recycling targets for the period 2013-17

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/82437/packaging-ia-120321.pdf

- new quality monitoring requirements for Materials Recovery Facilities

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/181970/mrf-env-permit-consult-ia-20130201.pdf.pdf

We anticipate that there will be some benefit to local planning authorities from collecting all relevant Government policies into a single document. In addition, this will provide greater certainty to developers about the current Government policies that local authorities must take into account in their own decision making. These benefits have not been quantified.

Future proposals for changes in waste policy will be assessed, in the usual way, in separate Impact Assessments for the specific policies in question.

One In, Two Out

The Waste Management Plan draws on existing waste policies and does not introduce any new policies. These policies are in place to enable England to move towards a zero waste economy and comply with EU Directives on waste. As the Plan does not introduce any new policies, it does not impose any new costs or benefits and is therefore out of scope of One In, Two Out.

Specific Impact Tests

Economic impacts

Competition Assessment

The waste management industry and local authorities are potentially most affected by the waste plan. However, because the Plan does not contain new policies, regulations or taxation no significant effect is expected on competition.

Small Firms Impact Test

The waste plan seeks to make it easier for businesses, especially SMEs, to 'do the right thing' environmentally by bringing together existing waste policies in one waste plan. The Plan does not seek to impose any new mandatory costs on businesses.

Environmental Impacts

The Waste Management Plan for England has undergone assessment under the Strategic Environmental Assessment regulations and an Environmental Report has been produced. That report investigates the possible environmental impacts of the waste plan.

Since the Plan is designed to bring together current plans and policies already in place, the SEA concluded that the introduction of the Plan itself would not have any significant impact on the environment.

The Environmental Report then considered alternatives (i.e. policies that differ from those currently in place such as policies that lead to more or less recycling for example). The Report considered these alternatives relative to the effects of the policies set out in the Plan. This showed the likely tendency in the environmental effect if the pattern of waste prevention and management was to go further than, or less far than, what is implied in the Plan.

There will also be interactions between the levels of the waste hierarchy. For example, as the amount of recycling increases, the potential environmental benefits that may be obtained through increased waste prevention and reuse will fall. These interactions will occur for a number of the objectives considered within the analysis including global and local emissions as well as water use.

However, as stated above, the conclusion of the SEA was that the introduction of the Plan itself would not have any significant impact on the environment.

Social and Equalities Impacts

As the Plan does not introduce any new policies, it is not expected to have any significant impacts on equalities, health and well-being, human rights, the justice system or any disproportionate impacts on rural areas.

Implementation Plan

The Plan will be used by local authorities to inform their local waste plans that establish how local waste will be managed. Local authority planners will also use the plan when deciding planning applications.

The Plan will be reviewed at least every six years, as required under the revised Waste Framework Directive.