



environmental
services
association

Annual report 2019-2020



The ESA in numbers



The Environmental Services Association has **62 full members** and **30 Associate Members**



Combined, we estimate that our full members have a combined annual turnover of **nearly £7.5bn** in the United Kingdom



Our members directly employ **in excess of 43,000 people** – well over a third of the entire sector in the UK



Between them, our larger members alone operate **more than 100** local authority collection contracts



We estimate that, combined, our members deliver services from **more than 1,500** operational and regulated locations across the UK



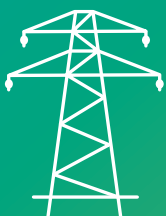
Our members serve well **in excess of 300,000** individual private and public sector customers in the United Kingdom



Combined, our members **collect or process tens of millions of tonnes** of waste material every year, of which a significant proportion is recycled




Our members have **invested £5 billion** in circular economy infrastructure in the UK over the last decade



Collectively, our members divert **more than 10 million tonnes** of material from landfill each year and use waste to generate energy instead, producing over 5TWh of low-carbon electricity each year or enough to **power 1.5 million average UK homes**

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Chairman's foreword



Phillip Piddington
Chairman of the Environmental
Services Association

Central to the Environmental Services Association's (ESA) first Annual Report is our new strategy, which will shape the role and activities of the association over the next few pivotal years for the sector. Moving forward, the ESA will be defined by three new strategic priorities – de-carbonising the sector; setting and achieving high-standards; and delivering performance.

ESA members will continue to lead our sector's de-carbonisation efforts by establishing accurate, consistent and consolidated carbon reporting, and by plotting a path to achieving net-zero carbon emissions for the sector. The ESA will also set and expect high standards of its membership across the broad spectrum of its members' activities, while working with the regulatory authorities to combat waste crime, which undermine legitimate operators.

Additionally, the ESA will continue to focus on engaging a broad range of stakeholders; contributing expertise to policy debates; and working alongside the public sector to deliver higher performance and ever-higher recycling rates.

The publication of this Annual Report serves as a timely reminder to Government of the substantial contribution our sector can make towards a fairer, greener, more sustainable and more resilient economy. Our members' investment plans will contribute towards a green recovery and help the UK level-up in terms of regional jobs and economic opportunity. In this report, we showcase just a few such examples of significant investment by members in essential UK infrastructure during the past financial year.

However, the measures outlined in the Government's Resources & Waste Strategy (RWS), and within the Circular Economy strategies of the devolved administrations, are crucial to unlocking this next phase of circular-economy investment. A new and comprehensive Extended Producer Responsibility (EPR) regime in particular has the potential to improve the recyclability of the waste stream and drive quality and innovation throughout the recycling system.

I believe that the UK can maximise value, jobs and investment in UK recycling if we get this right, but all of the interventions proposed under the RWS, and those proposed by the devolved administrations, must work together in harmony to drive the right outcomes and, as always, the devil is in the detail. This is why it is essential that ESA members continue to channel their collective expertise and maintain a strong voice through the ESA at this pivotal moment.

Although the wider economic outlook is uncertain, these are clearly times of opportunity and upheaval for our sector and the ESA's new strategy will help its members make the most of those opportunities - mapping the journey to meeting our shared objectives of net-zero carbon, eliminating avoidable waste and achieving higher resource productivity.

Sadly, the global coronavirus pandemic has dominated 2020 and will likely remain a prominent feature of our lives for some time to come, but I am proud to be part of an industry that has showed its resilience and fortitude throughout the crisis, and proved just how important it is to society. Indeed, the importance of our sector was recognised by Government earlier this year when it deemed our sector's workforce to be "essential" during periods of national lockdown. I would like to sincerely thank the many thousands of people working on the environmental services frontline, who continue to keep the wheels turning under challenging conditions.

I would also like to thank the ESA team and the many members involved in the various ESA working groups for delivering the valuable work outlined in the Annual Report during my time as chairman.

Executive Director overview



Jacob Hayler
Executive Director of the
Environmental Services
Association (ESA)

In May 2019, sixty representatives from across the Environmental Services Association's broad membership came together, along with officials from Defra and the Environment Agency, to consider the Association's future priorities and the ways in which we can make a difference, both for the sector and wider society now and in the future.

We received many valuable contributions and the ESA Board of Directors subsequently tasked the ESA to develop a new organisational strategy which identified and articulated our strategic priorities, as well as the activities necessary to support these priorities. With the help of member working groups, we created the strategy presented in this, our first Annual Report, which will guide our actions for the next two years at a time of major opportunity and change for the sector.

The Resources & Waste Strategy (RWS), while understandably derailed as the nation tackled the devastating Covid-19 crisis, must resume apace this year if we are to deliver on the UK Government's sustainability and resource-efficiency ambitions, independent from the European Union, for 2030 and beyond. This is a once-in-a-generation opportunity for the UK, and the ESA's primary focus for 2020 and 2021 will be to ensure that this vital policy framework is resumed with all of its original fervor and designed in a way that supports investment and delivery by our members. If we get the policy framework right, our industry will invest £10 billion in new recycling and recovery infrastructure, creating 50,000 green new jobs and delivering more than 40 million tonnes of CO2 savings by 2030.

Alongside the fundamental policy interventions set out in the RWS, the ESA continued to represent its members interests and share knowledge on a wide range of policy changes affecting the sector, which we also summarise in this annual report.

Although the flagship resources and waste policies on the horizon promise a phase-shift in resources and waste management, the industry will continue to rely upon the protection provided by effective regulation and we continue to call upon regulators both for the UK and devolved administrations to strengthen enforcement against waste crime. This will help our members invest in domestic material processing with confidence; support legitimate exports of high quality secondary raw materials; and make it easier to identify and drive out criminals from our sector. Throughout 2019, the ESA held discussions with Defra and the Environment Agency to develop new approaches to tackling waste crime. This includes enhancing the carriers, brokers and dealers regime; enhancing duty of care obligations; and mandating waste-tracking. Further public consultations on these areas due this year are delayed due to the COVID 19 crisis, but ESA will continue to apply momentum to these initiatives.

There has been much public and media scrutiny on recycling exports over the past year and ESA members remain appalled at a small number of reported cases where criminal behaviour has resulted in environmental harm. While we support and rely on the regulatory authorities to police this robustly, our members have developed and adopted a new Standard

for Responsible Export (SFRE), presented in this report, which will ensure the ESA continues to be an international standard-bearer for responsible export activity.

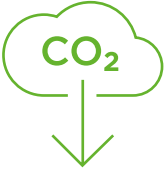
The ESA has nearly 100 members together representing a significant proportion of the 100,000 people directly employed in a thriving resources and waste sector. UK Government and the devolved administrations have set the bar high for recycling rates over the next fifteen years and ESA members have a key role to play in helping to achieve these goals.

ESA has the skills and expertise, both through its own officers and across its membership, to be a “one-stop shop” of valuable and credible information for all stakeholders on resources and waste management. We are proud of our role supporting members and will continue to engage with policy-makers, stakeholders and organisations across economic value chains as a visible and valuable partner.

Our strategy for 2020 and beyond

The Environmental Services Association identified three strategic priorities that will define its core actions for 2020 and beyond. Each of these three priorities are defined by a number of objectives that will guide the organisation's activities and operational focus over the next two years. This strategy was approved and adopted by the Environmental Services Association Board of Directors in 2019. It will be reviewed at the next biennial Members Day, due to take place in 2022.

The following pages of this report set out the actions and activity undertaken by the ESA in 2019/20 which have contributed to these strategic objectives.

Strategic priority	Objectives
 <p>Priority #1 - De-carbonisation De-carbonising the industry and maximising our contribution to carbon reduction across the economy</p>	<p>We will establish an ESA Climate Change Working Group, which will articulate our members' ambitions for Net-Zero and develop a strategy to both measure and improve carbon emissions. A member network will be established to identify and explore low-carbon solutions for members' fleets, offices, and operational facilities.</p> <p>Work with the National Infrastructure Commission, Committee on Climate Change and other Government advisors to acknowledge our members' integral contribution towards net zero targets.</p> <p>We will strive to achieve a zero-carbon waste and resources sector, and maximise the contribution to Net-Zero by our sector, by building relationships with influential groups such as Greenpeace, Friends of the Earth and the Green Alliance.</p> <p>We will publish an annual report on progress against these strategic objectives, which will include greenhouse gas emissions reporting in line with the methodology and standards developed by the <i>Climate Change Working Group</i>.</p>

Strategic priority



Priority #2 - High standards

Achieving the highest standards within the sector to protect the environment, the public and our workforce

Objectives

To ensure that our members' customers increasingly view ESA membership as a guarantee of quality, we will develop and adopt best-practice industry operational standards that will become the benchmark for ESA membership. Membership of the ESA will remain a key differentiator among operators in the resources and waste sector.

We will strategically review and update the ESA's *Health & Safety Charter* to ensure members maintain the highest standards of workforce protection.

We will develop new member standards to continually improve the quality of recycled material, building on the MRF Code of Practice. These standards will establish best-practice for handling and processing materials destined to both domestic and export markets.

The ESA will work with partners to tackle waste crime in its many forms. In particular, we will promote awareness and understanding of the Duty of Care requirements among waste producers. We will also form strategic partnerships to support national and local crime-prevention bodies and will work with the Environment Agency to promote tougher action on waste crime and achieve more effective enforcement.

We will review and update the ESA's rules and articles of association, which will include governance arrangements to ensure that all members have a strong voice. The activities of our member-led working groups will be aligned with our new strategic priorities and we will also review the membership and terms of reference of our working groups with these priorities in mind. We will continue to work on the range of benefits offered to members.

Strategic priority

Priority #2 - High standards

Achieving the highest standards within the sector to protect the environment, the public and our workforce



Priority #3 - Performance

Delivering investment in an efficient and high-performing sector that helps the UK make the most of waste as a valuable resource

Objectives

We will build coalitions with other trade bodies to promote high standards across the sector.

ESA will commit to promoting and championing the benefits of a diverse and inclusive workforce for our sector

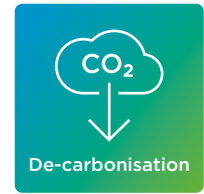
ESA members will deliver sustainable, efficient and high-performing infrastructure that is good for the environment and which facilitates a circular economy. The ESA will work with government and regulators to ensure policy and regulation supports this investment.

We will strive to be a distinctive, respected and valued stakeholder by continuing to engage fervently with Government stakeholder and advisory groups, while strengthening alliances with parliamentarians, environmental groups and think-tanks across the political spectrum.

We will work alongside local government bodies to help the public achieve the best quality recycling; improve recycling rates and address specific recycling challenges as they arise.

We will set out a new communications and engagement strategy to build or enhance relationships with stakeholders across society in support of our three strategic priorities. As part of this strategy, we will commission and contribute annual original research relevant to our strategic priorities; publish parliamentary briefing papers and position statements; respond to government consultations and host events to increase interaction between our members and policy-makers. We will empower our various working groups to increase their public profile and to share their knowledge and expertise externally.

Decarbonising our sector



A sustainable, low-carbon economy tomorrow depends on quality recycled materials and world-class resources and waste management. ESA members collect, process and deliver these resources today and are innovating and investing for a zero-waste, zero-carbon future, building sustainable infrastructure and creating jobs.

The ESA's strategy is in harmony with Government policy on: Industrial Strategy, Clean Growth Strategy, 25 Year Environment Plan and the Climate Change Act. Our shared objectives are for net-zero carbon, zero avoidable waste and higher resource productivity. Uniquely, ESA's membership covers all of these elements and its strategy will deliver jobs, investment in infrastructure and services, growth, export potential and stronger international competitiveness.

In pursuit of Net-Zero carbon emissions

As the opportunity to keep global warming below 2°C, and to avoid the worst consequences of climate change, is fast diminishing, national and local governments around the world have declared a climate emergency. In doing so, these governments have stressed the need for concerted global action to stop human-attributed global warming. The ESA is committed to playing its part by driving the UK towards a more circular economy and to achieve net-zero carbon emissions among its membership.

Our sector has the potential to help avoid and reduce emissions right across the economy. As a service industry, we

manage around 100 million tonnes of waste materials each year on behalf of our customers. Recycling a large proportion of this keeps millions of tonnes of essential materials in economic use, improving UK resource-efficiency and significantly reducing net greenhouse gas emissions, while the sector also contributes around nine per cent of the UK's renewable electricity, generating nearly 14 GWh per year through Energy from Waste (EfW), landfill gas capture and anaerobic digestion.

The ESA membership is committed to a net-zero strategy that will significantly reduce emissions across all parts of the industry in order to reach carbon neutrality by 2040. Our strategy is based around three key principles – developing a clear and consistent methodology to quantify the greenhouse gas (GHG) emissions of our sector and monitor progress; introducing clear targets to drive performance; and assessing the key actions necessary for our sector to achieve net-zero.

To that end, we have established a cross-membership Climate Change Working Group tasked with establishing the methodology by which we measure performance and the actions required to get us to net-zero – certainly before the Government's own 2050 target.

Our measurement methodology will account for the direct and indirect GHG emissions of the sector's services and operations, including the carbon benefits of reuse and recycling; the power, heat, recycling and sanitary benefits of energy recovery from residual waste, and the legacy emissions from landfill along with other relevant factors. ESA member performance will be monitored using this methodology and we will report annually through our Annual Report, of which this is the first issue.

Although the working group is currently assessing the necessary actions, it is clear that the strategy must involve reducing residual waste and enhancing recycling at its core. Further efficiencies must be delivered in energy from waste, including greater use of heat offtake, and fossil-based plastic materials will have to be removed from EfW inputs. Emissions from the transport of waste and secondary materials, and the amount of energy used to power our sector's infrastructure, including offices and other buildings, will also have to be considered.

ESA members will place the net-zero target at the heart of their business strategy and operations, but as always, this needs to be supported across the Government policy spectrum and through subsequent action from other stakeholders such as local authorities and waste producers, to successfully reach the net-zero goal.

Turning up the heat on Energy-from-Waste

Energy from Waste facilities play an important role in driving the UK towards a more circular economy by recovering energy from material that would otherwise be landfilled while safeguarding public health.

While many EfW plants in the UK are combined heat and power (CHP) enabled, a technology that enables plants to generate both electricity and heat, electricity is currently their main commercial output, significant barriers still hinder heat offtake and prevent many of these plants from achieving their full potential in terms of energy-efficiency.

Current low heat recovery rates from non-recyclable waste allows significant room for improvement and a major opportunity to reduce NET carbon emissions for the UK, but this cannot be achieved without strong collaboration between industry and Government. During the past year, the ESA has been hosting an industry-wide forum with BEIS, DIT, and more recently the ADE, to identify common barriers to heat offtake and to work together to find solutions which are acceptable and replicable across the UK's diverse regions.

To address some of these barriers, we are currently developing an EfW heat "prospectus". This prospectus aims to simplify and standardise public information about opportunities for heat offtake from EfW plants in the UK to prompt and facilitate mutually beneficial discussions between heat network developers and operators and Energy from Waste plants. It is due for completion in 2020.

Driving industry standards



Driving operational standards and setting a high benchmark for the wider industry is our first strategic priority. Unfortunately, our sector remains a target for criminals looking to make quick financial returns at the expense of the environment, society and the viability of the legitimate waste sector. The ESA has focussed this year on fundamental standards that will help protect the environment and which make it harder for criminals to access waste material – both in the UK and internationally. We will continue to work alongside crime enforcement agencies to help deliver more robust enforcement and drive criminals from our sector.

Setting the Standard for Responsible Export

In 2019, ESA members developed a new Standard for Responsible Export (SFRE) and this was formally adopted by the ESA's board in Q1 2020. This new standard will henceforth guide our members' approach to the responsible export of secondary raw materials from the United Kingdom.

The UK is one of the largest net exporters of recycled material in the world and is dependent upon access to viable export markets. The country and the resources and waste management sector therefore have a significant vested interest in the reputational integrity of its outputs and how those outputs are handled at their end destinations.

The substantial rise in UK recycling rates over the past twenty years has been supported by significant private and public sector investment in the provision of containment and collection methodologies and domestic sorting and processing capacity for secondary materials, but the end markets for some materials remain close to overseas manufacturing hubs, particularly in South East Asia.

The vast majority of this valuable international trade in secondary materials is conducted without incident, but ESA members are concerned following a small number of isolated incidents where material originating from the UK and other developed nations, has either been illegally dumped or managed irresponsibly overseas resulting in unacceptable environmental and social damage.

To ensure ESA members can continue exporting with confidence, the ESA Standard for Responsible Export has been designed to ensure British material handled by our members is put to its intended use and does not contribute to environmental incidents. This standard sets out a number of principles overleaf which members agree to abide by to achieve this.

We hope that this new standard will help ensure that the millions of tonnes of material recycled by ESA members every year will continue to be handled responsibly and be put to good use wherever final reprocessing takes place.

ESA Standard for Responsible Export

Members of the Environmental Services Association agree to:

- 1 Only export material for recycling for which the UK lacks competitive domestic capacity to reprocess.
- 2 Ensure that best practice quality assurance systems are in place to deliver material that meets end market requirements and legal compliance. ESA will aim to, in partnership with local authorities and other organisations across the sector, develop robust industry standards.
- 3 Provide end destinations by country to local authorities and business customers where requested, and where contractual obligations allow.
- 4 Only export recognised mixed grades of material to non-OECD countries that strictly adhere to all internationally recognised documents on purchase, sales or shipment and which require no further separate sorting stage to meet the relevant grade, as well as single streams of recyclables.
- 5 Commit to having in place a robust audit process, capable of independent audit, for overseas facilities in line with quality assurance expected in the United Kingdom.
- 6 Require evidence from overseas recyclers, brokers and dealers that the waste is effectively processed and to broadly equivalent standards.
- 7 Require evidence from overseas recyclers, brokers and dealers that process losses/residues are properly managed.



ESA Director Jacob Hayler appeared on the BBC Victoria Derbyshire programme in November 2019 to discuss issues around plastics exports to South East Asia.

Supporting partners to help tackle waste crime

To protect the environment; create a level playing field and protect the viability of legitimate operators, the ESA has placed tackling waste crime among its strategic objectives. We cannot do this in isolation so our approach is to support national and local enforcement agencies, while continuing to raise awareness amongst waste producers of their legal obligations, in the fight against waste crime in all its forms.

Throughout 2019 ESA continued discussions with Defra and the Environment Agency (EA) to develop new approaches to tackling waste crime. These include enhancing the carriers, brokers and dealers regime; enhancing duty of care

obligations; and mandating waste-tracking in advance of further consultations which were expected in 2020, but which have unfortunately now been delayed due to COVID-19.

The ESA also participated in a roundtable jointly chaired by Lizzie Noel – who led the Government’s review of Serious and Organised Waste Crime (SOWC) – and the Chief Executive of the Environment Agency. We stressed that, whilst we welcomed the ongoing Government focus on Waste Crime, the resources and waste industry remains frustrated at the extent of waste crime and stressed the need for much stronger enforcement measures to be adopted. Furthermore, in February 2020 we wrote to senior officials at the Environment Agency, Defra and HMRC to express members’ ongoing concerns

about the number of high-profile landfill sites around the country which continue to operate in deliberate disregard for the law on landfill tax, and the lack of visible action to shut them down.

TACKLING WASTE CRIME

Intelligence led.

The Joint Unit for Waste Crime (JUWC) was established in early 2020 and the ESA is hopeful that it will have a positive impact by coordinating pan-agency actions. The ESA is represented on the JUWC Advisory Board, which also includes representatives from EA, Defra, and several UK enforcement bodies.

The ESA provided evidence to the National Audit Office, which undertook a study on tackling large scale waste crime, and we supported the Environment Agency in developing an 'Annual victimisation survey' seeking evidence from the legitimate waste industry. This will help the EA further understand the scale and nature of waste crime in England and to benchmark going forwards. The responses will be aggregated and used to inform long term plans and direct the Agency's operational response to waste crime.

Our *Right Waste, Right Place (RWRP)* Duty of Care campaign has the potential to be a critical upstream intervention to cut off the supply of waste to illegal operators. With the help of RWRP campaign "Ambassadors", the ESA continued a rolling programme of seminars and events to raise awareness amongst waste producers throughout 2019. Furthermore, through the campaign identity, ESA and CIWM rolled out a series of events and webinars in partnership with the Environment Agency, Defra and Crimestoppers which explored the latest approaches to fighting waste crime. These events aimed to encourage stakeholders to provide information on suspect activities which in turn would inform the EA's 'intelligence led' approach to tackling waste crime.

Leading the industry on workplace Health & Safety

Health and safety remains a top priority for ESA and our Members, and we continue to make significant progress towards improved performance and reducing injuries. In 2019 ESA Members achieved a 13% reduction in RIDDOR reportable injuries on the year before, while our RIDDOR rate of 565 per 100,000 employees has consistently remained lower than the injury rate for the sector as a whole, as reported by HSE.

Since the launch of ESA's first accident reduction charter in 2004, which committed Members to year on year injury reduction targets, ESA Members have reduced injuries by over 85%. However, the most significant performance gains are likely to have already been achieved

and, mirroring the sector as a whole, our injury rate is beginning to show signs of plateauing.

With this in mind ESA has rolled out a new approach to H&S, with the formation of a new Strategic Health and Safety Group to help complement the technical work and the sharing of best practice within ESA's existing H&S committee. A revised H&S Strategy has been approved by ESA's Board, which includes a high-level commitment to reduce the number of days lost by 25% by 2025, as well as demonstrating an improvement in H&S culture.

A number of new H&S working groups are being established, with each looking at a critical H&S risk area. ESA will continue to work with partners, such as the Waste Industry Health & Safety Forum (WISH) to help bring about a meaningful change in health and safety behaviour. ESA guidance and standards will be made available to the entire industry for the benefit of all, and to raise standards across the board.

Committing to an inclusive and diverse sector

According to Energy and Utility Skills, the recycling and resource management sector in the United Kingdom employs more than 150,000 people, but some groups are under-represented as a proportion of this workforce when compared with the all-sector average. In particular, only 15 per cent of the workforce is female, compared with 47% for all sectors, while only 4 per cent come from Black and Minority Ethnic backgrounds compared with 15 percent

for the wider economy. The sector does, however, slightly out-perform the all-sector average for representation of people who identify as having a disability, at 16 per cent of the workforce compared with 15 per cent for all sectors. Our sector is also one of only a small handful in which the gender pay gap shows that women earn more than men.

In recognition of these statistics, in 2020, the Environmental Services Association agreed to join the Energy and Utility Skills' Inclusion Commitment. In doing so, ESA will work collaboratively with its members to drive change; focus on inclusion through the lenses of gender, ethnicity and disability; and help to foster the culture our sector needs to attract the next generation into the workforce.

The ESA believes that being inclusive will help our sector attract and retain diverse talent; to be more innovative and respond to the changing environment; and will ensure that organisations in our sector reflect the customers and communities they serve.

Supporting an efficient and high-performing sector



In accordance with our second strategic priority, a critical component of the ESA's programme is to work with governmental stakeholders to ensure that policy and regulation supports investment and growth in the circular economy. We strive to engage with our peers across both the sector and up and down the value chain to share knowledge, build mutual understanding and contribute towards creating more effective policy. Our work in this area also helps our members to understand and navigate policy changes that affect their businesses, and to have a voice among policy-makers.

A once-in-a-generation opportunity

Unveiled in 2018, the Government's Resources & Waste Strategy (R&WS) has the potential to deliver the most profound changes to the resources and waste management industry in a generation. The Conservative's General Election victory in 2019 seems to have cemented this policy on the Government's agenda for now, but ensuring that this important set of interventions comes to fruition is among the ESA's top policy priorities for 2020/21.

In 2019, following consultation with members and advice through our technical working groups, the ESA submitted detailed consultation responses to the following Government consultations:

- Introducing a Deposit Return Scheme (DRS) in England, Wales and Northern Ireland.

- Reforming the UK packaging producer responsibility system
- Consistency in Household and Business Recycling Collections in England.

It is vital that all of these initiatives work together to drive the right outcomes in terms of better design of packaging and products that are more easily recyclable; a reduction in contamination of materials put out for recycling; more efficient collection and sorting systems which deliver a stream of high quality recyclable materials; and demand from end users for recyclates.

ESA is pushing for Packaging EPR to include modulated fees to incentivise better design; a payments-by-results system for packaging collections which encourages quality; the inclusion of packaging from businesses to drive higher recycling rates from all sources; and an approach which piggy-backs on existing systems, where it can, to boost efficiency and value for money.

We want to see consistent collections implemented as soon as practicable, and aligned with a mandatory labelling scheme, to stop consumer confusion. And we want to see a Deposit Return Scheme (DRS) that complements the other parts of the system and focuses on formats which are not widely captured at the kerbside.

Our full detailed responses to these consultations are available to access from the members section of www.esauk.org

Helping to shape policy and prepare our members for change

In addition to the various policy areas under the Resources & Waste Strategy, the ESA also contributed to a large number of additional stand-alone policy and regulatory areas affecting the sector in 2019/20 on behalf of its members. We provide a summary of our response to some of the more critical areas affecting the sector in the table below.

Policy area	Activity	Response
Energy recovery	The Waste Incineration Best Available Techniques Reference Document (BREF) provides the regulatory framework for EfWs, setting out the Best Available Techniques (BAT) and BAT Associated Emissions Levels (BAT-AELs), from which competent authorities set an Emissions Limit Value (ELV) for different pollutants. A revised BREF was published in the European Journal in December 2019.	Members of ESA's EfW group have been supporting UK regulators in drafting the interpretation document, which will set out how the UK interprets and intends to implement various aspects of the new Waste incineration BREF.
Plastics tax	Following the March 2020 budget, HMRC launched a consultation on the details of the Plastics Tax, which will tax packaging using less than 30 per cent recycled content.	ESA views the plastics tax as a crucial counterpart to the resources and waste strategy, helping to drive domestic reprocessing activity. ESA submitted a detailed response to this consultation, with feedback from members.

Policy area	Activity	Response
<p>UK Resources Council</p>	<p>The UK Resources Council (UKRC) was formed in early 2019 with the ambition to design and propose a <i>Sector Deal</i> – to help unlock the full potential of the sector to deliver a more sustainable economy. A draft Sector Deal was created and widely consulted on across the industry.</p>	<p>The ESA helped to establish the UK Resources Council and ESA members were represented across the various working groups, each looking at a crucial aspect of the sector deal. ESA provided coordination and secretariat support to UKRC following the General Election.</p>
<p>Welsh Circular Economy Strategy (WESA)</p>	<p>Published ten years after Wales’ original ‘Towards Zero Waste’ strategy, the Welsh government’s new waste strategy, entitled ‘Beyond Recycling’, outlined plans for Wales to become a zero-waste, net-zero emissions nation by 2050, making savings of up to £2 billion for the Welsh economy.</p>	<p>WESA’s Executive Committee has ongoing regular engagement with Welsh government officials and fed into the Strategy consultation process. The ambition of the Strategy will require the concerted effort of the whole supply chain along with policy makers, and the waste and recycling industry in Wales is ready to play its part.</p>
<p>Environment Bill - EFRA</p>	<p>The Bill will provide the legislative framework for the Government to deliver its 2018 Resources and Waste Strategy and could unlock billions in new investment by our sector.</p> <p>The Bill includes powers to introduce extended producer responsibility and more consistent recycling collections.</p>	<p>ESA submitted evidence to the EFRA committee Enquiry highlighting our support for the Bill, and its essential role in putting in place the policy detail required to deliver the Resources & Waste Strategy.</p> <p>ESA highlighted the establishment of new producer responsibility requirements, consistent recycling collections and waste crime enforcement measures as particularly important.</p>

Policy area	Activity	Response
<p>Scottish Deposit Return Scheme</p>	<p>New regulations will apply from July 2022 requiring Scottish consumers to pay a 20p deposit on the purchase of drinks containers, which is redeemable upon returning the empty container to a designated point.</p>	<p>Scottish Environmental Services Association (SESA) provided written evidence to the Scottish Parliament’s scrutiny of the draft regulations and was further invited to an MSP committee inquiry to offer the industry’s view on the scheme. With the passing of the regulations in May 2020, SESA has since been working with the emerging DRS scheme administrator on the recycling elements of the scheme.</p>

Furthermore, the United Kingdom formally left the European Union on 31st January 2020 and began a transition period which will expire on December 31st 2020. The ESA has engaged with Government throughout this process to ensure that associated risks have been identified and addresses, such as access to specialist skills, equipment and logistics; tariffs and standards around the export of Refuse Derived Fuel and secondary raw materials; and alignment of regulatory standards.

Keeping the wheels turning during the COVID-19 crisis

In February and March 2020, the threat posed by the coronavirus quickly escalated into a global pandemic and UK Government introduced strict measures to prevent the transmission of this deadly virus, including the effective closure of schools and large segments of the economy. The ESA’s response to this ensured that recycling and waste sector workers were identified by Government as

“essential workers’ which meant they could retain freedom of movement to travel to work and continued access to child-care, along with a number of additional dispensations. We coordinated the views of our members to encourage regulators to develop several temporary regulatory positions – facilitating continued operation at facilities despite reduced staff and other restrictions caused by COVID 19.

Through the Scottish Environmental Services Association (SESA) and the Welsh Environmental Services Association (WESA), we also engaged with the devolved administrations as their response to the crisis diverged from England – providing daily policy and regulatory updates to members tailored to their relevant business areas.

In conjunction with members, the ESA produced a risk register of threats facing the sector and attended weekly meetings with various Government departments and agencies, including Defra, the Environment Agency and those in the devolved administrations, to address and mitigate

each of these risks – ensuring that all members had access to the support they needed. This risk register was continually updated and remains a relevant and important resource at the time of writing.

The ESA also coordinated two joint industry statements counter-signed by a number of peer organisations to inform and reassure the British public about the status of recycling and waste services. These achieved widespread national and regional media coverage across more than 80 news titles. Our press office engaged with national, trade and regional journalists to provide assistance and information during the crisis.



Investigating the effects of competition on municipal waste services

In 2019, the ESA commissioned Eunomia Research and Consulting (Eunomia) to conduct a study investigating the effects of competition on the performance of municipal waste collection services. The ESA published the findings of this study in January 2020 in a report entitled The Effects of Competition on Municipal Waste Collection Performance.

The analysis, which was based on a sample of 58 similar authorities selected to ensure a true like-for-like comparison, found that:

- Over a 7-year period (2011/12-2017/18), the average recycling rate for contracted out services was 50%. The rate for in-house services was 44%.
- The average recycling rate performance gap between the two services increased over that 7-year period, rising to 8% in 2017/18.
- Contracted services achieve 10% greater value for money on the 'cost per household per year per recycling percent' measure, in comparison to in-house services.
- Almost 60% of contracted out services provide food waste collection, compared to 22% of in-house authorities.
- The proportion of reported missed collections is on average 16% lower in areas with contracted services.

This independent and rigorous research clearly demonstrates that competition for municipal recycling and waste collection services drives higher recycling performance and better value for money for the public purse. It is particularly poignant because the Resources & Waste Strategy will ultimately require local authorities to collectively increase their recycling rates by over 20 percentage points during the next decade. Furthermore, as producers of packaging take a greater share of the financial responsibility for waste management under this new strategy, policy-makers and service-commissioners must be responsive to their understandable desire to ensure the contributions they make are spent effectively.



Principal Consultant at Eunomia, Sam Taylor, said:

“ *For all local authorities across the UK, the question of how to achieve the best value for money is critical. There is a real need for better data to support authorities to make the right decisions about the most cost-effective approach, taking in to account not only the service cost, but also both recycling performance and customer service.*

Cost alone does not provide a reliable benchmark for comparing services – improving the quality of both cost and performance reporting would be a valuable step forward, especially with the expected introduction of full producer responsibility for packaging EPR in 2023, under which producers will rightly be seeking improving levels of performance at an efficient cost.

Addressing the challenges associated with high-energy batteries

In 2019 the ESA convened an ad hoc members working group to address a growing incidence of fires in recycling and waste treatment facilities caused by high-energy batteries, such as Lithium-ion (li-ion). The group also liaised with representatives from Fire & Rescue Services and Waste Electrical and Electronic Equipment (WEEE) re-processors.

Working with the Waste Industry Safety and Health Forum (WISH), the group developed new guidance and safe working

practices for handling these types of batteries when they arise in non-specialist recycling and waste infrastructure, and an annual data aggregation exercise is now taking place among the ESA membership to record the incidence of fires known to have been caused by batteries.

Further to this, the group (through the ESA) commissioned a national consumer communications campaign called Take Charge, which aims to encourage members of the public to recycle all types of battery responsibly and to avoid discarding them in conventional waste streams. This campaign went live with a website, short film and media launch in Q4 2020.

TAKE CHARGE

Recycle Batteries Responsibly



In 2020, the ESA began developing the Take Charge campaign, which will urge consumers to “Join the Fight” against dangerous zombie batteries by Recycling Batteries Responsibly. The campaign launched in Q4 of 2020.

Communicating six key themes

In Q4 2019, the ESA's Communications Strategy Group (CSG) set out a long-term communications plan to support the organisational strategy. The purpose of this plan is to build and enhance the ESA's relationships both with members, and with stakeholders across society, in support of our three strategic priorities. The plan identifies six primary communications themes which will inform and guide the ESA's communications activity going forwards.

These six themes are:

- 1 Share knowledge** – We will strive to become a “one-stop-shop” of industry knowledge for all members and stakeholders by leveraging the expertise and opportunities which exist within our membership and sharing knowledge across the sector.

- 2 Lead on environmental protection** – We are active in the fight against climate change and our members help to protect natural resources; cut carbon emissions and protect habitats from pollution both on land and in water.

- 3 Strive for excellence and driving out crime** – We will raise awareness of the consequences of waste-crime; push for more effective regulation and continue to highlight the disparity between legitimate industry and criminal operators.

- 4 Be a valuable and visible partner** – We will strengthen the ESA's alliances and engagement with policy-makers, NGOs and cross-sector peers and continue to be a visible, credible, commentator in the media on issued affecting the sector.

- 5 Attract the next generation to the sector** – We will showcase the environmental services sector as an exciting, vital, innovative and attractive industry to work in among the next generation workforce.

- 6 Facilitate investment** – We will continue to promote and support the sector with the investor community as a progressive one which will provide vital services to circular economies of the future.

ESA Members' Project Yearbook

The ESA is pleased to celebrate and showcase just some of our members' major project milestones during 2019/20.

ESA Member:

Biffa



Project:

Plastics Recycling Facility

Location:

Seaham, County Durham

Milestone:

Opening

Date:

January 2020



Biffa invested £27.5 million in a state-of-the-art plastics recycling facility capable of processing up to 57,000 tonnes of PET plastic a year, or the equivalent of 1.3 billion plastic bottles. The plant creates plastic pellets from recycled plastics, ready to be made into new things.

ESA Member:
SUEZ



Project:
Somerset Waste Partnership - Contract mobilisation

Location:
Somerset, England

Milestone:
Contract mobilisation

Date:
March 2020

Photograph supplied courtesy of SUEZ.



Somerset Waste Partnership and SUEZ recycling and recovery UK successfully mobilised their 10-year contract to provide recycling, garden waste and refuse collections across the county. This included the deployment of 140 new purpose-built collection vehicles across five depots.

ESA Member:
Wheelabrator



Project:
Parc Adfer - Combined Heat & Power

Location:
Deeside, North Wales

Milestone:
Commencement of operations

Date:
December 2019



Wheelabrator commenced operations at its Parc Adfer Waste-to-energy facility, which will serve the five local authorities that make up the North Wales Residual Waste Treatment Partnership. Parc Adfer is permitted to process up to 200,000 tonnes of residual waste a year and operates as a combined heat and power enabled facility, capable of generating 19 MW (gross - 17 MW net) of electricity.

ESA Member:
**Multifuel Energy
Limited (MEL)**



Project:
Ferrybridge Multifuel 2

Location:
**Ferrybridge,
West Yorkshire**

Milestone:
**Commencement of
operations**

Date:
December 2019

Photograph supplied courtesy of
Daniel Pascoe.



MEL began full commercial operations at Ferrybridge Multifuel 2 (FM2) in December 2019, following a commissioning period which began in August 2019. This energy-from-waste facility is capable of diverting up to 675,000 tonnes of residual waste from landfill each year and exports sufficient electricity to supply 160,000 homes. Combined with its adjacent sister plant, FM1, this is now the largest energy recovery site in the UK.

ESA Member:
Veolia



Project:
**Dagenham Plastic
Recycling Facility**

Location:
Dagenham, London

Milestone:
Investment

Date:
May 2019



Veolia invested an additional £1 million in its Dagenham Plastic Recycling Facility, which turns milk bottles into rHDPE pellets, as a result of increased demand for recycled polymers. This additional investment, which included installation of a new granulator, new processing kit and an upgraded washing process, increased the total food-grade rHDPE production capacity of the facility by 20% to 12,000 tonnes per year.

ESA Member:
Viridor



Project:
Residual Materials Recycling Facility

Location:
Bargeddie, North Lanarkshire

Milestone:
Commencement of operations

Date:
January 2020



Viridor's new £22m residual Materials Recycling Facility (rMRF) at Bargeddie in North Lanarkshire became fully operational and began to receive waste as part of a 190,000-tonne per annum contract with five Scottish councils. Non-recyclable waste is received at the Bargeddie facility and recyclate is extracted for further processing. The remaining non-recyclable material is then transferred to Viridor's £177m Energy Recovery facility in Dunbar, where it creates enough low-carbon electricity to power the equivalent of 70,656 homes.

ESA Member:
REMONDIS



Project:
**Construction &
Demolition Recycling
Plant**

Location:
**Chester-le-Street,
County Durham**

Milestone:
Opening

Date:
June 2019



REMONDIS opened its state-of-the-art Construction and Demolition (C&D) recycling plant in Chester-le-Street, County Durham, which uses sorting technology to process construction, demolition and commercial waste streams. One of the most sophisticated C&D recycling plants in the UK, the facility minimises manual sorting and provides a clean and safe working environment for staff.

ESA Member:
**Bristol Waste
Company**



Project:
**Household Reuse &
Recycling Centre**

Location:
Avonmouth, Bristol

Milestone:
Opening

Date:
February 2020



Bristol Waste opened its brand-new Household Reuse & Recycling Centre in February 2020 in Avonmouth, following significant investment to transform the site. The new site, which is larger, safer and able to process more materials streams for recycling, is also home to Bristol Waste's first ever Reuse Shop. The site and shop will play a key role in helping Bristol reach its ambitious recycling targets.

ESA Member:
FCC



Project:
**Millerhill Recycling and
Energy Recovery Centre**

Location:
Millerhill, Edinburgh

Milestone:
Official opening

Date:
September 2019



FCC officially opened the Millerhill Recycling and Energy Recovery Centre (RERC) in September 2019. The RERC is set to help The City of Edinburgh Council and Midlothian Council divert 155,000 tonnes of waste – 135,000 tonnes of household residual waste with a further 20,000 tonnes of household and commercial waste – from landfill each year. The treated waste will generate electricity to power 32,000 households and businesses across the region.

ESA Member:
**Cory Riverside
Energy**

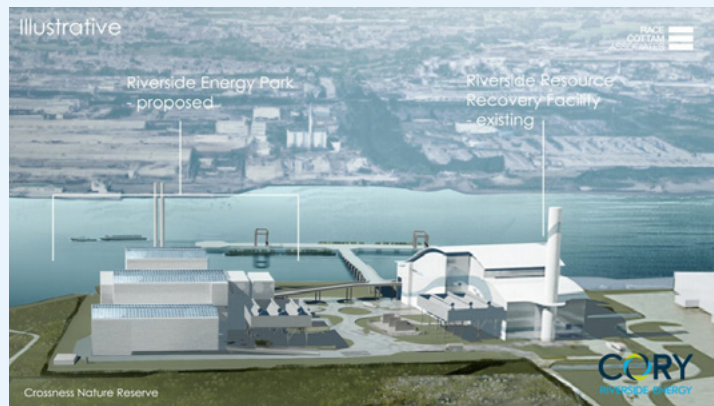


Project:
Riverside Energy Park

Location:
Belvedere, Kent

Milestone:
**Planning permission
granted**

Date:
April 2020



Cory Riverside Energy was granted planning permission for the Riverside Energy Park development. The Energy Park will be situated next to Cory's existing energy recovery facility in Belvedere, on the banks of the Thames. It will feature an additional energy recovery facility and an anaerobic digestion facility, solar power and battery storage. The new facility will receive up to 805,000 tonnes of residual waste, which will produce enough low-carbon renewable electricity to power the equivalent of 140,000 homes. Cory is also looking to develop a district heat network to harness the heat produced by the existing Riverside EfW facility and the proposed Riverside Energy Park.

ESA Treasurer's report 2019/2020

The year ending March 2020 has seen another solid year for the Association's finances. ESA aims to meet a balanced budget each year, and for the fifth consecutive year the Association met this objective and made a small surplus.

Subscriptions from our Members make up over 90% of ESA's income. In 2019-20 this grew by 4% as new Members more than offset leavers in the year. Subscriptions income has now grown a combined 11% during the past two years. This is despite individual subscription levels being frozen since 2011, with ESA absorbing inflation costs during this period.

ESA's stable Membership income has allowed the Association to increase its policy activity on behalf of its Members again this year with spending on policy activity growing by 22% as ESA increased significantly its profile and engagement with Ministers and other senior politicians throughout the year. ESA's reserves now comfortably cover its liabilities and provide a cushion against possible future falls in income. The Association is a very lean organisation with just seven full time employees and very competitively priced office space in central London with good access to the political arena in Westminster, and which also provide free of charge meeting room facilities for Members to use when in the capital.

The lockdowns and other restrictions introduced in response to covid-19 have of course had a devastating impact on many parts of the economy. Our industry is however thankfully less exposed than many other sectors, and the strong new policy drivers which are to be introduced as part of the Government's Resources and Waste Strategy will help to underpin the future financial performance of our Members, which in turn should



Neil Grundon
Treasurer of the Environmental
Services Association

help to support stable future subscription income for the Association.

The highly diversified nature of the industry gives ESA continued opportunities to expand its Membership base, which also helps the Association to increase its credibility and influence with Government and other external stakeholders, creating a stronger Association all round.

ESA members and working groups

Full members as of March 2020

Albion Environmental

Armstrong Waste Management Ltd

Augean Landfill

Axil Integrated Services Ltd

Barr Environmental Ltd

Biffa Waste Services Ltd

Bioenergy Infrastructure Ltd

Blue Phoenix UK Ltd

BPR Group Ltd t/a Paper Round

Bristol Waste Company

Brockwell Energy Ltd

Bywaters Ltd

Castle Environmental

Cirrus Environmental & Planning
Consultancy Ltd

CNIM UK Ltd (MES Environmental)

Cobalt Energy Ltd

Cory Riverside Energy

Covanta Energy Limited

Coventry & Solihull Waste Disposal
Co Ltd

Cumbria Waste Limited

CWM Environmental Ltd

Day Group Limited

EMR Group

Enva

FCC Environment (UK) Ltd

Fortis IBA

Grundon Waste Management

Hills Waste Solutions Ltd

Indaver UK Ltd

J&M Murdoch and Sons Ltd

Johnsons Aggregates and
Recycling Ltd

Levensat Ltd

LondonEnergy Ltd

Max Recycle

MDJ Light Bros (SP) Ltd

MJCA

Multifuel Energy Limited (MEL)

NWH Waste Services

O'Donovan Waste Disposal

Olleco

Patersons Waste Management

Peter Brett Associates LLP

Re-Gen Waste

Reigart Contracts Ltd

REMONDIS

Renewi plc

Resource Efficient Solutions LLP

Scanmetals (UK) Limited

Serco Group plc
Smiths (Gloucester) Limited
SUEZ recycling and recovery UK
Thompsons of Prudhoe (Formerly
WM Thompson)
Totus Environmental
Tradebe UK Limited
Veolia Environmental Services (UK) plc
Viridor Waste Management Ltd
Waste Cost Reduction Services Ltd
Wheelabrator / WTI
Windsor Waste Management Ltd
WRc plc
Wyllie Recycling Limited

**Associate members as of
March 2020**

Arden Equipment UK Ltd
Avertas Energy (Macquarie)
Bauer Analysis
CCIC London Company Limited
Clyde & Company Claims LLP
CMS Cameron McKenna Nabarro
Olswang LLP
Davidson Chalmers Stewart
Dentons UK and Middle East LLP

Direct Insurance Group
Environment Exchange, The
Fichtner Consulting Engineers Ltd
Green Investment Group Limited
Iona Capital
Isys Interactive Systems Limited
Miles Smith plc
Osborne Clarke
Outotec (UK) Limited
Pinsent Masons LLP
Plan B Management Solutions Ltd
PricewaterhouseCoopers LLP
Ricardo Energy & Environment
Royal Haskoning DHV
SLR Consulting Ltd
Smart Solutions Recruitment Ltd
Tolvik
Uniper Technologies Limited
Vismundi Ltd
Walker Morris LLP
Wardell Armstrong LLP
Wastepack Group Limited

ESA working groups and committees

The ESA convenes a number of groups comprising subject-matter experts from member organisations, as well as contributors from outside of the ESA membership where appropriate. The working groups are responsible for delivering key activity aligned with the organisational strategy. As of March 2020, the working groups are as follows:

- Biological treatment
- Climate Change
- Dry Recyclables
- Energy-from-Waste
- Finance
- Planning
- Hazardous Waste
- Health & Safety (Strategy)
- Health & Safety (Committee)
- Communications (Strategy)
- Collections
- Regulation
- Taxation
- Scottish Environmental Services Association (SESA)
- Welsh Environmental Services Association (WESA)



Environmental Services Association Officers



Jacob Hayler
ESA Executive Director

Jacob joined the ESA from the City in 2005 as an Economist and has spent most of the past ten years focused on developing market-focused policies that combine environmental and economic sustainability. Jacob has retained responsibility for policy relating to finance, tax, carbon management, contracts and energy from waste.



Sam Corp
Head of Regulation

Sam leads on a wide range of regulatory initiatives within ESA, including the sectors' role in tackling waste crime. He is currently managing the 'Right Waste, Right Place' campaign to raise awareness of waste Duty of Care. As WESA co-ordinator, Sam is also involved in the establishment of waste and recycling policies in Wales.



Stephen Freeland
Policy Advisor/Scottish Environmental Services Association (SESA) Coordinator

Stephen's role as policy advisor is to help inform the development of H&S and environmental policy on behalf of the industry. As SESA co-ordinator, Stephen looks after policy, regulation and engagement with the Scottish Government.



Eleonore Soubeyran

Policy and Parliamentary Affairs Officer

Eleonore is responsible for ESA policy on Energy Recovery, Climate Change and Net-Zero. Eleonore also seeks to raise the profile of the industry in Parliament, and engage political stakeholders in all areas of resources and waste policy.



Julien Grolée

Recycling Policy Advisor

Julien is the ESA's point of contact for dry recyclables and biowaste policies. He is also in charge of the development of WEEE regulation



Toni Waters

Communications and Membership Officer

Toni manages the ESA communications channels with trade and national press, social media and member companies. She also manages all full and associate ESA Membership applications, and is the main point of contact for member companies.



Anita McCarthy
Office Manager

Anita manages the ESA reception and the meeting room bookings. She is the first point of contact at ESA. She is hands on with the day to day running of the offices and assists the Policy Team when required with administration.

For membership enquiries, please contact
Toni Waters by email at t-waters@esauk.org

If you would like to find out more about the
Environmental Services Association, please visit
www.esauk.org

 **@ESA_tweets**



www.esauk.org