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Deu Kull,

AUDIT COMMITTEE REPORT ON ENVIRONMENT AGENCY WALES: REGULATION OF WASTE

Your letter of 11 April requests the Auditor General's advice on the Welsh Assembly Government's response to the recommendations made by the Audit Committee in its report *Environment Agency Wales: regulation of waste management*. As you know, I have delayed responding in order to take account of the subsequent letter of 10 May from the Minister to the Chair which provided some additional clarification.

In its response the Assembly Government reports that it has fully accepted ten of the twelve recommendations made by the Committee, not accepting one and partially accepting one. The recommendation that has been not accepted is (viii), on whether the full costs of administering public consultations should be passed on to operators. It is unusual for the Government not to accept one of the Committee's recommendations, let alone to reject it outright. However, the Minister's later letter clarifies that the Environment Agency agrees fully that charges to waste operators should not act as a disincentive to the provision of additional facilities – signifying that the Agency actually accepts the recommendation. It seems that the recommendation was rejected because the Agency incorrectly understood the recommendation to imply that costs relating to public consultation have, in the past, been passed on to operators – a standpoint it did not accept.

The recommendation that is been partially accepted is (iii) which concerned the need for Regional Waste Plans and Local Development Plans to go further in identifying potential sites for waste management activities. The Committee's concern had been that, while the efforts made by local authorities to work together on these issues was welcome, the three Regional Waste Plans fell short of identifying potential sites; and local authorities' Local Development Plans – which were expected to remedy the shortfall in the Regional Plans - were very slow in coming forward, for a number of reasons. The Government's response refers to the need to monitor and update the Regional Waste Plans but does not specify whether they will be required to identify potential sites. And the Government states that issuing direction to local authorities to ensure that Unitary/Local Development Plans identify potential sites for waste management activities, would only be used as a last resort, as it prefers to work closely with authorities in the preparation of their plans.

Since the Committee's report was published, Wales' landfill capacity problems appear to have become more acute. Dr Helen Phillips from the Environment Agency gave evidence to the Assembly's Environment, Planning and Countryside Committee on March 2 this year to the effect that, while my predecessor reported last autumn that existing landfill capacity could be exhausted before 2010, only four months later the date was now 2007. Against this background, the Committee may continue to retain some concern about whether current arrangements are likely to deliver the waste activity capacity that Wales requires.

Although the Government states that it has accepted the Committee's other recommendations, in some instances the original response falls some way short of addressing their spirit. The Minister's letter is helpful in providing some further information on the action that is being taken in connection with recommendation (i) on the full devolution of necessary powers to the Assembly; and recommendation (iv) on the problem that private sector operators are not required in statue to provide data on capacity. In terms of the latter, however, the Minister adds only that the Government, together with the Agency and Defra, will give "very careful consideration" to the benefit of taking statutory powers.

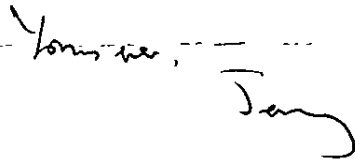
There are three other recommendations where the response has not fully addressed the Committee's concerns:

- recommendation (ii), where the Committee encouraged the Assembly not to focus its efforts exclusively on the issues surrounding municipal waste. The response refers to national action being taken on agricultural waste. But that leaves some 18 million of the 26 million tonnes of waste produced in Wales each year which will have to wait until the 2007 Waste Strategy until they are considered;

- recommendation (v), where the context of the Committee's report was that more should be done to educate the public about the full range of disposal options, particularly incineration. The response focuses on recycling; and
- recommendation (ix) on the need for Environment Agency Wales to target its regulation of exempt activities: the response refers to imminent new regulations which will, through charging, provide it with greater funding for such activity. However, the Committee's report refers to comments by the Environment Agency witness that more could be done in the short term, before the exemptions review took effect.

The Assembly Government has given full and helpful responses to the other recommendations in the report.

I hope that you find this response helpful. I should be happy to discuss this matter further with you, or the full Committee, in particular the question of whether and how the Committee might seek to take further action at this point.



Jeremy Colman
Auditor General for Wales