



environmental
services
association

PRESS STATEMENT

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Independent report finds contracted council waste collections achieve higher recycling and better value for money than in-house services

LONDON, 13 January 2020: The Environmental Services Association (ESA), the voice for the UK's resource and waste management industry, has today published a report, produced independently by Eunomia Research and Consulting Ltd (Eunomia), investigating the effects of competition on the performance of municipal waste collection services.

The analysis, which was based on a sample of 58 similar authorities to ensure a true like-for-like comparison, found that contracted-out waste services consistently achieved higher recycling rates than in-house services. Examination of the sample of matched authorities, over a seven-year period, found that the average recycling rate for contracted out services was 50%, compared to 44% for in-house services.

Furthermore, the report concluded that those authorities which contracted out their services achieved a lower cost of service per household, per percentage point of additional recycling, than those which did not. Overall, the report found that contracted services have a 10 per cent lower cost, per percentage point of recycling achieved, than in-house services.

Researchers for Eunomia compared waste collection authorities on a like-for-like basis, accounting for factors such as geographical areas, dry recycling provision, and consistency in provision over the previous seven years. This gave a sample of 58 authorities across England, and despite limited availability of data across the country, those local authorities with contracted services had consistently achieved higher recycling rates than in-house services. Contracted services were also found to achieve lower rates of missed collection.

Executive Director of the Environmental Services Association, Jacob Hayler, said: *“This independent, 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.*

The results speak for themselves and arrive when the stakes have never been higher, since the Government’s new 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.

In our view, competition has an important role to play in delivering a resource-efficient circular-economy, which will both help deliver ‘better’ services at home and help British businesses more effectively compete abroad.

In the meantime, the research findings contradict the belief, in some political quarters, that in-house services provide the tax-payer with better value for money and, to the contrary, demonstrate that competition drives better outcomes for councils across a range of metrics. Industry practitioners, policy makers and service-commissioners must make a renewed case for the benefits of competition and challenge, both at a national level in public procurement policy, and at a local level reaching their own commissioning decisions.

We would like to thank Eunomia for applying their usual independent academic rigour and scrutiny to the production of this report – and for overcoming the challenge posed by a lack of comparable and consistent waste service cost data. On this point, the ESA believes that there is a strong case for the Government to improve revenue outturn reporting to enable local authorities to make objective decisions based on actual evidence and hard data.”

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.”

ENDS

Notes to editors

Findings of the report:

- The full report, The Effects of Competition on Municipal Waste Collection Performance, will be available to download for free from the ESA’s website from 0930 on Monday 13 January 2020
- The report focused on comparison of recycling performance, service costs and value for money, and quality of service.
- Key comparative data is based on a sample of 58 similar waste collection authorities.

- 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.

The Environmental Services Association (ESA)

The **Environmental Services Association** (ESA) is the trade association representing the UK's resource and waste management industry, which is leading the transformation of how the UK's waste is managed.

The sector at a glance:

- Total turnover: **£11 billion**
- Direct Employment: **106,000 people** (*including waste collection, treatment and materials recovery*)
- Municipal waste handled each year: **27 million tonnes**
- Energy generated (across landfill gas, anaerobic digestion and energy from waste) each year: **approximately 11,867 GWh**, which is 3.5% of the UK's electricity
 - **9,083 GWh of that was renewable electricity** (taking out non-biodegradable portion of EfW) which is **11%** of UK's renewable electricity
- Greenhouse **gas emissions down by 70% since 1990.**
- The **top seven companies account for approximately 40% of turnover.** Many hundreds of SMEs provide either localised or more specialised services
- Waste & recycling is the **most highly rated of all council services** by the public (2016 survey)

For further details please visit www.esauk.org

Eunomia

Established in 2001, Eunomia Research & Consulting Ltd ('Eunomia') is a Bristol-based, independent consultancy dedicated to adding value to organisations through the delivery of improved outcomes. Eunomia has over 100 employees, with offices in Bristol, London, Manchester, Brussels, Athens, New York and Auckland. Working throughout the UK, other EU Member States and beyond, Eunomia's consultants have experience and expertise in environmental, technical and commercial disciplines.

Eunomia's main service areas include:

- Waste management;
- Low carbon and renewable energy;
- Resource efficiency;
- Circular economy;
- Environmental economics and policy;
- Policy and programme evaluation;
- Marine planning;
- Sustainable future transport;

- Natural capital and ecosystem services; and
- Climate emergency strategy services.

Eunomia is an appointed advisor to many types of organisations including central government, local and regional authorities, national utilities, waste management and technology companies and global financial institutions.

For more information about Eunomia, please visit www.eunomia.co.uk

Media Contact

ESA Press Office: 020 7591 3214

Email: b-johnson@esauk.org