



House of Commons
Committee of Public Accounts

Northern Ireland's Waste Management Strategy

**Thirty-first Report of
Session 2005–06**

*Report, together with formal minutes,
oral and written evidence*

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The Committee of Public Accounts

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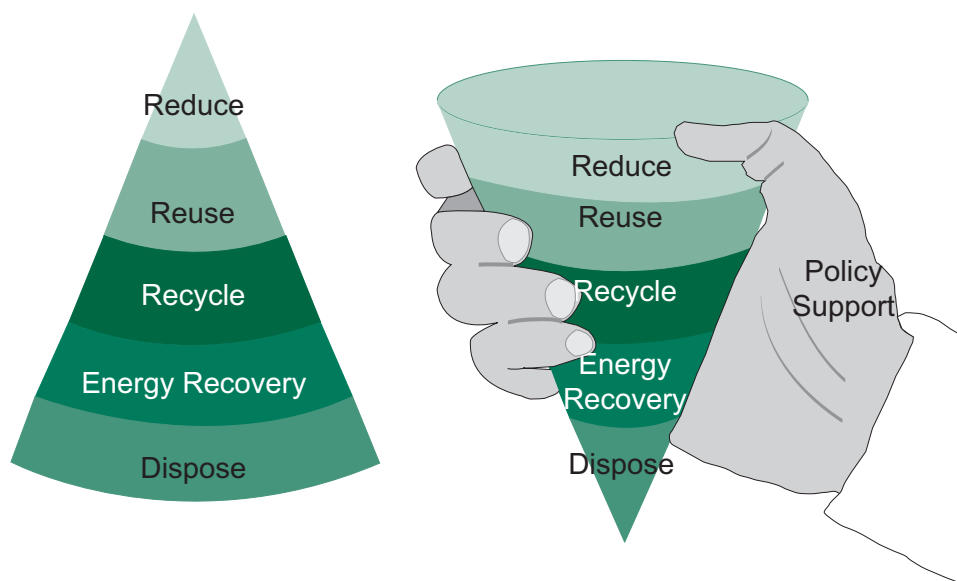
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Summary

Waste policy and strategy in the UK is determined, to a large extent, by EU Directives. The 1975 Waste Framework Directive instructed Member States to produce waste management plans and also established a hierarchy of waste management practices, indicating the relative priority to be applied to different methods of dealing with waste. (Figure 1).

Figure 1 : The EU waste management hierarchy



Note: The first cone in the figure shows the more desirable options nearer its apex and also reflects the current unsustainable situation because of the proportion of its segments. The aim of waste management policy is to invert the cone, so that the volume of waste being dealt with at each level decreases towards the least desirable option.

Measured against this hierarchy, Northern Ireland's waste management performance is poor. It is heavily reliant on landfill and has made limited progress in reducing the amount of waste produced or in developing recycling initiative and facilities. Its wider performance in transposing EU environmental Directives has also been slow. Although now cleared, a large backlog, peaking at 45 pieces in 2002, created the risk of infraction fines for the UK which would, in turn, have resulted in shortfalls in the NI public expenditure budget.

Central and local government each has a key role to play in NI's waste management activities. The Department of the Environment is responsible for policy and legislation and for developing and implementing Northern Ireland's Waste Management Strategy. The latter role has primarily been undertaken by its Environment and Heritage Service. At a local level, Councils are responsible for waste management plans in order to establish a regional network of facilities to support a reduction in the amount of municipal waste sent for disposal and to increase the use of recycling. Combined expenditure by the Department and Councils is estimated at between £90 million and £120 million annually.

In accordance with the 1975 Waste Framework Directive, the Department of the Environment produced a NI Waste Management Strategy in 2000 and, because they had responsibility for delivering key aspects of the Strategy, required local Councils to produce associated waste management plans. Both the Strategy and the plans were deficient, and

Councils were slow to produce their plans, only completing them in April 2003.

Since its launch, there have been problems in the implementation of the Waste Management Strategy. For example the Greening Government initiative was a major theme in the Strategy but the Department has shown poor leadership in this area, with little progress in initiating key measures. The targets in the Strategy and the data used to measure achievement have also been deficient. Illegal dumping has remained a problem, particularly in border areas, and has required the allocation of additional staff resources to address the issue.

A specialist Advisory Board, appointed by the Department, reported on the poor rate of progress in the Strategy's implementation. The Board made recommendations for improvement, some of which the Department has been slow to implement. The Department is currently consulting on a new Waste Management Strategy, due for publication in March 2006. A number of other outstanding issues are also currently under consideration. These include a review of environmental governance and exploring the potential funding sources for the £270 million to £300 million investment required to deliver its waste management targets.

On the basis of a Report by the Comptroller and Auditor General, the Committee took evidence from the Department and the Environment and Heritage Service on delays in completing Northern Ireland's legislative framework; problems in implementing the Waste Management Strategy; and the improvements that need to be put in place for the future.

Conclusions and recommendations

- 1. Northern Ireland's delay in transposing EU Directives into local legislation exposed the UK government to the risk of infraction fines.** Insufficient resourcing of the Department's legislation team led to Northern Ireland having a large backlog of EU environmental Directives awaiting transposition in 2002 and the risk of the UK incurring fines of up to £400,000 per day. Now that the backlog has been eradicated, it is essential that the Department keeps its legislation programme in line with the rest of the UK, to ensure that this woeful performance is not repeated.
- 2. The Department has not yet produced a Sustainable Development Strategy (SDS) and it is now several years overdue.** The UK's SDS is a cornerstone of environmental policy and each region apart from NI has, in addition, its own SDS, with local objectives and targets. The Department's legislation team also has responsibility for developing the SDS and did not begin work in earnest until the backlog was cleared in 2004. There can be no further delay in producing Northern Ireland's SDS, since extra staff are now available and there are equivalent documents for the rest of the UK to act as examples. The Department must ensure that it meets the Summer 2006 target date.
- 3. There are limitations in the quality of data used to develop, monitor and report on the Waste Management Strategy and the existing targets are not sufficiently stretching.** The Department must put in place effective and reliable systems for gathering and analysing data for all waste streams, so that its targets and reported statistics are credible. This should be done without delay, to facilitate the development of new targets that can be made to bite. We expect to see such targets in the new Strategy, and reported quarterly on the Department's website.
- 4. Greening Government is an important element of the Strategy, but the Department's progress in improving its own waste management performance has been slow.** The importance of the leadership role within Government is self-evident, yet the Department only produced its first waste action plan in October 2004. If the Department is to act as an example to others, it must be seen to implement good practice in all aspects of its environmental management. Putting in place targets equivalent to those of its Westminster counterpart would be a good place to start.
- 5. Enforcing waste legislation and tackling illegal dumping are resource-intensive and require ongoing commitment.** Under-resourcing of its regulatory teams and hasty introduction of new legislation to clear the transposition backlog meant that the Department did not always have proper guidance and enforcement procedures in place, or the staff to implement them. The Department estimates average profits to illegal site operators to be in the region of £1 million, with £24 million in total going to the black economy annually. Despite recent successes against illegal dumpers, dealing with offenders and damage to the environment after the event is costly. This work must be balanced with a strong preventative effort. The Department should issue clear guidelines for waste producers affected by legislation, as it is introduced, and undertake regular monitoring to ensure that the guidelines are being followed, in order to reduce the occurrence of illegal dumping in the first place.

6. **Councils have an important role in implementing key Waste Management Strategy targets.** Responsibility for delivering EU targets for recycling or composting household waste and reducing the amount of biodegradable waste sent to landfill rests primarily with Councils. Failure to meet the landfill target risks incurring fines which will, ultimately, be payable by ratepayers. Councils' waste plans should align fully with the requirements of the Waste Management Strategy, set out clearly how they will meet its targets and how new infrastructure that is expected to cost in the region of £270 million to £300 million, and other measures, will be funded.
7. **In 2002, the Department exercised poor financial control when it paid £1.3 million to Councils in advance of need.** The Department supplied grants to Councils to assist them with the cost of developing their waste management plans. In 2002, it paid grants that included £1.3 million that was not spent by the end of the financial year, despite Councils' assurances to the contrary. The Department must prevent any recurrence of such advance payments and put in place robust financial controls to ensure that payments to the bodies it funds are based on actual funding requirements for the period in question.
8. **The Department has made slow progress in achieving the Waste Management Strategy targets and implementing the recommendations of its Advisory Board.** In 2004, the Waste Management Advisory Board, composed of stakeholders appointed by the Department, reported only limited progress against the 2000 Strategy, and made a number of recommendations for improvement. Despite resource shortages, the Department allocated skilled staff to producing a formal response, challenging some of the Board's findings. If expert Boards are appointed to provide guidance, that guidance should generally be accepted and implemented, if the exercise is to have real value and lead to improvements.
9. **Two of the Board's key recommendations have still not been implemented.** These were: a cross-Departmental delivery group should be established, at Permanent Secretary level; and the huge infrastructural deficit should be addressed. The results of the Review of Public Administration, announced by the Secretary of State in November 2005,¹ should not be used as a justification for any further delay in introducing long-overdue improvements, for example, in deciding whether or not there should be a single waste management authority for Northern Ireland.
10. **The Minister has announced a review of environmental governance in Northern Ireland.** The Public Accounts Committee of the Northern Ireland Assembly, the Northern Ireland Affairs Committee at Westminster and Waste Management Advisory Board all saw a case for establishing an independent environmental regulator, of the sort that exists in every other part of the British Isles. Given Northern Ireland's poor record on environmental governance in general, and waste management in particular, the case for doing so is now self-evident and it should be done without delay following the review.

1 HC Debates, 22 November 2005, col 106WS

1 Shortcomings in the development of Northern Ireland's Waste Management Strategy

1. Waste legislation in the UK is based on EU Directives, which member states are required to transpose into domestic law in accordance with prescribed standards and targets. Lengthy transposition delays have the potential to give rise to infraction fines. Any fine that might be levied by the EU for delays in Northern Ireland would be borne by the UK government, and the fine would be passed on to Northern Ireland, resulting in a shortfall in its budget. Potential fines have been estimated at around £400,000 for each day that the UK was non-compliant, so the potential impact would be significant.²

2. The existence of a 45-piece backlog of NI environmental legislation awaiting transposition at March 2002 is evidence of very poor performance by the Department, and it acknowledged readily that there was no excuse for this situation. In the event, no fines were imposed and the backlog was cleared by March 2004. The Department has now put in place substantial additional resources to ensure that no further backlogs develop.³

3. It is Government policy that sustainable development should underpin all other goals, policies and processes and, in 1999, it published a Sustainable Development Strategy (SDS) for the UK. Following devolution, each regional legislature was expected to produce its own SDS, with local indicators of progress. In 2000, the NI Executive gave a commitment to do so. This has not been done, and NI is now the only part of the UK without a local SDS. This continued delay has occurred despite eradication of the legislative backlog, the influx of extra staff and the ready availability of Strategies for other parts of the UK that could be used as examples to reduce substantially the amount of preparatory work required.⁴

4. NI's Waste Management Strategy, published in 2000, was produced to satisfy EU requirements. The Department acknowledges that it is far from perfect. Its targets are too timorous and performance measurement is undermined by poor data on the nature and volume of waste being produced and disposed of. Quarterly reports from the Waste Dataflow system provide assurance in relation to municipal waste data from Councils. However, this represents only a small proportion of NI's waste and data on other types, most notably agricultural, which is by far NI's largest waste stream, is inadequate.⁵

5. Councils are responsible for delivering certain targets included in the Strategy, including the recovery of 40% of household waste by 2010, 25% of which is to be by recycling or composting. The Department considers it likely that the household waste target will actually be achieved by the end of 2006. However, there are significant gaps in Councils' waste management plans. For example, despite the ongoing need for landfill facilities to

2 C&AG's Report, *Northern Ireland's Waste Management Strategy* (HC 88, Session 2005–06) para 1.4; Qq 26–31

3 *ibid*, paras 1.3, 1.7; Qq 2, 26

4 C&AG's Report, paras 2.1–2.3; Qq 66–69

5 C&AG's Report, paras 2.10, 2.12–2.13, 2.17; Qq 23–24, 103

deal with waste that cannot be managed in any other way, only one of the Council plans addressed in any way the issue of landfill capacity shortages.⁶

6 C&AG's Report, paras 2.19–2.25, 3.10 and Figures 5, 6; Qq 12–24, 53

2 Problems in implementing the Waste Management Strategy

6. The Government's Greening Government initiative is a key theme in the Waste Management Strategy and is a means by which Government can demonstrate leadership by improving its own environmental performance. The Department has made little progress in this area and has not even met its own in-house measures, many of which have been put in place only recently.⁷

7. The results of the Department's waste audit have provided it, for the first time, with a baseline assessment of its own performance. This has resulted in an action plan, to be used as a model by the other NI Departments, who are now committed to producing their own waste management action plans by the end of the current financial year. Although very belated, this is an important first step towards aligning NI Departments' targets and performance with those of their Whitehall counterparts.⁸

8. There are particular difficulties in dealing with the serious problem of illegal dumping of waste from both sides of the 370-kilometre border with the Republic of Ireland, not least because of the involvement of organised crime and the huge profits to be made by illegal operators. This situation has been encouraged, in part, by the less stringent legal control framework in NI, exacerbated by the past legislative delays, and a differential in the tax regime.⁹

9. Compliance monitoring and enforcement of waste legislation has suffered, until recently, from a shortage of suitably qualified staff. Although the Department has now devoted an additional £600,000 to enforcement, this compares poorly with the £2.5 million that it considers would be required to do the job properly. Even this sum is outweighed by the estimated £5.6 million lost to the exchequer through uncollected landfill tax as a result of illegal dumping, up to March 2004.¹⁰

10. The case study highlighted in the C&AG's Report is a shocking illustration of the illicit gains available to those determined to trade in illegal waste. Because of the clandestine nature of illegal dumping, and the wide variation in types of illegal sites and in the waste they contain, its extent is difficult to estimate. However, the Department confirmed that it would not be unreasonable to estimate an average of £1 million per site in illegal profits, with around £24 million going to the black economy annually from this source. This does not take account of the environmental clean-up costs of illegal sites which, because they are not properly engineered and managed, are difficult to estimate.¹¹

11. Tackling illegal dumpers is often a hazardous operation for investigation staff. Consequently, the Department's account of significant recent successes in shutting down

7 C&AG's Report, paras 3.2–3.5; Qq 8–9, 48

8 C&AG's Report, paras 3.6–3.7; Qq 49–52

9 C&AG's Report, paras 1.4, 1.6; Q5

10 C&AG's Report, paras 1.4–1.6, 3.22–3.23; Qq 5, 54–57

11 C&AG's Report, paras 3.26–3.27 and Figure 9; Qq 58–62

illegal sites and mounting stop-and-search operations with police is most encouraging. Such operations must continue, and even increase, if the Department is to achieve its new target of reducing illegal waste to 1% of total waste arisings in the next ten years.¹²

12. Councils clearly have a key role to play in delivering the Waste Management Strategy targets, especially by developing and delivering their local waste management plans. The NI Landfill Allowance Scheme provides for a £200 fine per tonne to be paid by Councils who fail to comply with the landfill reduction targets. In addition, non-compliance could risk an EU infraction fine for the UK. The Department has made it crystal clear to Councils that they would be liable for any fines levied. The bill for any such fines would ultimately be payable by ratepayers.¹³

13. In 2001–2002, the waste management grant paid by the Department to assist Councils in developing plans and acquiring waste infrastructure included £1.3 million that constituted payment in advance of need. The Department said that this resulted partly from Councils' delay in implementing their plans and partly from their invalid assurances that they would spend the money within the financial year. This represents poor financial control by the Department and occurred at a time when implementation of the Waste Management Strategy was being hampered by under-resourcing in other key areas, such as clearing the legislative backlog and tackling illegal dumping.¹⁴

12 C&AG's Report, paras 3.24–3.25; Qq 61, 64, 106

13 C&AG's Report, paras 2.16, 2.19; Qq 31–37

14 C&AG's Report, paras 2.29–2.30; Q 6

3 Reviewing progress and designing improvements for the future

14. The Department appointed a Waste Management Advisory Board in 2001, to advise on, and assist with, the implementation of the Waste Management Strategy. The Board's June 2004 report recorded no progress against 43 out of the Waste Management Strategy's 105 targets and actions. Given that the Strategy was produced in 2000, this represents a poor rate of progress and raises concerns that the Department may be unable to meet the key targets.¹⁵

15. The Board made a number of recommendations on each aspect of the Strategy, but the Department's performance against the key recommendations has been slow in the 18 months since the report was published. Of particular concern is its failure to establish the recommended cross-Departmental delivery group at Permanent Secretary level, chaired by a Minister. Such a group could have provided much-needed leadership and focus for delivering the Strategy in general, and Greening Government in particular. In addition, we were told that little further progress is likely to be made in addressing NI's huge deficit in waste infrastructure until the new Waste Management Strategy is produced in 2006, two years after the Board recommended that the problem should be addressed.¹⁶

16. Having appointed the Board members for their expertise, and having paid £55,000 on their expenses alone, the Department then devoted staff time to producing a formal response to the Board's report, challenging some of its findings. There was no obvious need to devote scarce resources to preparing such a document, given the Department's other priorities and its stated acceptance of the majority of the Board's findings.¹⁷

17. Delivering on these issues, and others, will be affected by the recently-finalised Review of Public Administration, which will transfer responsibility for some functions from the Department to Councils. In particular, it may impact on the consideration of whether or not there should be a single waste management authority for Northern Ireland. This further dimension to implementing long-delayed improvements serves to emphasise just how slow the rate of waste management progress has been in Northern Ireland, and underlines the need for the Department to deliver improvements much more quickly than in the past.¹⁸

18. It is clear that the Department fell behind on implementation of its current Strategy, but it has learned lessons from its past failings. The Department has now committed itself to producing the Waste Management Strategy by March 2006 and the Sustainable Development Strategy by Summer 2006, with firm targets for improvement. Specific examples of targets against which its future performance can be measured include: reducing illegal dumping to less than 1% of total waste arisings in the next decade; and only

15 C&AG's Report, paras 4.1–4.3; Q 97; Ev 11–12

16 C&AG's Report, para 4.3, Figure 10 and Appendix 3; Qq 86–97

17 C&AG's Report, para 4.3; Qq 98–102

18 C&AG's Report, paras 4.8–4.9 and Appendix 3; Qq 94, 96

55% of total waste going to landfill by 2010. Current proposals to have more detailed arrangements for data holding, recording and transmission are intended to facilitate measurement against these targets. Success depends on finalising these arrangements quickly and applying them to all waste streams.¹⁹

19. The Waste Management Strategy set a target for reducing the quantities of biodegradable municipal waste being landfilled to 75% of 1995 baseline levels by 2010. The Comptroller and Auditor General will report to the Committee on the Department's progress in meeting this important target.²⁰

20. Northern Ireland requires an estimated capital investment of £270 to £300 million to achieve the 2020 EU target for reducing the amount of biodegradable municipal waste sent to landfill. Through the current consultation exercise for its new Waste Management Strategy, the Department is exploring funding sources for this investment. Possible ways of recovering the cost include, for the first time, extending existing waste producer charges to householders.²¹

21. The Public Accounts Committee of the Northern Ireland Assembly commented unfavourably on the absence of an independent environmental protection body and the Northern Ireland Affairs Committee at Westminster and the Waste Management Advisory Board have both recommended that one should be established. Although this still has not been done, a formal review of overall environmental governance, announced by the Minister in July 2005, is to begin early in 2006. While the outcome cannot be predicted, it is now recognised that there is a strong case for establishing an independent body of the sort recommended previously.²²

19 Qq 103, 108

20 C&AG's Report, para 2.16, Figure 5; Q 112

21 C&AG's Report, para 2.16 and Figure 5; Qq 40–47

22 C&AG's Report, para 4.9; Qq 10–11, 70–85

Formal minutes

Monday 13 February 2006

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Bacon

Kitty Ussher

Mr David Curry

Mr Alan Williams

Jon Trickett

A draft Report (Northern Ireland's Waste Management Strategy), proposed by the Chairman, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 21 read and agreed to.

Conclusions and recommendations read and agreed to.

Summary read and agreed to.

Resolved, That the Report be the Thirty-first Report of the Committee to the House.

Ordered, That the Chairman make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned until Wednesday 15 February at 3.30 pm.]

Witnesses

Wednesday 30 November 2005

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Mr Stephen Peover, Mr Richard Rogers, and Mr Stephen Aston, Department of the Environment, Northern Ireland

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Third Report	Ministry of Defence: Major Projects Report 2004	HC 410 (<i>Cm 6712</i>)
Fourth Report	Fraud and error in benefit expenditure	HC 411 (<i>Cm 6728</i>)
Fifth Report	Inland Revenue: Tax Credits and deleted tax cases	HC 412 (<i>Cm 6689</i>)
Sixth Report	Department of Trade and Industry: Renewable energy	HC 413 (<i>Cm 6689</i>)
Seventh Report	The use of operating theatres in the Northern Ireland Health and Personal Social Services	HC 414 (<i>Cm 6699</i>)
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Fourteenth Report	Energywatch and Postwatch	HC 654 (<i>Cm 6743</i>)
Fifteenth Report	HM Customs and Excise Standard Report 2003–04	HC 695 (<i>Cm 6743</i>)
Sixteenth Report	Home Office: Reducing vehicle crime	HC 696 (<i>Cm 6743</i>)
Seventeenth Report	Achieving value for money in the delivery of public services	HC 742 (<i>Cm 6743</i>)
First Special Report	The BBC's investment in Freeview: The response of the BBC Governors to the Committee's Third Report of Session 2004–05	HC 750
Eighteenth Report	Department for Education and Skills: Improving school attendance in England	HC 789
Nineteenth Report	Department of Health: Tackling cancer: improving the patient journey	HC 790
Twentieth Report	The NHS Cancer Plan: a progress report	HC 791
Twenty-first Report	Skills for Life: Improving adult literacy and numeracy	HC 792
Twenty-second Report	Maintaining and improving Britain's railway stations	HC 535
Twenty-third Report	Filing of income tax self assessment returns	HC 681
Twenty-fourth Report	The BBC's White City 2 development	HC 652
Twenty-fifth Report	Securing strategic leadership in the learning and skills sector	HC 602
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Thirtieth Report	Excess Votes (Northern Ireland) 2004–05	HC 917
Thirty-first Report	Northern Ireland's Waste Management Strategy	HC 741

The reference number of the Treasury Minute to each Report is printed in brackets after the HC printing number

Oral evidence

Taken before the Committee of Public Accounts

on Wednesday 30 November 2005

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Bacon
Greg Clark

Kitty Ussher
Mr Alan Williams

Mr J M Dowdall CB, Comptroller and Auditor General for Northern Ireland, Northern Ireland Audit Office, was in attendance and gave evidence.

Mr David Thomson, Northern Ireland Treasury Officer of Accounts, HM Treasury, was in attendance and gave evidence.

REPORT BY THE COMPTROLLER AND AUDITOR GENERAL: Northern Ireland's Waste Management Strategy (HC 88)

Witnesses: **Mr Stephen Peover**, Permanent Secretary, **Mr Richard Rogers**, Environment & Heritage Service and **Mr Stephen Aston**, Head of Waste Management & Contaminated Land, Department of the Environment for Northern Ireland (DOENI), gave evidence.

Q1 Chairman: Welcome to the Committee of Public Accounts. Today, under the arrangements following the suspension of the Assembly we are taking a Northern Ireland topic. We are considering the Comptroller and Auditor General's Report on *Northern Ireland's Waste Management Strategy*, published in June of this year. We welcome Mr Stephen Peover, who is Permanent Secretary for the Department of the Environment for Northern Ireland. Obviously the responsibilities of Mr Peover are different in Northern Ireland, would you explain the role of your Department to us, as we are Great Britain Members and not necessarily familiar with your responsibilities?

Mr Peover: The Department has a range of functions: environmental policy; environment protection, through the Environment and Heritage Service; the planning system; the Driver and Vehicle Testing Agency; driver and vehicle licensing in Northern Ireland; and responsibility for local government.

Q2 Chairman: Could you please look at paragraph 1.3 of the Comptroller and Auditor General's Report? It says there that your performance in transposing EU environmental directives into Northern Ireland law has, frankly, been woeful in the past. I know that at one stage 45 items were outstanding, that was in March 2002, and this has now been brought up to date, but perhaps you could explain to us why the backlog was allowed to develop in the first place.

Mr Peover: May I start by saying that this was a very poor record of transposition and it became a serious problem for us? The resources in the unit concerned were limited. There were slightly over 30 staff. Those resources have been increased very substantially because we recognised that the backlog was just

unacceptable. We have put a substantial investment into that unit to ensure the backlog was cleared and, secondly, to ensure that for the future we keep pace with developments in the rest of the UK and that is now happening. We keep ourselves abreast of EU dossiers, we have regular liaison with the Commission, regular liaison with colleagues in Defra and the other administrations, but there is no excuse for the past failure to transpose in a timely fashion.

Q3 Chairman: Could you now look at paragraph 1.6 which tells us that your enforcement team is understaffed and you could have raised at least £5.6 million more in landfill tax by proper enforcement to prevent illegal dumping. Why have you not given this higher priority?

Mr Peover: We have given it a degree of priority. We allocated some 24 staff out of a relatively small part of our unit to this function when it became apparent that substantial illegal dumping was occurring in Northern Ireland. We bid for additional resources and, in this current year, we decided as a department to allocate £600,000 additional money to this function, which should allow us to recruit between 15 and 20 additional staff to help us meet our responsibilities. It is a very substantial piece of work. We estimate that we should need £2.5 million to resource this work adequately. We do not have that flexibility within our budget, but we have allocated 24 staff to the function and we are allocating additional resources out of the Department's base line to try to catch up on this responsibility.

Q4 Chairman: Could the fact that you have not been more vigorous in raising this money be explained by the fact that this £5.6 million would go to the Treasury rather than to you?

 Department of the Environment for Northern Ireland

Mr Peover: No; not at all. There is a real loss to Northern Ireland in this, because when waste is illegally dumped in Northern Ireland that means it is not being dumped on legal sites, it is not generating gate fees, it is not generating landfill tax revenues and therefore it is a loss, not only to the public purse, but a loss to Northern Ireland operators of landfill sites and it is a major problem.

Q5 Chairman: I understand as well that sometimes there is a problem with cross-border dumping. Is that right? That might be a problem for you in places like South Armagh. Is that a problem for you?

Mr Peover: Yes, it is. We have something like 273 approved authorised crossing points on the border. We have a border which is 370 kilometres long. We have 10 council areas adjoining the border and there is a differential in the tax regime in the south from that in the UK which acts as an incentive for criminals to import waste illegally into Northern Ireland and to dump it on illegal sites. We are talking about quite a serious level of criminal activity. We are not talking about minor fly tipping or smaller-scale operators; we are talking about organised crime.

Q6 Chairman: Can you now please look at paragraph 2.30? It is a bit of a technical point, but I need to ask you it. Obviously you have to rely on local authorities to do a lot of this work for you, but the councils' delay in finalising their waste management plans impacted on their funding needs and in March 2002, the Environment and Heritage Service gave them £1.3 million in grant aid in advance of need. I am told that this is a breach of financial control. Why did it happen?

Mr Peover: It happened because we were anxious to move this process on, partly because of the delay. It also happened because we had sought and had got from the councils' chief finance officers, written assurances that the money would be spent within the year in question. It was not spent; therefore there is a real issue here. We were acting with the aim of trying to address this problem, get the whole Waste Management Strategy under way and we were acting with assurances from the councils. I should have introduced my two colleagues,

Q7 Chairman: I should have asked you to do that; I do apologise.

Mr Peover: Mr Richard Rogers, Chief Executive of the Environment and Heritage Service on my left and Mr Stephen Aston, Head of Waste Management and Contaminated Land on my right. May I ask Richard whether he wants to comment on this point about the accounts?

Q8 Chairman: Your answer is fine; thank you very much. Could you please look at paragraph 3.6 on page 26 of the Comptroller's Report? An audit of your Department showed that your own headquarters building only recycled 15% of its solid waste. It does not say much for your leadership in this area, does it?

Mr Peover: Yes, I have to agree with that. In terms of leadership the reason that solid waste audit was undertaken was as part of the process of trying to show leadership. It had not been done before. We needed a baseline assessment of where we stood. We did an assessment across our sites and the range was from a relatively low 5% up to really quite reasonable levels, but the average was low for the Department as a whole. As a result of that, we developed an action plan which is being rolled out across the Department and that is aiming to reduce the level of waste going to landfill and to procure recycling throughout the department.

Q9 Chairman: On the same subject, paragraph 3.7 says that although Whitehall departments are committed to 5% annual increases in the amount of waste they recycle or send for compost, you do not have equivalent targets for the Northern Ireland departments. Why is that?

Mr Peover: This will come forward as part of the process of our Sustainable Development Strategy. We have now set ourselves targets; we have a target in the Department of reducing our paper consumption by 50% over a five-year period, so 10% a year. We have a green housekeeping guide which we have circulated to our staff. We have campaigns of "Think before you print", paper reduction, we have a programme of replacing our existing printers or changing our printers to print double sided rather than single sided, we publish documents in electronic form rather than paper form. A process is being developed here which is aimed to feed in, in due course, to our Sustainable Development Strategy and show that we are actually engaged in some leadership. We have rolled out the results of our solid waste audit to all the Northern Ireland departments and all of them have committed themselves to produce waste management action plans by the end of the current financial year.

Q10 Chairman: Lastly, paragraph 4.9, page 36. It says there "In 2001, the NI Public Accounts Committee's Report on river pollution referred to what it described as the 'wholly unsatisfactory nature of the watchdog role within government' and expressed concern that Northern Ireland is the only part of the British Isles without an independent environmental protection body . . . More recently, the Westminster Northern Ireland Affairs Committee's Report on the NI Waste Strategy also supported the establishment of an Environmental Protection Agency". As clearly the present arrangements have not worked very well, are you now supporting the setting up of this independent body?

Mr Peover: What I should say is that the Minister, Lord Rooker, announced in July of this year that we will carry out a review of environmental governance. What happened, if I can sketch the background for you briefly, was that some time ago a coalition of environmental NGOs commissioned Professor Richard Macrory to do a Report on environmental governance in Northern Ireland. That Report came up with a number of options. We have been in

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dialogue with the coalition since and we have worked with them to agree a set of terms of reference for a review, which is what they wanted, an independent review of environmental governance. The Minister announced that in July. Indeed, I and some of my officials were talking this morning to the proposed chairman of that independent review team and the aim is that that review, depending on his diary commitments, will begin in the new year.

Q11 Chairman: It has been reviewed, but you cannot tell us any more about the possible outcome at present.

Mr Peover: The Minister made it quite clear at a conference that he sees a strong case for it.

Chairman: That is fair enough; that is a steer.

Q12 Greg Clark: May I ask the Permanent Secretary whether he can assure us that Northern Ireland will comply with the targets for the diversion of landfill from municipal waste by 2010?

Mr Peover: Yes, I hope so. Those are our targets.

Q13 Greg Clark: I know they are your targets, but are you on track to meet the targets?

Mr Peover: We are on track to meet some of those targets.

Q14 Greg Clark: What about that particular one, the 25% reduction?

Mr Peover: Yes, we expect to reach the figure of 25% by the end of next year.

Q15 Greg Clark: By the end of next year?

Mr Peover: Yes.

Q16 Greg Clark: And going forwards, do you expect to keep on track and meet further targets?

Mr Peover: Yes. We have done a review of our Waste Management Strategy which was published for consultation in October for close of comments by 20 January next. The aim will be not only to reflect the existing targets but to strengthen the target-setting process as part of that review, and to look forward to the creation of long-term infrastructure to meet the needs for diversion from landfill.

Q17 Greg Clark: May I just clarify this point? You just told me that you will achieve a 25% reduction in landfill from municipal waste, which is the target for 2010, by the end of next year.

Mr Peover: No; sorry, the 25% target is for household waste.

Q18 Greg Clark: Municipal waste.

Mr Peover: That is our aim and we will have to assess that progress towards that target along the way.

Q19 Greg Clark: I know it is your aim. I asked you what I thought was a clear question. Are you on track to achieve that 25% reduction target, which is there for 2010? Are you on track to meet that?

Mr Peover: I think our figure is 18.2%.

Mr Aston: We are on track to meet the recycling and recovery target but you have asked specifically about the diversion and diversion from landfill of biodegradable waste. Yes, we are on track to meet that target and have heavy penalties to make sure we remain on track under the Northern Ireland Landfill Allowance Scheme.

Q20 Greg Clark: So you expect now to meet that target by 2010?

Mr Peover: Yes.

Mr Aston: Yes; we expect to meet that target by 2010 and we also expect to meet the 25% recycling target on the way.

Q21 Greg Clark: In respect of that municipal waste target, where are you now?

Mr Aston: At 18.9%.

Q22 Greg Clark: Why does it say in the Report, page 21 figure 6, in the bottom section of that table, that it is too early to assess progress on those targets? Perhaps that is something for the Comptroller and Auditor General. Why does that record that it is too early to assess progress whereas apparently the progress is well known?

Mr Dowdall: That was the consultant's assessment at the time. If you see the heading at the top of the column, when we produced this Report we were conveying the Department's own consultants' findings in the Report.

Q23 Greg Clark: When was this assessment made?

Mr Peover: I am not quite sure. Do you know when the consultants Reported?

Mr Aston: I believe the consultants Reported just prior to the completion of the audit Report and since then the Northern Ireland Landfill Allowance Scheme targets have been put in place, as has the Reporting scheme called Waste Dataflow. So we have much more information coming in since the date of the Report.

Q24 Greg Clark: Are you serious that you thought it was too early to assess progress just before this Report was produced, whereas now you seem not only to have the information but to be very confident that you are going to hit the targets?

Mr Peover: They are 2010 targets. The Report makes clear that there are issues about data collection. Stephen has just mentioned that we are part of Waste Dataflow which gives us quarterly returns from councils. A lot of infrastructures has to be put in place over that timescale. We are still hopeful that we shall meet those targets.

Q25 Greg Clark: If you do not meet the targets—Northern Ireland does things differently as we have discovered, the transposition takes longer—if you were to fail to meet the targets, is it possible that the UK could fail to meet its targets as a result of the slow progress in Northern Ireland?

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Mr Peover: I suppose it is possible, yes, but unlikely, as we are a very small element of the UK waste stream.

Q26 Greg Clark: The slow transposition is one of the things that triggers fines.

Mr Peover: Yes, the slow transposition is an issue for the UK because we are a constituent part of the UK. We have resolved that problem. There is now no real issue of transposition delay at all. We are up to date with transposition, we are fully engaged with the European Commission and with colleagues in Defra and we are working very closely with them. I do not see transposition as being a problem for us.

Q27 Greg Clark: In the event of failure to meet either transposition targets or indeed the actual diversion targets, if there were infraction proceedings, would any fine be for the United Kingdom or for Northern Ireland? Who would pay that?

Mr Peover: I suppose the fine would be against the United Kingdom, but I assume the Treasury might wish to levy the fine on Northern Ireland.

Q28 Greg Clark: Perhaps the Treasury might like to comment on that.

Mr Thomson: When devolution came into place in Scotland, Wales and Northern Ireland, there was a statement of funding principles. The statement of funding principles includes treatment of any EU fine and effectively the devolved administrations would have to pick up the tab.

Q29 Greg Clark: The whole of the element that relates to them?

Mr Peover: The element for which they are responsible. Northern Ireland would pick it up.

Q30 Greg Clark: How do they then pass it on? Suppose there is a fine to the UK attributable to Northern Ireland's performance, who in Northern Ireland picks up the tab?

Mr Thomson: I have not worked this out because it is hypothetical, but, if I may think it through, I suspect the Treasury would reduce the Northern Ireland budget; the Northern Ireland budget would be reduced by an amount and then ministers, in allocating that Northern Ireland budget, would have to decide how to cope with the shortfall.

Q31 Greg Clark: Would it be passed onto district councils for example?

Mr Thomson: I am hesitating because ministers could decide as part of that process to pay district councils less money. That would be within the gift of ministers.

Q32 Greg Clark: But it has not been decided that they would do that. Is that not rather extraordinary? The whole point of this non-compliance regime is to provide incentives, punishments and rewards to encourage people to act in a certain way and yet it seems neither the Treasury nor the officials in Northern Ireland have actually determined in

advance how these fines are to be allocated. What possible incentive is that for district councils to improve their behaviour?

Mr Peover: There is an incentive for district councils through the Landfill Allowance Scheme.

Q33 Greg Clark: But not to comply with the EU targets.

Mr Aston: I referred to the Northern Ireland Landfill Allowance Scheme which is modelled on the scheme in GB and it does provide for a penalty currently of up to £200 per tonne for a failure to comply with diversion. So in answer to your questions about the transfer of costs, I believe it is highly probable that it would be transferred to councils that fail to comply.

Q34 Greg Clark: Highly probable. So if I were to talk to the chief executive of one of the councils in Northern Ireland, they would have a clear view as to what the financial consequences for their council tax payers were for a failure to meet these targets.

Mr Aston: That has been made crystal clear to them.

Q35 Greg Clark: What would it be for a typical council then if they failed to meet their target?

Mr Peover: The £200 per tonne figure depends on the tonnage by which they fail to reach their targets.

Q36 Greg Clark: That entirely passes on the fine which could have been imposed on the UK. It goes to Northern Ireland and it is predictable in that way.

Mr Peover: Yes, there are two different types of fines here. Maybe I am confusing you. On the transposition fine, if Northern Ireland fails to transpose legislation on time—

Q37 Greg Clark: I am thinking more of the achievement of the diversion targets.

Mr Aston: Just to be clear, in Northern Ireland there are 26 councils and for waste management they are grouped into the three groups which the Report identifies. For example, the southern management group, unusually referred to as SWMP, Southern Waste Management Partnership, would face a fine approaching £9 million if they failed.

Q38 Greg Clark: Do you think that regime of incentives is clear and is enough to incentivise the appropriate behaviour?

Mr Aston: My use of the word "crystal" was chosen.

Q39 Greg Clark: Does the Treasury concur with that?

Mr Thomson: Yes. When I was responding to you, I was responding more on the transposition which would be a general fine against the UK; I was not picking up the council issue which Mr Aston has dealt with.

Q40 Greg Clark: That was fully covered by that. Just to clarify one point which I think was in answer to the Chairman's question, since capital investment is

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needed to achieve the ongoing targets, do you have a definitive estimate of what is needed for capital investment to achieve the 2020 target?

Mr Peover: Not a definitive estimate. We are looking at figures of around £270 million to £300 million of investment.

Q41 Greg Clark: And that is to achieve the 2020 diversion target?

Mr Peover: Yes, it is to support the Waste Management Strategy.

Q42 Greg Clark: Where is that capital investment going to come from, what is the source of the funds for that?

Mr Rogers: We are in discussion with the Strategic Investment Board. I do not know whether members are familiar with the board's operation in Northern Ireland. There is a mixture of funding streams for capital investment, direct government funding in capital investment.

Q43 Greg Clark: You say direct government funding, so you are not proposing to recover it.

Mr Peover: That is one option. The other option is through public/private partnership where we should see a substantial investment coming from the private sector to support the implementation of the strategy, and there we should work through the Strategic Investment Board, which is the agency within Northern Ireland which acts as a lever between public and private sectors.

Q44 Greg Clark: Would you expect to recover the capital costs from waste producers through any charging regime?

Mr Peover: Yes, the cost of the investment will be covered through a charging regime.

Q45 Greg Clark: At what point of the waste stream do you propose to apply these charges? Is it the end users, the people who are dumping or the people who are generating the waste?

Mr Peover: Probably both in the sense that one of the aspects of the new Waste Management Strategy will be to look at the issue of charging for the collection of waste.

Q46 Greg Clark: So you have not decided yet who pays.

Mr Peover: We have collection already; charges for commercial and industrial waste, for example and so on. Householders are not charged a sum specifically for waste management as part of the rates system in Northern Ireland, but one of the issues to be looked at in the review of the strategy is whether, as they do in the Republic of Ireland, there are specific charges to householders for the collection of waste to promote recycling and the minimisation of waste going to landfill at the point of creation in households.

Q47 Greg Clark: Do you expect to bring in those household charges?

Mr Peover: That is out for consultation at the moment as an issue to be in the Waste Management Strategy.

Q48 Mr Williams: The Northern Ireland Audit Office's capacity to prove me wrong seems to be unlimited. On various occasions I have thought when I have read their Report that it cannot get worse than this. You always rise to the challenge and you have done so again. What is so astonishing is that even you, the Department, cannot meet your own in-house standards. Why not?

Mr Peover: We have only recently set our in-house standards.

Q49 Mr Williams: What took you so long?

Mr Peover: Yes, well, I have no answer to that question. There was a failure on the part of the Department to show leadership in the strategy. That was recognised. We related to our Scottish counterparts who have EMS systems and we instigated the waste audit.

Q50 Mr Williams: Might it be a good example if you set a good example to everyone else?

Mr Peover: Yes, I agree entirely.

Q51 Mr Williams: You do agree.

Mr Peover: Yes, I agree entirely.

Q52 Mr Williams: You are just not doing it. The idea is good.

Mr Peover: That is what we are now trying to do. It is our waste management action plan for the Department which we have copied to all of our colleagues and which we know they will respond to by the end of this financial year with their own waste management action plans.

Q53 Mr Williams: You seem to be trying to administer a dream world over there. Only one of the councils in its plans seems to have actually observed that you are running out of landfill sites. Are all the others blind to reality or have they just now given up hope?

Mr Peover: No. There will be a residual need for landfill, the long-term Waste Management Strategy will include some landfill because there will be a residual element of the waste stream which cannot be recycled, re-used or indeed reduced. There is an issue about landfill and we shall continue to have a need for landfill and that is a point which we and the councils will have to take forward as part of the wider strategy.

Q54 Mr Williams: What has surprised me is to find that you have only half the staff you need. You have unemployment still in Northern Ireland. Are there not the odd couple of people you could pick up to get your staff up to establishment?

Mr Peover: There are two issues. In fundamental terms, people are not the problem; we do still have unemployment. We need both resources and we

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need people with specific skills. We are talking about people who have an expertise, probably a scientific background in this area.

Q55 Mr Williams: Surely over the time you have realised this loss, you have had time to train people, select people and yet you do not have the people to carry out the monitoring and carry out the enforcement. It is surprising that the situation is as disastrous as it looks.

Mr Peover: We have expanded the numbers of staff quite dramatically. I think there are now 100 staff in the waste management and contaminated land unit in comparison with much smaller numbers some years ago. We have expanded the numbers. We are putting in another £600,000 out of the Department's base line.

Q56 Mr Williams: If you have expanded and you are still only at half, you must have been in an abysmal state before you expanded.

Mr Peover: We were. The issue of illegal dumping is a very serious problem.

Q57 Mr Williams: There were just the three of you, were there?

Mr Peover: No, not quite.

Q58 Mr Williams: We look at the example in figure 9 of this illegal legal landfill site which had 105,000 tonnes of illegal waste in it and the owner apparently made a modest little bonus of just over £300 million out of it. Is he now a guest of Her Majesty?

Mr Peover: I am not sure. We do have a rigorous prosecution policy.

Q59 Mr Williams: Did you prosecute him or her, whichever it happens to be?

Mr Aston: I believe that we have someone who may shortly be a guest of Her Majesty.

Q60 Mr Williams: For a considerable time we assume.

Mr Aston: Yes.

The Committee suspended from 4.02 pm to 4.06 pm for a division in the House

Q61 Mr Williams: We are discussing one of your colleagues in Northern Ireland who made a nice little home job for himself. That was £3 million and we are told there about 200 illegal landfill sites. What would an average illegal landfill site be worth, do you think? Have you put any sort of value on it?

Mr Peover: It would be very difficult. They vary in range from quite large settings to a farmer who has a hole in the ground in a field in his farm who takes a few container loads of waste. We do have the full range of illegal activity here from small-scale dumping through to large-scale organised crime. When my staff go out into some areas along the border they are accompanied by armed PSNI officers, by soldiers, to protect them. It is really quite a serious problem. In overall terms, I am not sure we

have a reliable estimate; because this is clandestine activity, we do not know what the extent of it is. We are uncovering illegal landfill sites on a regular basis.

Q62 Mr Williams: This may be meaningless and just say so if it is, but could one say they might average out at £1 million a site? Would that be excessive?

Mr Peover: They might well; I do not think that is excessive.

Mr Aston: It is difficult to answer, because we do not know how many there are. We have stopped operations at 51 sites and, if you look at what might be going into the black economy, that could be of the order of £24 million.

Q63 Mr Williams: So it is mega money and in the circumstance, one does not need to ask about the financial credentials and other credentials of the people who are behind these operations.

Mr Peover: They are huge.

Mr Rogers: The most uncertain thing is the environmental clean-up cost of illegal sites which may be discovered, for the very reason that you imply, that these are obviously not going to be engineered, not going to be acceptable in any environmental way. That is the great question mark that we have about costs in the future.

Q64 Mr Williams: I can understand that. Enforcement must be a nightmare and perhaps that is one of the reasons why you have difficulty recruiting people to do the enforcement.

Mr Peover: Our staff have been interviewed on television and we have to pixel out their faces, because we do not want them to be identified. It is a hazardous operation not only in environmental terms but in terms of their personal security.

Q65 Mr Williams: One of the problems for this Committee is that we look forward to the day when we can hand you back to Stormont, which should take place, but we have always erred on the side of being gentle in the hearings because we recognise the abnormality of the circumstances in which you operate. Do we see any end?

Mr Peover: We are having significant success in tackling illegal dumping. We have uncovered a large number of these, we have shut them down and we have stop-and-search arrangements with the PSNI, stopping lorries, looking for illegal waste. The message is going out that there is an inspection regime, which will deter a number of people. We shall not always be able to deter criminals, because there are huge profits to be made, but there is a message that enforcement is being pursued.

Q66 Mr Williams: Switch from that now to the general position, what you can do, which is make decisions and produce nice little plans and so on. Why is it that, even on that front, the Northern Ireland Sustainable Development Strategy is still not available five years after the Northern Ireland Executive gave a commitment to produce it? That cannot be for the sorts of reasons we have been looking at. What are the special circumstances here?

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Mr Peover: I am hesitant to say it, but it is partly due to the same reasons. The issue with the backlog of transpositions, the 45 pieces of legislation, is that the unit which deals with that legislation and policy is the same unit which is trying to take forward the Sustainable Development Strategy. For those years in particular, the 2003–04 years, they were fully occupied in trying to make sure that we had our legislative programme up to date and avoided the infraction fines that we talked about earlier on.

Q67 Mr Williams: What surprises us is that you alone have found this abnormally difficult. Why is it difficult for Northern Ireland and not for anyone else to produce a strategy? Your waste is not different from ours.

Mr Peover: No, it is not. The whole issue of the Sustainable Development Strategy sits on top of the full range of environmental legislation. We needed to modernise our environmental statute book to get us to a position where we could actually have a sustainable development strategy. The staff who were involved in that modernisation process are some of the staff we are now allocating to this process of developing the strategy. We started later than the rest of the UK. We could not get started until April 2004 after the backlog had been cleared and the work has been going on since then. We are in the process of developing the strategy—the UK published a new framework in March this year—and underpinning that, there are strategies for Wales, Scotland, England and there will be one for Northern Ireland. We are working with our stakeholders, the environmental NGOs, with the district councils, with business, with agriculture, as part of a process of evolving a Northern Ireland strategy which is specific to Northern Ireland, which is not just high level strategy. The view we have received back from those stakeholders and from the Sustainable Development Commission is that what we need to produce is not another high flown strategy alone, but a strategy which has an implementation action plan associated with it, which we had intended to do by the summer of next year and that is still our intention. It is now our intention to combine the strategy with the implementation action plan.

Q68 Mr Williams: I am due to retire at the end of this parliament. If I ask you to drop me a note when you have achieved your objective there, is it likely I should receive it before retirement?

Mr Peover: Very likely; certain.

Q69 Mr Williams: We shall have a little bet on it and you can send me that note.

Mr Peover: I am determined to produce that strategy and the implementation action plan.

Q70 Mr Bacon: May I ask you to turn to page 43? You will see there that it says the Waste Management Advisory Board review in 2004 made a number of key recommendations. The first one was:

“Establish an independent Environmental Protection Agency for Northern Ireland”. Has that happened?

Mr Peover: The Minister, Lord Rooker, has announced an independent review of environmental governance in Northern Ireland. It is focused on this key issue.

Q71 Mr Bacon: This was a recommendation from the Waste Management Advisory Board. When did the Waste Management Advisory Board Report? It was June 2004, was it not?

Mr Peover: Yes, it was.

Q72 Mr Bacon: That was a year and half ago.

Mr Peover: Yes.

Q73 Mr Bacon: It says here, “Establish an independent Environmental Protection Agency”. My question was: has that been done?

Mr Peover: No.

Q74 Mr Bacon: When was this announcement by the Minister?

Mr Peover: July.

Q75 Mr Bacon: Of?

Mr Peover: Of this year.

Q76 Mr Bacon: So a year after the Report came out he made an announcement that there would be a review.

Mr Peover: What I should say to you is that the trigger for that review is not the Waste Management Advisory Board’s view, that is certainly a piece of additional support, but it has been a long-running issue in Northern Ireland and, in dialogue with a coalition of the environmental NGOs, a desktop review was done by Professor Richard Macrory which generated a Report with a number of options.

Q77 Mr Bacon: When you say that “generated a Report with a number of options”, is that this Report that is referred to here or is it a different Report?

Mr Peover: It is a different Report.

Q78 Mr Bacon: The recommendation was in 2004 to establish an environmental protection agency, but it has taken over a year to decide that you need to talk about it, is that right?

Mr Peover: No. What has happened is that there are really two parallel strings of activity going on here. We have been deeply engaged with the environmental non-governmental organisations in Northern Ireland and with other stakeholders in looking at environmental governance. We are the only part of the British Isles without an independent environment agency body. A very short review was done, commissioned by the NGOs, which came out with a set of recommendations which basically were the same as this but the way forward that they wanted was not for us just to go ahead—

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Q79 Mr Bacon: “They” the NGOs?

Mr Peover: “They” the NGOs. They did not want us to go ahead and establish an independent environment agency just like that. They wanted a process of independent review to which all the stakeholders, not just the environmental agency—

Q80 Mr Bacon: An independent review of what? An independent review of the decision to establish an agency?

Mr Peover: Of governance, of how the environment is governed in Northern Ireland and it covers more than just the—

Q81 Mr Bacon: And when did this independent review start? Has it started? Has the independent review to which you have just referred started?

Mr Peover: It is due to start.

Q82 Mr Bacon: It has not started yet?

Mr Peover: No, it is due to start in January.

Q83 Mr Bacon: So I am right when I say that it was in June 2004 that this recommendation came out; you have made a decision that you need to start talking about this, but you have not done it yet. January 2006.

Mr Peover: It is rather more than that. The Minister committed the administration in Northern Ireland in July of last year to a review. We have been in dialogue with him and with the environmental NGOs about the terms of reference for that review and about the possible membership of the review team.

Q84 Mr Bacon: You have not yet established who the members of this review panel are going to be. You have been talking to all these NGOs for all this time but you still do not know who the members of the review team are going to be. Is that right?

Mr Peover: We hope the Minister will announce the membership of the panel before Christmas.

Q85 Mr Bacon: A nice Christmas present for you.

Mr Peover: Yes.

Q86 Mr Bacon: But number two: “Establish a cross-departmental delivery group for the Waste Management Strategy with membership at Permanent Secretary level”, that is you, is it not?

Mr Peover: Yes.

Q87 Mr Bacon: “and chaired by a Minister”. Has this cross-departmental delivery group for the Waste Management Strategy been established?

Mr Peover: No.

Q88 Mr Bacon: No. That is a no to that one. “Address the huge infrastructural deficit which exists in NI in terms of waste treatment, recycling, recovery, disposal and processing capacity”. Well obviously you cannot do that overnight, but what progress has been made on number three?

Mr Peover: That is being addressed in the sense that we are working with the Strategic Investment Board in looking at how we might fund the various infrastructures which need to be created. We are also looking at the whole issue of different forms of treatment. At the moment we have recycling and landfill. We do not have some of the forms of treatment like incineration and so on. So issues are raised in the review of the Waste Management Strategy, which is out for consultation, about how the whole package should best be constructed. We have an infrastructure taskforce involved.

Q89 Mr Bacon: You have a taskforce?

Mr Peover: We do indeed.

Q90 Mr Bacon: Looking at this infrastructural deficit?

Mr Peover: Yes, we do.

Q91 Mr Bacon: What do you call it, an infrastructural deficit taskforce?

Mr Peover: More or less.

Q92 Mr Bacon: Excellent. Number four: “Review a number of critical areas, including land-use planning, waste management planning, procurement and partnerships”. Have you reviewed these critical areas?

Mr Peover: Yes, I suppose we have looked at that.

Q93 Mr Bacon: Have you come to any conclusions?

Mr Peover: On the waste management planning one, for example, we have published for consultation the revised Waste Management Strategy. On land-use planning, we have a whole set of issues about the modernisation of the planning process in Northern Ireland and we are running through a programme about this.

Q94 Mr Bacon: Which is presumably partly related to the restructuring of councils as well, is it?

Mr Peover: Yes, that will affect it. There is a separate issue about who actually is the planning authority. At the moment, my Department is the planning authority for Northern Ireland, but the Secretary of State announced the review of public administration and that will involve the shifting of development control and area planning to local authorities.

Q95 Mr Bacon: What about procurement and partnerships?

Mr Peover: Yes, how we will do procurement is being reviewed as part of the process I described to you earlier of working with the Strategic Investment Board and the infrastructure taskforce. There is also a separate issue with government procurement, back to the point Mr Williams raised about leadership in terms of waste management. We work very closely with the Central Procurement Directorate of the Department of Finance and Personnel because procurement policy and strategy is a central function in Northern Ireland.

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Q96 Mr Bacon: Number five: “Waste reduction, production and prevention must be addressed by all sectors”. I cannot see that there is much to comment on there; plainly that is true. Number six: “The potential for developing a Single Waste Management Plan for NI should be explored, and may provide the scope for the establishment of a Single Waste Management Authority”. Does that mean that there will be one set of garbage trucks with the same name down the side of them which will do all the collections of all the garbage? Is that basically where it would head?

Mr Peover: Well, yes. It is slightly more complicated than that. Two possibilities are floated in the review of the Waste Management Strategy. One is a single disposal authority. The collection of waste is a function of local authorities, it has always been a function of local authorities and disposal has been a function of local authorities. We now have the review of public administration; we now have an issue raised in the review about whether there should be a single authority, either to manage the whole process, collection and disposal, or simply disposal. So issues are being addressed as part of that consultative process now.

Q97 Mr Bacon: In figure 10 on page 35 it states that there are 43 areas where there is no progress, under the heading “Degree of Progress”. Could you say what the current position is in relation to those 43 areas or perhaps you may wish to write to the Committee? Is this now somewhat out of date, have things changed?¹

Mr Peover: Yes, it is. Things have changed in 2005 and the Report was published in June 2004. There are examples of action where we have moved forward on a number of the issues that they raised, but there are 105 of them and it might be more sensible to write to the Committee and give you details of where we stand on those issues.

Q98 Mr Bacon: In the paragraph underneath, it says that your Department “. . . in its ‘Reflections’ Report”. This was a reflection on the Waste Management Advisory Board review, was it?

Mr Peover: Yes, it was.

Q99 Mr Bacon: You do not have anybody who comes up with the titles to distinguish the Reports from the reviews from the reflections, do you?

Mr Peover: Steve was responsible for the *Reflections* title.

Mr Aston: I plead guilty to that.

Q100 Mr Bacon: Whether or not you plead guilty to that, I do not know. What I do want to know is, when it says the Department challenges some of the conclusions, where you challenged these conclusions and if you disagreed with these experts, why you appointed them in the first place, if, in your view, they were not up to the job?

Mr Peover: Challenged in the sense that we think that there has been more progress on some measures than they had assessed. We had had some assessment of our own and we should have differed from them on some aspects. We were not challenging fundamentally the assessment they arrived at.

Q101 Mr Bacon: How much did you pay them? How much did this review they did cost?

Mr Peover: The Waste Management Advisory Board?

Q102 Mr Bacon: Yes, not the *Reflections*, the Waste Management Advisory Board 2004 review of NIWMS,

Mr Aston: I am not sure of the exact figure, but I think the board cost us over its three-year term of office something around £55,000 in expenses and a minor honorarium for the chair. Not only should the Department be independent in its view, but we also like independent views to come to us. If we look very briefly at the precursor to the Waste Management Advisory Board, which was the waste management group, very, very many of whom became members of the board, they gave us 104 recommendations for the first strategy in *Waste Management 2000* and we took on board 98. In the new strategy we have taken on not quite the same percentage, but very close to the same percentage of their recommendations. We do listen to them, but sometimes we challenge them too.

Q103 Kitty Ussher: Much of what I wanted to ask has already been asked, but just listening to the debate I get the impression that you admit that really your Department was failing, did not implement the plan which you published in 2000, at least got very behind on it, and did not implement the relevant EU directives, but have now caught up with that. You are now consulting on a new waste management strategy. What confidence can you give the Committee that the mistakes of the past will not simply be repeated?

Mr Peover: As part of the process of drawing up the first Waste Management Strategy we had committed ourselves to having a review and that is what has led to this revised document. The revised document picks up a whole lot of the issues which have been raised with us by others and we are trying to be firmer in terms of setting targets, firmer in terms of trying to identify what will happen on the ground in future. Mr Williams has already challenged me to write to him in due course and confirm that we have done what we set out to do. We have really learned lessons now from the past. We were under very significant pressure to get a waste management strategy in place because we were non-compliant. We needed to get the strategy out; we needed to work with our partners in the local authorities to get a compliance strategy which would save us from the risk of EU infraction proceedings. We did that; it was not perfect, far from perfect and we have learned lessons from it that we need to be firmer, we need to be more detailed, we need to include harder targets

¹ DOENI, *Review of the Waste Management Strategy for Northern Ireland: Reflections on the Waste management Advisory Board: Strategy Review Report* (2004).

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and we need to monitor data and measure progress against those targets on a regular basis. There is a whole series of measures, whether quarterly returns from local authorities on the one hand, or surveys of waste streams. In the strategy we are proposing to have more detailed arrangements for data holding, data recording and transmission to us so we can monitor progress. The proof of the pudding will be in the eating, but I do think we have genuinely learned lessons from the failings of the past.

Q104 Kitty Ussher: What would you like this Committee to hold you to account over? What are your key performance indicators?

Mr Peover: I mentioned the Sustainable Development Strategy: we need to get an overarching strategy in place under which we can see a whole range of government activities, whether procurement or our own waste management, the activities of the various departments contributing to education of children and how best to deal with environmental issues, our own department's work and planning. That strategy will set a context within which we can move ourselves forward. That is one key indicator: do we get that strategy in place and do we start seeing the coordination of government activity in Northern Ireland to implement it? The other is getting a new waste management strategy in place which is a very key component of that Sustainable Development Strategy.

Q105 Kitty Ussher: You are still talking about documents and plans.

Mr Peover: I am referring to the outputs. Those documents are not important in themselves: what is important is what they contain by way of targets and outcomes.

Q106 Kitty Ussher: But you are not able to give the Committee specific targets for which you wish us to hold you to account.

Mr Peover: We are in the middle of a consultative process. At the end of that we shall produce a new waste management strategy with hard targets in it and I am very happy for you to hold us to account for those.

Mr Rogers: May I add, on an issue touched on by two members, illegal dumping, that the agency is currently out, I am afraid, to more consultation, but at least we have said publicly just within the last few weeks that we want to be driving down the proportional amount of illegal dumping over the next decade to a figure of less than 1% of the total waste arisings. That is a very challenging target for us in a situation of uncertainty about both the amount which is taking place and the financial and environmental impact. That at least is something for which both of you can hold us to account over the intervening period.

Q107 Kitty Ussher: So we have illegal dumping down to 1% in the next decade.

Mr Rogers: Of the total waste arisings. That is our stated objective, subject to the comments of those whom we have asked to comment on our draft strategy.

Q108 Kitty Ussher: Okay, so that is one thing we can put on record. The only other thing we can have at the moment is the strategy itself, which will be completed in the spring and the Sustainable Development Strategy which will be completed in the summer.

Mr Peover: Yes; in the summer. The key targets will still be the key targets which are in this because they are required of us, but we shall have more targets and that is the harder edge which we shall have to this whole process. With the benefit of hindsight, we were too timorous, too timid in target setting. We were under considerable pressure to get a strategy in place and that was done, but we could do more and we perhaps should have done more.

Mr Aston: Earlier in the year we produced a document called *Best Practicable Environmental Options*, which is a horrible title, but it was a broad assessment of what the environment and economy should put together as a network of facilities, which is the directive compliance central principle. That sets out very clear targets which we intend to set in the strategy, subject to consultation. We think they will stand and they are published and, for example, one of them is by the year 2010 only 55% of waste going to landfill. Bearing in mind that we have over 90% reliance on landfill, that is a very tight target.

Q109 Kitty Ussher: In terms of making your targets actually bite, would you publish, say quarterly, updates against all your targets as an organisation as opposed to the councils providing it to you?

Mr Peover: Yes; we are the central data collection point for this.

Q110 Kitty Ussher: So anyone, at any point, will be able to see over the internet; I am sure all the members of our Committee will be doing it on a daily basis.

Mr Peover: Yes.

Q111 Greg Clark: A question to the Comptroller and Auditor General. The question of the target and the progress towards it is clearly of interest and we do not have these hearings terribly often. It is a little disappointing that, given there is no information on these targets, we were left with a brief which said that it was too early to assess progress. Would it not have been possible to have updated this Report, since I gather the information came out just after it was finalised?

Mr Dowdall: Yes, I take your point and we shall pay attention to that in future. If there is any opportunity to get additional information to you on updating targets, we shall do that.

Q112 Greg Clark: In particular, with this new information which has come out, which is 18% of the 25% target by 2010 for BMW waste, is that something you could look at to see whether that is a

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robust assessment and comment on whether, in your view, the Department is on target to hit the 2010 target? Could you then write to the Committee?

Mr Dowdall: I am happy to do that.

Q113 Mr Bacon: On the same subject, on page 20 where there are various targets, is it possible you could send us a note covering each of the different areas and where your figures come from and how reliable they are? In each of these there should be a figure for 2005 and in many cases it says “no targets”. To know where things are now would be very helpful.²

Mr Peover: That is the gap I was talking about earlier on, where we do not have enough targets. We have enough targets to satisfy the directive compliance, but we do not have enough targets to hold people to account in detail.

Q114 Mr Bacon: And to know what proportion is currently happening would be helpful.

Mr Peover: Yes, I take your point. We did not want to give you data which had not been cleared with the Audit Office, since this was a relatively recent Report, but there are updated data and there will be more. To go back to the waste management order of the Department, our own solid waste, we are undertaking an independent audit of progress on that in the new year, so even more data will be recorded.

Q115 Chairman: Gentlemen, thank you very much. In conclusion, I think this Committee will be Reporting that your performance is poor when benchmarked against the rest of the United Kingdom, you are not enforcing proper financial controls, you are relying on councils and then not ensuring that they carry out their responsibilities and we shall want to have firm commitments from you, Mr Peover, that after our Report is submitted you intend to establish targets which are going to be met.

Mr Peover: Yes.

Chairman: Thank you very much.

² Ev 11–12

 Supplementary memorandum submitted by Department of the Environment, Northern Ireland

Question 113 (Mr Richard Bacon): Compliance with the Landfill Directive Targets

The Committee requested additional information regarding progress towards compliance with the Landfill Directive Targets. The Northern Ireland Landfill Allowance Scheme Regulations (NILAS) came into operation in April 2005. They imposed specific reporting obligations and targets on the 26 District Councils for each year of the scheme, and heavy financial penalties should targets fail to be met. The central purpose of these controls is to drive and monitor the reduction of biodegradable waste sent to landfill in line with the 2010 landfill directive targets and beyond.

To ensure Councils remain on track to reach the landfill diversion targets, they now maintain records and make returns to the Department. Since the publication of the NIAO Report in June 2005, District Councils have submitted data directly through the national WasteDataFlow system. Data for the first two quarters of this financial year show that Northern Ireland is on track to meet the 2005–06 target milestone.

Confidence in compliance with the landfill directive targets is also drawn from the figures for material recovery which show a consistently strong upward trend in the recovery of waste. Progressively less waste going to landfill and the provision of capacity to process recovered materials remains ahead of the growth in recycling. Table 1 and 2 incorporate the latest Northern Ireland statistical returns and comparative figures for recovery rates across the UK.

Table 1

MUNICIPAL AND HOUSEHOLD WASTE RECOVERY RATES ACROSS UK

	<i>Municipal Waste</i>		<i>Household Waste</i>	
	<i>2003–04</i>	<i>2004–05</i>	<i>2003–04</i>	<i>2004–05</i>
NI	12.2	18.2	12.5	18.9
England	19	n/avail	17.7	22.7*
Scotland	12.1	17.3	12.8	n/avail
Wales	17.6	n/avail	16.5	n/avail

* predicted figure

Table 2

MUNICIPAL AND HOUSEHOLD WASTE RECYCLING AND COMPOSTING RATES

	<i>Municipal Waste</i>				<i>Household Waste</i>			
	<i>NI</i> <i>2003</i>	<i>England</i> <i>2003-04</i>	<i>NI</i> <i>2004-05</i>	<i>England</i> <i>2004-05</i>	<i>NI</i> <i>2003</i>	<i>England</i> <i>2003-04</i>	<i>NI</i> <i>2004-05</i>	<i>England</i> <i>2004-05</i>
Recycled	7.2	14.2	11.2	n/avail	6.7	12.4	11	n/avail
Composted	5.0	4.8	7	a/avail	5.7	5.3	7.9	n/avail
Total recy/comp	12.2	19	18.2	n/avail	12.5	17.7	18.9	22.7*

* predicted figure