

From: David Wimble, Cabinet Member for (the Kent) Environment

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To: Environment and Transport Cabinet Committee – 4 November 2025

Subject: Waste management in Kent

Key decision: No

Classification: Unrestricted

Past Pathway of report: N/A

Future Pathway of report: N/A

Electoral Division: All

Summary:

This paper provides Members with an update on the national waste reforms and considers impacts to KCC performance and budgets, including the latest position regarding the funding from Extended Producer Responsibility.

The paper also explains that there is an overarching focus on reducing residual waste given the current and future cost associated with this material, through increasing recycling at kerbside.

This will require working in partnership with district and borough councils in new and innovative ways that share risk and reward. This approach views collection and disposal as a whole waste system and takes a Kent taxpayer view on opportunities for cost reduction and the introduction of a mechanism to fund this activity on an invest to save basis.

Recommendation:

The Environment and Transport Cabinet Committee is asked to note and comment on the report.

1. Background

- 1.1 Although the current roles and responsibilities for managing household waste are changing, the current arrangements are set out in the 1990 Environmental Protection Act. In two tier local authority areas such as Kent, responsibility is divided between the county council who is the waste disposal authority and district and borough councils who are the waste collection authorities.
- 1.2 Kent County Council as the waste disposal authority is responsible for reprocessing the material collected by district and borough councils and

operating a number of sites for householders to dispose of their waste materials.

- 1.3 District, borough and city councils are responsible for collecting household waste (and waste of a similar nature to household) and must collect at least two types of recyclable material separately from the rest of the household waste.
- 1.4 Within this legislative framework, KCC operates 19 household waste recycling centres (HWRCs), which receive around 2 million visits per year.
- 1.5 KCC as the waste disposal authority disposes of c660,000 tonnes of material per year, which is managed through the HWRC and transfer station network and then processed via infrastructure within Kent and beyond.

Performance

- 1.6 Figures 1 and 2 below shows Kent's performance against the national and regional average for two performance indicators; waste sent to landfill and waste reused, recycled or composted.

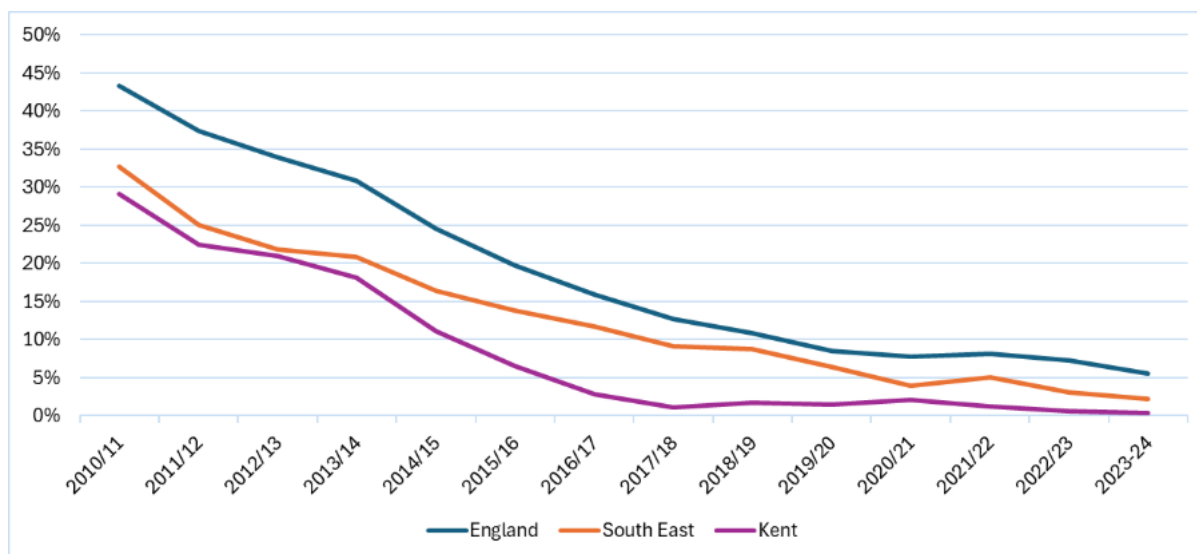


Figure 1: Percentage of municipal waste sent to landfill

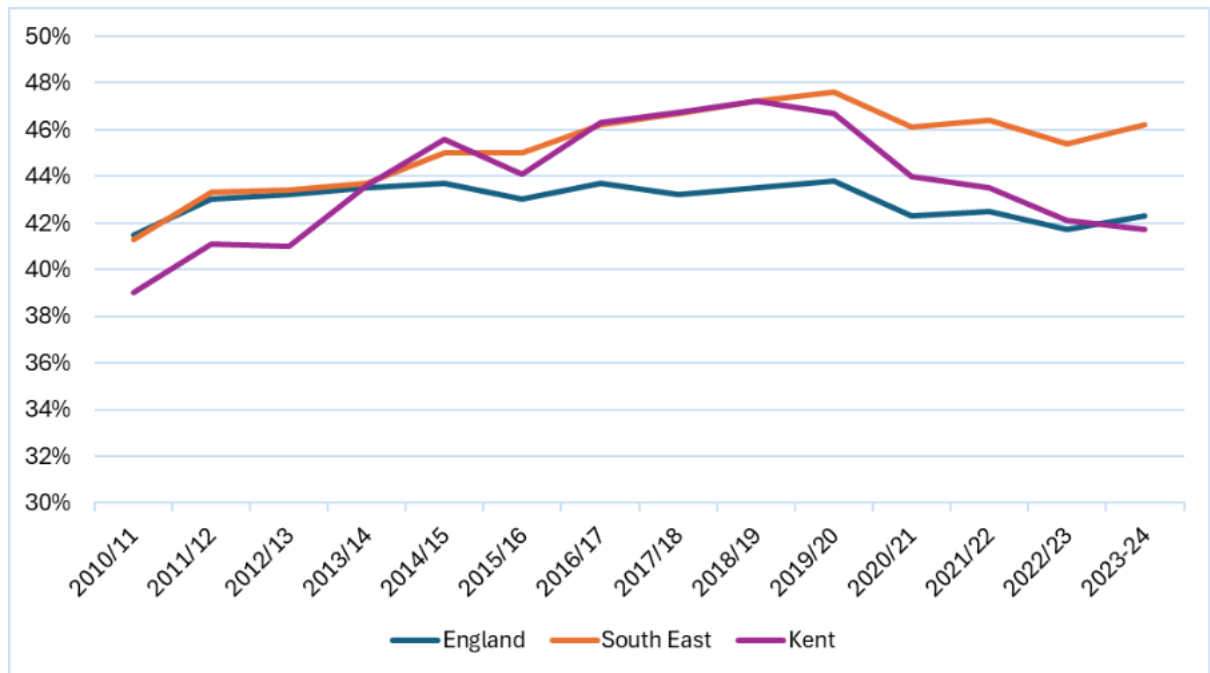


Figure 2: Percentage of household waste sent for reuse, recycling or composting

- 1.7 Figure 1 shows that KCC is landfilling less than 1% of the waste collected in Kent, which is outperforming the average across both England and the South East.
- 1.8 Figure 2 shows the average recycling rate for both waste collected at kerbside by district and borough councils and waste collected at HWRCs by KCC. It shows that Kent's recycling rate of 42% is now lagging behind the average across the South East and England. The best performing counties in the South East are Surrey and West Sussex where the recycling rates are 54.5% and 51% respectively.
- 1.9 Figure 3 below shows the difference between the waste collection authority with the highest recycling rate and lowest recycling rate in Kent each year since 2010/11. Over that period, the lowest performing authority has increased their recycling rate from 14% to 24%, whilst the best performer has increased from 46% to 52%. The difference has therefore closed, however there remains a 28-percentage point difference between the highest performing and lowest performing collection authority in the county.

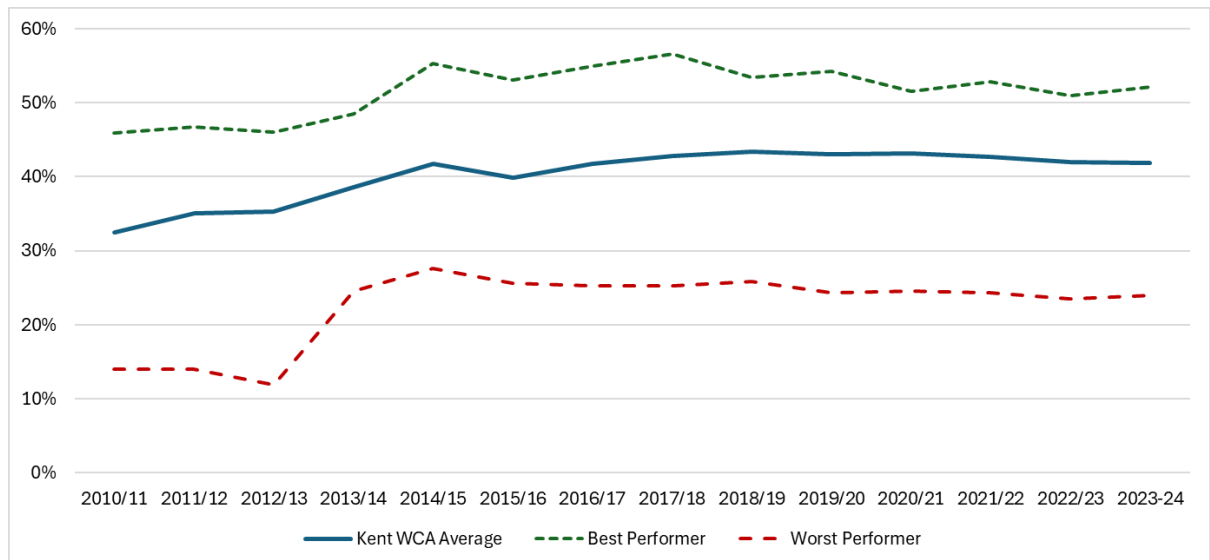


Figure 3: Kerbside recycling rates across Kent waste collection authorities

Budget

- 1.10 KCC's waste budget is shown in Table 1 below. You can see that this year, KCC is projected to spend £47.9m treating residual waste, £5.5m composting food and green waste and generate an income of £3.4m from reprocessing recyclables.

Budget area	2025/26 Budget
Treatment of residual waste	£47.93m
Composting food and green waste	£5.54m
Reprocessing recyclables	-£3.41m
Incentives to collection authorities to recycle more material	£3.51m
Operation of transfer stations and haulage of materials	£19.06m
Operation of HWRCs and haulage of materials	£12.16m
Management of closed landfills	£0.52m
Other	£3.17m

Table 1: 2025/26 budget spend areas

- 1.11 Figure 4 takes actual reprocessing costs from 2024/25 and divides them into the spend on materials that are taken to KCC's HWRCs and those materials collected at kerbside. The image shows that KCC spent £7m reprocessing materials collected at HWRCs and £53m on materials collected at kerbside. Of this £53m, £47.1m was spent on managing residual waste.

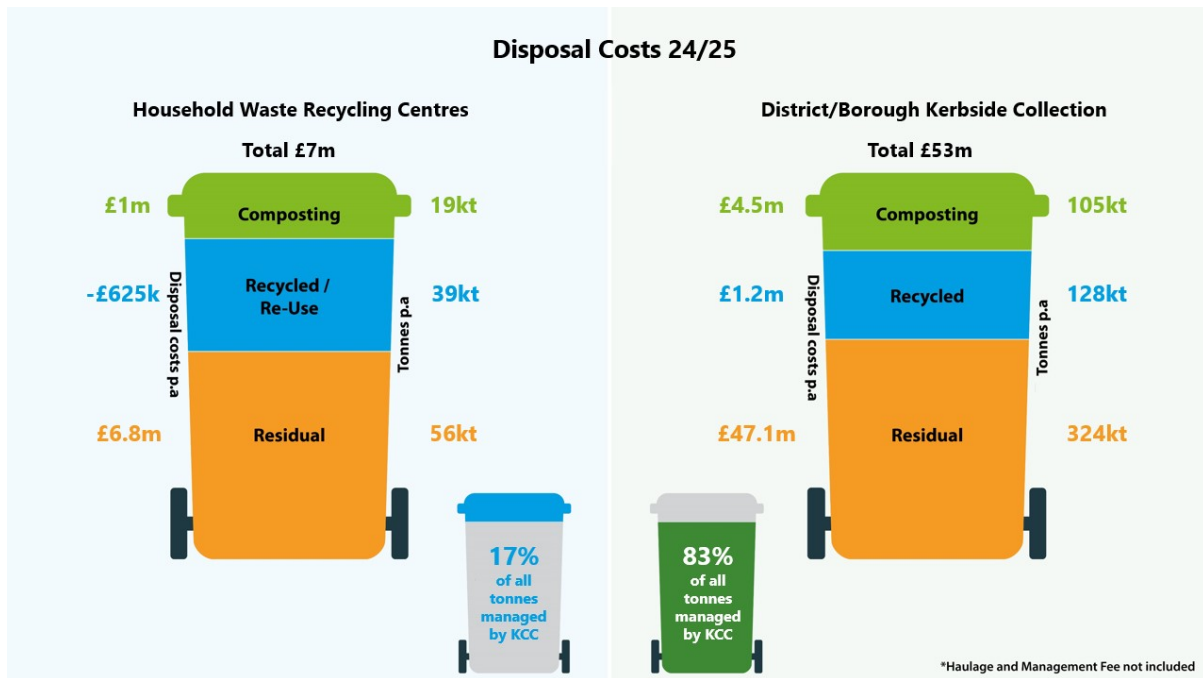


Figure 4: KCC disposal costs versus materials collected in 2024/25

- 1.12 Over the last few years, the increasing amounts of residual waste and stagnating recycling rates within Kent have put pressure on KCC's ability to deliver our statutory waste services within the available budget envelope.

2. Legislative changes

- 2.1 The Resources and Waste Strategy for England 2018, Greenhouse Gas Emissions Trading Scheme Order 2020 and Environment Act 2021 will see the largest changes to the waste and resources agenda for over 30 years. There are four key changes that will have the largest impact on KCC.

Simpler Recycling

- 2.2 This reform mandates that, by 31 March 2026, kerbside collections must include the collection of glass, metal, plastic, paper, card, food waste and garden waste for recycling or composting from households (businesses must comply by March 2025). Collection authorities will still be able to charge for green waste collections.
- 2.3 DEFRA recently issued an update to this reform, whereby collection authorities must provide containers for:
- residual (non-recyclable) waste
 - food waste (which can be mixed with garden waste)
 - paper and card
 - all other dry recyclable materials (plastic, metal and glass).
- 2.4 There are however exemptions that a collection authority can seek for collecting paper and card, which should be collected separately unless it:

- is not 'technically practicable'
 - is not 'economically practicable'
 - has 'no significant environmental benefit'.
- 2.5 Collection authorities must prepare a written assessment to explain why one or more of these options apply.
- 2.6 Dartford Borough Council and Sevenoaks District Council will need to introduce food waste collections as a result of this legislation. It is estimated that this will save KCC in the region of £820,000 per year due to food waste moving from residual waste into composting.
- 2.7 In addition, Sevenoaks District Council will be introducing kerbside glass collections, and introducing fortnightly collections of residual waste.
- 2.8 To support collection authorities in Kent with the new collection requirements, KCC has carried out the following activities to increase capacity and ensure that we enable the disposal requirements associated with Simpler Recycling:
- Opened a new Waste Transfer Station in Sevenoaks
 - Secured planning permission for a Waste Transfer Station in Folkestone and Hythe as there is currently no facility within this district
 - Carried out a feasibility study to increase the operational capacity at Pepperhill Waste Transfer Station in collaboration with Ebbsfleet Development Corporation.

Extended Producer Responsibility

- 2.9 The Extended Producer Responsibility framework is based upon the 'producer pays' principal, whereby the producers of packaging waste will pay for the material to be managed once it has been discarded by the consumer. This should incentivise the producers of packaging to use the minimum amount of packaging required to protect the product and ensure that the materials used are recyclable as this will reduce their cost overhead.
- 2.10 Extended Producer Responsibility solely refers to packaging waste and currently includes paper, card, glass, plastics, wood and metal with other materials potentially being considered in the future.
- 2.11 Drinks containers made of any material other than glass and drinks containers made from polyethylene terephthalate (PET), steel, or aluminium between 150ml and 3l in size, are not included in the calculations.
- 2.12 However, all drinks containers will be in scope from 2028 if a Deposit Return Scheme is not in place by that time.
- 2.13 Binned waste and littered packaging waste, business waste and packaging collected within food and garden waste services are also currently not included.

- 2.14 For local authorities, the legislation says that they will receive the ‘full net cost recovery’ of the collection, haulage, recycling or disposal of these packaging wastes if there is an ‘efficient and effective’ waste management system in place. This would apply to an estimated 92,000 tonnes of materials managed by KCC.
- 2.15 From October 2024, waste transfer stations were required to sample and evaluate mixed recycling, in line with the amendments to the Environmental Permitting Regulations (2016). This will be part of the process to determine whether the management of these materials is ‘efficient and effective’ and adds an additional cost to KCC of £133k per year.
- 2.16 The diverse set up of local authority budgets present difficulties for DEFRA in applying calculations to determine ‘full net cost recovery’. As a result, to calculate this payment, all local authorities have been placed into predetermined family groups for the first year’s payment calculation. Calculations for subsequent years will differ as the system embeds. For the first year, it has not been possible to reconcile the Extended Producer Responsibility income with full net costs.
- 2.17 KCC has received confirmation that its Extended Producer Responsibility payment for 2025/26 is £12.272 million.
- 2.18 The initial estimate for this payment was £13.2 million. Following a reduction of £1.01 million, the Department for Levelling Up, Housing and Communities (DLUHC) provided a guarantee for the shortfall. As a result, the total amount received by KCC was £13.28 million and the resource management and circular economy net budget for 25/26 was updated accordingly to reflect the new income stream.
- 2.19 Future payments will be subject to further modelling by the Scheme Administrator. The draft MTFP for 26/27 has modelled a lower Extended Producer Responsibility income figure in lieu of confirmation of KCC’s allocation figure that is due before the end of the year.
- 2.20 Looking ahead, the requirement for services to be “efficient and effective” is expected to become increasingly important in determining future Extended Producer Responsibility payments. Local Authorities will be expected to demonstrate that funding is being used to meet these standards.

Repayment of misallocation of recycling credits within the Extended Producer Responsibility payment

- 2.21 The payment of the Extended Producer Responsibility money to KCC included a payment to KCC for the recycling credits that KCC has paid to Sevenoaks, Gravesham and Dartford Councils.
- 2.22 Subsequently, these councils had the same amount of money deducted from their Extended Producer Responsibility payments.

- 2.23 Recycling credit payments are made to waste collection authorities for recycling that they collect at bring banks that KCC does not manage, in line with legislative requirements. In 25/26 these payments totalled c.£395k.
- 2.24 The payment made to KCC was more than the money that we paid out, and subsequently the money deducted from Sevenoaks, Dartford, and Gravesham was more than they received. DEFRA asked that in two tier authorities, the parties reconcile the differences to ensure that no party is no better or worse off, hence why a reconciliation payment totalling c.£395k has been made to these authorities. No allowance has been made in the budget for future reconciliation payments as this was just a one-off payment for 25/26.
- 2.25 Going forward, all parties have agreed that we will no longer pay Recycling Credits to avoid this situation arising again.

Deposit Return Scheme

- 2.26 There has been a further delay to the Deposit Return Scheme until October 2027. This scheme will introduce a deposit on single use drinks containers (except for glass), which is refunded upon the return of the container.
- 2.27 A Deposit Return Scheme is likely to reduce the amount of these materials that are littered and will likely reduce the volume of waste collected at the kerbside.
- 2.28 However, the scheme will also change the composition of the materials within the kerbside collected materials and many of the valuable materials will be removed. This will likely negatively impact contract costs, as the value of the recycling basket will reduce with less valuable items in there, which would result in an increase to gate fees. Whilst the tonnage may be lower, the increase in costs may outweigh the reduction in tonnage.

Emissions Trading Scheme

- 2.29 The budgetary incentive for KCC to continue to increase recycling rates is further compounded by energy from waste plants being added to the Emissions Trading Scheme from January 2028.
- 2.30 This scheme is a cap-and-trade scheme designed to limit the total amount of greenhouse gases that certain industries can emit. Limits are set in line with the UK's net zero targets. This cap reduces year on year and consequently the cost of the permits required to emit will increase.
- 2.31 Any additional cost associated with this will be passed through to KCC.
- 2.32 The cap-and-trade scheme (and therefore charge) is based on the amount of fossilised carbon contained in the residual waste sent to energy from waste facilities.

- 2.24 KCC currently disposes of around 370,000 tonnes of residual waste per year. It is estimated that over 90,000 tonnes of the residual waste stream consists of fossilised carbon, in plastics, textiles, absorbent hygiene products and other similar materials.
- 2.25 Based on today's tonnages and UK Emissions Trading Scheme prices, the additional cost to KCC (in addition to EfW disposal fees) will be an estimated £16m per year.
- 2.26 By increasing recycling and diverting from EfW not only do we make savings on our existing budget but we also reduce the future unfunded liability of the UK Emissions Trading Scheme.

3. Current work to reduce waste

- 3.1 KCC's behaviour change programme aims to increase recycling rates across Kent and reduce the volume of waste sent to the Allington Energy from Waste (EfW) facility. This initiative is not only environmentally beneficial but also improves value for money and service efficiency.
- 3.2 Our key priorities include:
- **Boosting food waste recycling** - Food waste is the largest component of general household rubbish.
 - **Improving recycling in flats and communal properties** - These areas show low participation and high contamination.
 - **Enhancing dry mixed recycling** - Increasing the quantity and quality of plastics, glass, paper/card, and metals, while reducing costly contamination.
- 3.3 Since September 2024, a targeted food waste recycling campaign has been launched in six districts. This has involved placing 'no food waste' stickers on rubbish bins and providing information packs and free caddy liners to encourage participation. To date, the project has seen:
- Food waste collected year-on-year increase by 19.7%
 - Over 14,000 new caddies ordered
 - 1,200 tonnes of food waste recycled, saving £160,000 in disposal costs
 - Projected annual savings of £440,000 if the current trends continue.
- 3.4 The campaign is being expanded and will include two additional districts launching this month and another launching in January. The remaining district that currently collects food waste is currently finalising their launch date.
- 3.5 The remaining two districts that do not currently offer food waste collections will launch services next year, with KCC support to maximise impact.

4. Further development of the work programme

- 4.1 In July 2025, in partnership with the waste collection authorities, the latest waste composition analysis of kerbside residual (black bag) bins took place.
- 4.2 Figure 5 shows that with the current recycling systems in place at kerbside, over 37% of black bag waste is recyclable. Of this recyclable material, around half is food waste, c35% is dry missed recyclables and c13% is garden waste.

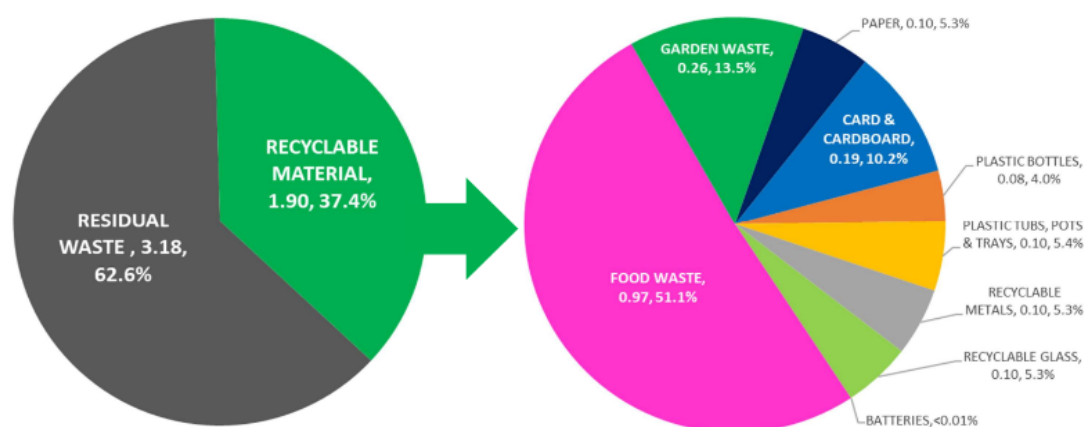


Figure 5 Average recyclable content of Kent residual waste (kg/hh/week and %)

- 4.3 Under the new Simpler Recycling legislation, 52% of the residual waste stream will become potentially recyclable, with waste collection authorities obligated to provide a collection service for these materials, however this legislation does not currently incentivise collecting more of these materials.
- 4.4 KCC is working with district and borough colleagues through the Kent Resource Partnership to review the whole waste management system, focusing on what is most cost effective for the Kent taxpayer. Work has been carried out to ascertain:
- The full cost of waste collection and disposal
 - The likely impact of legislative changes on the materials in the waste stream
 - Potential savings from increasing recycling rates
 - Where costs and opportunities sit across waste collection and disposal
 - The carbon reduction opportunity from delivering system improvements.
- 4.5 This work will lead to the development of a model to incentivise continuous improvement aimed at ensuring both collection and disposal systems are efficient and effective from both a financial and carbon perspective. It will also enable officers to develop a mechanism for incentivising continuous improvement and best practice for waste collection authorities that shares risk and reward and delivers performance improvement and financial savings.
- 4.6 Proposals for this scheme will be brought back to Environment and Transport Cabinet Committee in early 2026.

5. Financial Implications

- 5.1 In 2024/25, the waste budget was £93m, of which £52.4m was spent on reprocessing residual waste through energy from waste and £5.9m on recycling and composting.
- 5.2 In 2025/26, Extended Producer Responsibility brings a cost recovery income of £13.2m to KCC and Simpler Recycling an estimated £818k cost saving through the additional residual waste diversion.
- 5.3 The key risk is from the Emissions Trading Scheme of an estimated £16m per year. This begins in January 2028, which has been included as a pressure in the MTFP.
- 5.4 The receipt of the Extended Producer Responsibility money is an opportunity for KCC to increase performance, which will not only have subsequent budget reductions, but will also help to limit the financial liabilities in 2028 from the Emissions Trading Scheme.
- 5.5 As described within this paper, the opportunities for the service to impact both performance and the budget position positively come from working in partnership with district, borough and city councils and encouraging the public to think about waste differently and reduce, reuse and recycle.

6. Legal implications

- 6.1 There are no legal implications of this briefing note.

7. Equalities implications

- 7.1 There are no equalities implications of this briefing note.

8. Governance

- 8.1 This paper builds on a paper presented to the Environment and Transport Cabinet Committee prior to the May 2025 election and is informed by requests from the committee.

9. Conclusions

- 9.1 The reforms and funding shifts that are currently taking place in waste management as outlined in this paper are monumental, and a massive shift for local authorities. The reforms have complex interactions with each other and as a result, the end-to-end impacts are not yet fully understood.
- 9.2 This paper aims to inform Members with regards to these changes and actions that are taking place to mitigate risk and work with our partners the Waste Collection Authorities.
- 9.3 Whilst through the introduction of Simpler Recycling and Extended Producer Responsibility KCC will experience some upturns in potential savings/cost

reimbursement, the financial burden of the Emissions Trading Scheme will not only consume these benefits but also provide an added on-going pressure.

10. Recommendation

The Environment and Transport Cabinet Committee is asked to note and comment on the report.

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