

CYNGOR GWYNEDD - Report to Cyngor Gwynedd Cabinet

Title of item:	Waste and Recycling Strategy and use of EPR funding
Cabinet Member:	Councillor Craig ab Iago, Cabinet Member for the Environment Department
Relevant officer:	Dafydd Williams, Head of Department Roland Thomas, Assistant Head of Department
Date of meeting:	7 July 2026

1. DECISION SOUGHT

- 1.1 The Cabinet is asked to:
- 1.2 **Adopt the Cyngor Gwynedd Waste and Recycling Strategy 2025-2030** as the strategic document that sets out the Council's direction, vision and priorities for waste and recycling over the next five years.
- 1.3 **Approve the principle of using Extended Producer Responsibility (EPR) Funding** as the main funding source to support and enable the implementation of the Strategy's priorities, including plans to increase recycling, improve service, maintain existing infrastructure and invest in future infrastructure.
- 1.4 **Approve the strategic direction for the use of EPR funding** to:
 - managing the service's direct financial risks by creating a financial "contingency" provision, such as dealing with overspend in service delivery where there is no alternative means of addressing it, reducing the risk of fines for failing to meet recycling targets and preparing for the costs associated with the Emissions Trading Scheme (ETS).
 - providing a stable financial foundation for delivering the plans set out in the Strategy, including the actions required to reach the 70% recycling target and the short-term investments needed for upgrades.
 - establishing a Co-Investment Fund to support significant future development at the Caernarfon and Harlech sites.
- 1.5 **State that further decisions will be required** on some individual operational elements of the Strategy, but that adopting the Strategy and approving the EPR use direction provided a policy framework and the financial foundation to move forward with the work programme.
- 1.6 Note that the Council will need to consider all possible sources of funding when setting the 2027/28 revenue budget and subsequent years, and that the possibility of having to revisit the above decisions cannot be ruled out if it becomes necessary to divert an element of the EPR funding in order to set a balanced budget.

2. THE REASON WHY THE CABINET NEEDS TO MAKE A DECISION

Why is this Strategy needed?

- 2.1 The Strategy sets out the Council's vision to move toward a circular economy, continue to improve in the field of waste and recycling, responding directly to a combination of statutory requirements, significant financial risks, increasing operational pressures and the corporate commitment to reducing carbon emissions. Specifically:
- **Statutory requirements:** a 70% recycling target, recycling in the workplace regulations.
 - **Financial risks:** potential fines of up to £600k per year for failing to meet the target, and the costs of the Emissions Trading Scheme (ETS) up to £1.5m.
 - **Operational pressure:** increase in tourism, change in user behaviour, unsuitable infrastructure for new requirements, and increasing complexity when collecting new materials.
 - **Corporate commitment:** significantly contribute to the Council's aim of reducing carbon emissions.
- 2.2 Although the recycling performance in Gwynedd has significantly improved over the last decade (to 65.3%), the gap to the statutory target continues to create a risk financially and to the Council's reputation. Therefore, this document proposes not only to adopt the Strategy, but also the funding method that will enable the Council to fulfil the change that is required to close that gap.
- 2.3 The Strategy also supports the wider vision with the Council Plan under 'A Green Gwynedd', ensuring that waste and recycling services contribute to the Council's corporate objectives in terms of carbon, sustainability and providing effective services to residents.
- 2.4 The Strategy has been prepared whilst giving consideration to relevant national and local factors. Locally, it reflects the Local Nature and Climate Plan, the Council Plan 2023-28, the Council's financial situation, the condition and suitability of the service's existing infrastructure, as well as the input of key local partners and residents as part of a survey to seek views. Nationally, it considers the Welsh Government's latest strategy, 'Beyond Recycling', the Extended Producer Responsibility (EPR) Scheme, the Deposit Return Scheme and the Well-being of Future Generations (Wales) Act 2015 duties.
- 2.5 This Strategy sets out a clear direction to transform waste and recycling services in Gwynedd, but its success depends on the Council's ability to invest in change.
- 2.6 By aligning the Strategy with a strategic use of EPR funding, the Council will be in a position to move from a reactive approach to a proactive approach - investing in waste prevention, increasing recycling and developing a sustainable infrastructure that will provide long-term value to Gwynedd.
- 2.7 A copy of the Strategy is in **Appendix 1**.

Extended Producer Responsibility (EPR) Funding

- 2.8 The Extended Producer Responsibility (EPR) funding is a new significant funding stream that comes from packaging producers, not a Welsh Government grant. Its purpose is to pay the actual costs of managing packaging waste from homes. Although the funding is not ring-fenced, there is a clear expectation that it will be used by local authorities

to improve services, reach recycling targets and ensure long-term value for money. The basic principle of the EPR is that the "polluter pays" the cost of managing the packaging waste that they create.

- 2.9 Cyngor Gwynedd received £3.7m in the first year of the scheme in 2025/26, and it is likely that it will receive £4.8m for 2026/27. The increase between both years reflects the movement from a national benchmark model to a model that is based on the Council's actual costs. £2m of the 2025/26 EPR funding was already earmarked towards capital expenditure at the Council's waste and recycling treatment centres in Caernarfon and Harlech, and further use of the funding has been considered to deal with any deficiencies in the service's budget.
- 2.10 It is therefore considered that the EPR is a unique strategic opportunity to enable the implementation of the Strategy: not only as a short-term answer for financial overweighs, but as a funding source that could support service change, investment in infrastructure, reducing costs and future risks, and offering long-term value to the Council and Gwynedd residents.
- 2.11 In practice, this will mean that the Council now has a real opportunity to fund the transformational change that is required to reach statutory targets and reduce financial risks and doing so without putting pressure on the existing funds and budgets.

The Vision of the Strategy

- 2.12 The Vision of the Strategy is to create a sustainable, circular and low carbon Waste and Recycling Service that reduces residual waste to a minimum, meets the statutory targets and provides social and economic benefit to Gwynedd.
- 2.13 The Strategy also clearly acknowledges that the service's long-term success depends on the quality of the service, the suitability of the infrastructure and the Council's ability to decarbonise the system over time. As a result, the principle of using EPR funding to support these steps is key to achieving the required change.
- 2.14 The Strategy not only involves a change in behaviour and increasing the performance of recycling; it also clearly acknowledges that the condition and limitations of the service's existing infrastructure are a further barrier to change. The service sites have developed over many years through a series of gradual adaptations, and there is a need to invest in the existing sites to allow them to operate as effectively as possible and satisfy the new operational requirements.
- 2.15 The Strategy deliberately moves:
- from disposal,
 - towards preventing, reusing, recycling and repairing,
 - and towards a local circular economy that creates value from waste as a resource.

Key Strategic Priorities

- 2.16 The Strategy is structured around **six key objectives**:

Communication and Engagement

- Change in behaviour by providing clear, relevant and accessible communication to residents, businesses and communities.

- EPR funding would enable the Council to extend its attainment and strengthen the impact of its messages by using wider and more strategic communication methods, including direct engagement with schools, strengthening presence on social media and providing information and promotion that is targeted to support service changes, such as introducing new material collections.
- To reinforce this work of raising awareness, the EPR funding could be used to strengthen the service's capacity by employing enforcement officers, ensuring that messages are continuously reiterated and behaviours are adopted in a broader manner.

Reducing, Reusing and Repairing

- Reducing waste in the source, with a specific focus on food waste and developing local reusing initiatives, gradually moving up the waste hierarchy towards prevention, reusing and repairing.
- EPR funding would enable the Council to support this change by developing new markets for recyclable materials, improving provision and facilities in recycling centres and strengthen activities that promote reusing and repairing within communities.
- In addition, EPR funding could be used to support measures that directly encourage behaviour change, including using levers such as researching options to home collection improvements to reduce residual waste.
- In a broader sense, this method enables the Council to reduce the total waste produced in the first place, elaborating on the engagement and education work, and contributes towards reducing long-term costs. Specifically, there is a potential here to use EPR funding to mitigate the Emissions Trading Scheme (ETS) and an opportunity to avoid putting additional pressures on the Council's core budgets.

Increase Recycling

- Redirect recyclable materials out of the residual bin, targeting the 57% that is still being disposed of incorrectly.
- Although increasing the recycling rate is an obvious objective, fulfilling this change depends on a combination of behaviour change and providing services that enable residents to recycle effectively. This includes ensuring that residents have the opportunity to recycle a wider range of materials, such as soft plastics, and strengthen the understanding of the positive impact of recycling on the environment and the Council's costs.
- In this context, EPR funding will enable the Council to extend and adapt the provision to ensure that the recycling service is as comprehensive and effective as possible, reducing the proportion of recyclable materials that are disposed incorrectly.
- In addition, the Strategy acknowledges that there may be a need to provide an element of financial protection in the short term. Should the Council not reach the statutory 70% recycling target, EPR funding could be used as financial provision within the accounts to address any potential fines, avoiding putting additional pressure on the Council's core budgets.

Providing a High-quality Service

- An effective, reliable service that instils the public's confidence as a basis for high recycling performance.
- EPR funding would enable the Council to continue to invest in systems and technology that improves the waste and recycling service's efficiency. This includes building on the benefits seen as a result of introducing systems such as Bartec, monitoring performance and ensuring a better service for residents.
- By combining operational improvements with continuous investment in systems, it will be possible to ensure a more consistent, responsive and effective system, that supports increase in recycling and strengthens the public's confidence in the system.

Achieving Net Zero

- Decarbonising the collection fleet, making the best of collection routes, and investing in renewable energy as part of transforming the service towards a low carbon system.
- EPR funding would enable the Council to support this change by investing in renewable energy answers, such as installing solar panels on new infrastructure, as well as establishing a fund to start the process of decarbonising the waste collection fleet over time. This work will be developed alongside continuous collaboration with the Welsh Government, ensuring that our approach complies with the national direction and takes advantage of any further guidance or financial opportunities.

Infrastructure that is Fit for the Future

- Invest in transfer stations, recycling centres and processing facilities to meet increasing requirements and ensure that the service's infrastructure is fit for the future.
- In the short term, investment is required to improve the efficiency and suitability of existing sites. This includes upgrading processing machines, increasing maintenance levels on waste treatment and transfer sites, and providing match funding to grant schemes on key recycling centres.
- However, the Strategy clearly acknowledges that the main medium-term and long-term priority is to re-develop strategic sites, especially Caernarfon and Harlech. Work is underway with WRAP Cymru to develop options, with the initial assessments stating that this involves a significant capital investment. In this context, it is recommended to use EPR funding strategically to establish a Joint Fund, which will put the Council in a stronger position to attract match funding to fulfil this. This will be key to ensure that it is possible to move beyond gradual improvements to fulfilling a more basic transformation of the infrastructure.

Risks and Key Opportunities

- 2.17 Should the Strategy not be implemented, the Council faces many clear risks: the continuation of the risk of statutory fines for failing to meet the 70% recycling target; significant cost pressure as a result of the Emissions Trading Scheme in the future; the erosion of public confidence and a risk to the Council's reputation; and failure to

sufficiently contribute to the Council's commitments in terms of reducing carbon emissions.

- 2.18 In addition to these risks, there is uncertainty regarding the EPR itself that needs to be managed carefully. It is a new scheme, not a Welsh Government grant, and there is no certainty currently regarding its long-term continuity or how the Welsh Government could respond to the impact of this additional income on wider local authority funding.
- 2.19 On the other hand, the opportunities should the Strategy be implemented and whether the EPR was used strategically are significant. These include avoiding fines and reducing disposal costs, increasing income through EPR and recycling markets, supporting local circular economy and green jobs, and strengthening the service's operational and financial resilience. In short, the Council is in a position to use the EPR system to transition from a model that is under pressure to a more proactive and sustainable model.

How will success be measured?

- 2.20 The Strategy includes a robust performance measure framework that will monitor statutory performance, including reaching or excelling the 70% recycling target, reducing residual waste, reducing carbon emissions, financial sustainability and service performance and customer satisfaction. This method is important to ensure that the Strategy is measurable, accountable and continues to focus on achieving practical outcomes.
- 2.21 Using EPR funding strategically will also require clear and continuous governance. In the work that has been developed on the direction of the EPR fund, specific delegation arrangements are proposed, as well as the principle of reporting to the Cabinet or the Leadership Team at specific times to check the direction of the fund and to confirm the commitments. This ensures that funding is not used in an ad-hoc manner, but rather aligns clearly with the direction of the Strategy.
- 2.22 In relation to EPR, the funding will need to be allocated to three categories in accordance with what is set out in paragraph 1.3.
- **Category 1: Matters that require financial provision as a "contingency".**
 - **Category 2: Delivering the Waste and Recycling Strategy 2025–2030.**
 - **Category 3: Establishing a Co-Investment Fund to support future site development in Caernarfon and Harlech.**
- 2.23 Details of the funding are shown in **Appendix 2**. It should be noted that these are currently estimates, and further work will be required to refine them and agree the final costs and provisions.

3. CYNGOR GWYNEDD CONSULTATION ON A NEW WASTE STRATEGY

- 3.1 The Cabinet's approval was received to go out to a public consultation on the Strategy on 10/06/2025. The consultation was held between October and November 2025, with 1,266 responses.
- 3.2 The survey could be filled on paper or online, with easy-to-read versions also provided. The survey was promoted through press releases, prominent messages on the Council website on relevant pages and a series of messages on corporate social media accounts. Cards were published to share with users of the recycling centres promoting

the survey, information was cascaded to key stakeholders, and many drop-in sessions were held in centres (libraries and leisure centres) to encourage participation.

- 3.3 The responses were analysed by CRS/WRAP, using a systematic method to identify key themes, levels of support, and areas of concern or improvement. The sample represented the population well in terms of location and demography, although there was some difference in age and gender.

General Findings

- 3.4 The consultation shows **strong overall support** for Cyngor Gwynedd's strategic objectives for waste and recycling. The majority placed a large emphasis on providing a high-quality collection service, reducing waste, and reaching the 70% recycling target, with creating a carbon neutral service receiving a lower yet positive score.

Key Themes from the Responses

Many consistent themes became prominent through the consultation:

- **Waste prevention and reusing:** There was strong support to placing more emphasis on waste prevention, repairing and reusing before recycling, with the Council called to support local initiatives such as repair cafés and reuse schemes.
- **Improving recycling and the public's understanding:** Respondents noted the need for better communication, education and consistency to help residents to understand what can be recycled and how to use the services correctly.
- **Residual waste services:** Concerns were expressed regarding the levels of residual waste, with support to steps that would encourage more recycling and less reliance on disposal.
- **Accessibility and fairness:** Some respondents emphasised the need to ensure that changes to services were fair and accessible to every home, including vulnerable groups and rural communities.

Matters and Concerns Raised

Although there was wide support, attention was drawn to several matters that the Strategy needed to further consider, including:

- **The need for clarity** regarding any changes to the frequency of collection or service arrangements, and **concerns regarding the practicality** of some proposed steps and the potential impact on some households.
- **The need to ensure that ambitious recycling targets** were being supported by resources, infrastructure and realistic action plans.

Analysis of the Responses - A Taste of the Comments

The qualitative and quantitative responses highlight many tendencies:

- **Quality of the Service:** 78% are satisfied or very satisfied with the residual waste and recycling collection services, but satisfaction is low for the clinical collection services and bin delivery services.
- **Reducing residual waste:** 83.6% of respondents have enough capacity for residual waste. 63% of residents noted that they had space in their bins on collection day, suggesting that there is a need to improve the use of food waste and recycling services. 98% agree that reducing waste is important, but 69% state that they do not know how to do more or they need more information to be able to do that.
- **Attitudes towards collection changes:** There is a strong objection towards using black bags (instead of the existing wheelie bins) for residual waste and less

frequent collection, but there are mixed attitudes towards changing the size of the bin.

- **Increase Recycling:** 84% agree that the Council needs to encourage people to reach the 70% recycling target to avoid a financial penalty. Almost 90% believe that they recycle everything that they can, but analysis of waste show that many recyclable materials were disposed incorrectly. 70% of the people who recycle food believe that it is not possible to recycle more, even though data suggests that a lot of food waste was in the residual bins.
- **Recycling and additional materials:** There is a clear desire to extend the materials gathered weekly, including soft plastics.
- **Enforcement Powers:** There is strong support for using enforcement powers for throwing rubbish and leaving bins out on the street.
- **Perspectives on recycling centres:** There is a positive view about the centres, with 83% able to recycle everything planned, but some face access barriers such as distance or lack of transport.
- **Keeping the benefit local and waste treatment standards:** 76% believe that treating and processing waste within the county is important, with support for local independence and local economic advantages. Concerns regarding costs and the transparency of what is happening to the recycling have also been expressed.
- **Communication and gathering feedback:** 80% have used the Cyngor Gwynedd website or app for information about waste, with a mixed opinion on the efficiency of different communication media. There is demand for prominent, clearer communication and various methods, including print and digital materials to reach everyone.

Implications of the Final Strategy

3.5 The consultation shows broad support for the Council's strategic direction, but it also highlights the need for careful implementation, strong communication and continuous monitoring. The analysis report draws attention to areas where there is clear support from the public, as well as areas where there is a need for further clarity, mitigation steps or stronger communication to ensure successful implementation. This feedback has been incorporated into the strategic narrative and has steered the work of refining the objectives, the success measures and the operational outcomes.

4. CONSIDERATION OF IMPACT

4.1 The Council is required under the Equality Act 2010 to consider the impact that any change to a policy or procedure (or the creation of a new one) may have on people with protected equality characteristics. The Council also has additional general duties to ensure fairness and to foster good relations. An Equality Impact Assessment must therefore be undertaken before deciding on any relevant change (i.e., one that affects people with a protected characteristic). At present, the assessment does not highlight any specific impacts. However, as part of the consultation process, we will update and reassess the document. A copy of the impact assessment can be found in **Appendix 3**.

4.2 The Well-being of Future Generations (Wales) Act 2015 is also a key consideration, because it sets out the well-being duty on public bodies to improve the social, economic and cultural well-being of Wales through the medium of the seven well-being aims and the five ways of working. There are further details about the implications of the act within the Strategy itself.

5. SUMMARY

- 5.1 The Gwynedd Recycling and Waste Strategy 2025-2030 responds realistically and ambitiously to the statutory, financial and environmental challenges that face the Council. It sets out a clear path towards reaching and maintaining a recycling rate of over 70%, reducing residual waste, decarbonising the service and investing in infrastructure that is more sustainable and fit for the future.
- 5.2 However, adopting a Strategy on its own is insufficient. Realising the vision and its priorities requires a clear and strategic funding source. EPR funding provides that opportunity, but we will continue to rely on support from the Welsh Government to realise the major projects. By using funding deliberately to manage risks, invest in service change and infrastructure, and support the plans that are required to improve recycling performance, the Council could move from strategic planning to practical delivery.
- 5.3 Therefore, adopting this Strategy and approving the strategic use of EPR funding together provides the **policy framework and the financial method** to realise a modern, sustainable and resilient waste service for Gwynedd over the next few years. The Cabinet's support is key to ensuring clear leadership, appropriate prioritisation and successful delivery.

Views of the statutory officers

Chief Finance Officer:

I welcome the development of a strategy for making the best use of the Extended Producer Responsibility Funding for packaging (EPR) and the report puts a focus on providing high quality services to Gwynedd residents, whilst improving recycling performance. The proposed use of EPR is prudent, seeking to balance investments in service improvements and managing future financial risks. However, Cabinet will be aware that we have had to make use of a proportion of the EPR funding last year to cope with financial pressures in the waste area and there is no assurance that this need will not continue so the use of the money will remain under ongoing review. It should also be noted that one of the aspects of the EPR is that funding levels are not guaranteed going forward so the strategy will have to be reviewed when we receive further information from one year to the next.

Monitoring Officer:

The importance of the Waste Strategy is highlighted in the garden and the appendices. Whether that be from the perspective of the Council's statutory duties, achieving sustainable development in line with the Well-being of Future Generations (Wales) Act 2015 and meeting targets for recycling. The report reports on the results of the consultation process. It is important that, in taking into account all the considerations relating to the adoption of the Strategy the Cabinet takes account of the results of the consultations in reaching the decision. I am satisfied that the report provides an appropriate basis for adopting the Strategy.

Appendices

- Appendix 1: Waste and Recycling Strategy 2025-2030.
- Appendix 2: Table showing EPR commitments by year
- Appendix 3: Equality Impact Assessment