

Waste Management Note

Impact of the General Election

July 2010

Following the creation of the UK's first coalition government in over half a century, how will the waste management sector be affected by the policies in 'The Coalition: our programme for government' document?



1. The Abolition of the Infrastructure Planning Commission (IPC)

The new Government has committed to the abolition of the IPC, proposing to replace it with the Major Infrastructure Planning Unit (MIPU) which will fast track national infrastructure schemes, with ministers making the final decision. This is considered to be more democratic as ministers are held to account by Parliament.

What is the impact?

- The impacts will take some time to be realised, as the IPC will continue until legislation is passed to replace its powers during the next 12 months. Any planning decisions will be based on the appropriate National Policy Statement (NPS), and where a NPS has not been designated then the Secretary of State will make the final decision.
- The MIPU will adopt the appropriate NPS as the basis for decision making, and will only apply to renewable energy generation (including waste plants which use both renewable and non-renewable waste streams) with a 50MW generating capacity. This will be applicable to a limited number of Energy from Waste plants and will still require the majority of projects to gain approval through the Town and Country Planning regime.
- Another point of consideration is how the Government's localism agenda may affect the activities of the MIPU due to the potential for differing priorities between national and local development plans.

2. A Zero Waste to Landfill Policy

The new Government has adopted a zero waste to landfill policy and to achieve this they have pledged a number of measures which will encourage investment in infrastructure and increased recycling.

What is the impact?

- It is unclear how this policy will be implemented, but considering the level of UK national debt and the fact that the current round of Private Finance Initiative (PFI) funding is likely to be the last, local authorities who have not been allocated credits may be unable to invest in the large-scale waste infrastructure required.
- The commercial and industrial (C&I) sectors will face increased pressure to divert more of their waste and it is likely that legislation and targets for C&I waste will be introduced to encourage waste prevention and recycling.
- New initiatives will have to be implemented to promote landfill diversion or prohibit the landfilling of certain wastes.

3. A financial floor under Landfill Tax of £80 per tonne until at least 2020

The new Government has confirmed that it will set a floor under Landfill Tax, which is intended to give a level of financial security to institutions who are investing in waste infrastructure projects.

What is the impact?

- The intentions of the Landfill Tax are clear, but will still rely on the waste industry and financial sector being confident enough to propose and implement large scale privately funded projects for both municipal and C&I waste. The impact of funding issues and the abolition of the IPC may not deliver the Government's desired outcomes in the short term.
- If PFI credits are not extended, the private sector will have to provide infrastructure for waste, which will require the financial sector to develop and implement a suitable funding framework.

4. Introduction of measures to promote an increase in energy from waste through anaerobic digestion (AD)

The new Government has provided a clear intention to promote AD as a renewable source of energy in favour of other technologies.

What is the impact?

- There will be a renewed focus on AD processes and it has to be assumed that mechanisms will be put into place to help fast track these proposed developments.
- The preference for AD and the creation of the MIPU may mean that the promotion of large scale energy from waste projects will significantly reduce; planning applicants may be concerned about the probability of securing a successful application and the costs associated with a protracted planning process.



5. Generate 15% of energy from renewable sources by 2020

The new Government has set a target to generate 15% of energy from renewable sources by 2020 and stated that they want to reduce greenhouse gases by 80% by 2050. Waste clearly has a role to play in the delivery of these targets through diversion from landfill and by replacing fossil fuel consumption.

What is the impact?

- This, coupled with the policy to actively promote AD, will almost certainly result in an increase in the development of AD facilities. It is unclear whether the proposed targets can be practically achieved by AD alone, and as a minimum would require the construction of a large number of facilities in a relatively short timescale, with all the facilities being able to economically export electricity and bio gas to the National Grid.
- It is unclear what the role of other waste thermal treatment technologies will be. A number of facilities that have already received planning consent and are currently under construction will contribute to this target; however, uncertainty relating to PFI funding could make future projects significantly more challenging to deliver.

6. Local authorities will be encouraged to reward people who recycle



Rather than introducing waste charging systems, the Government intends to encourage local authorities to adopt policies that promote recycling. Pilot schemes in the Royal Boroughs of Windsor and Maidenhead and Halton Borough Council in Cheshire have demonstrated increased recycling rates.

What is the impact?

- The impact of this policy will be dependant on how much pressure the Government places on local authorities to introduce such schemes and whether adequate funding and infrastructure is made available to implement them. Funding will be especially challenging when local authorities are already being asked to make financial savings.

FOR FURTHER INFORMATION PLEASE CONTACT:

Beverley Parrish, WSP Waste Sector Director
Tel: 07825 028 219
Email: Beverley.Parrish@WSPGroup.com

Matthew Venn, Business Unit Manager - Waste
Tel 07920 250 599
Email: Matthew.Venn@WSPGroup.com

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