

**Dame Meg Hillier MP**  
**Chair of the Public Accounts Committee**  
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***Sent by email***

**30 November 2022**

***Dear Meg***

### **Preventing illegal waste exports**

Thank you for inviting me to give evidence to the Public Accounts Committee's inquiry on 'Government actions to combat waste crime' earlier this year, and for the PAC's 19 October report. Your report recommended that the Environment Agency write to the PAC setting out what actions would be required to enable it to understand the true scale of illegal waste exports, and what further action it might take to prevent them. Here is my response.

I am grateful to you and the Committee for highlighting the important issue of illegal waste exports, and I agree that more needs to be done to prevent them.

In my evidence I told the committee that tackling the scourge of waste crime is a priority for the Environment Agency. We know what we need to do to go further, and what we'd like to see from our partners and within the overall policy context that we operate. We can make progress in tackling illegal exports through a combination of things: new data innovation, smart regulatory reform, increased resources, better collaboration, stronger deterrents, and bolder policy: the Environment Agency is working on all of these things with the government and our other partners. None of them on their own will be a silver bullet, but together they can ensure that we ultimately outgun the criminals in the long fight to squeeze them out of the waste system.

### **Understanding the scale of illegal exports**

Your committee is right that understanding the scale of illegal waste exports goes hand in hand with preventing them. I said in my evidence that the way the current waste export system works means that the Environment Agency does not yet get all of the details. We are working to change this and last year the EA signed a new Memorandum of Understanding with HMRC to share shipping line data to build up a fuller picture of illegal activity.

We do need to be realistic about the extent to which we can understand the true scale of illegal activity. The Environment Agency has previously estimated that some 18% of waste is currently managed illegally at some point in the waste stream, and our own 2021 National Waste Crime Survey concluded that waste crime in England was endemic.

I stand by what I said to you that the exact quantity of illegal exports will ultimately remain a known unknown. In April, in a speech I made on waste crime<sup>1</sup> I said that one of the most unsettling things about the issue is that nobody knows its true scale. While your report states that one of our key partners, the Environment Services Association (ESA) has put a figure on the scale of illegal exports (in contrast to the Environment Agency that has not), the ESA described the figure as a "conservative assumption."<sup>2</sup> But I do accept more can be done and

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<sup>1</sup> Crackdown on waste crime: Time to stop trashing our future <https://www.gov.uk/government/speeches/crackdown-on-waste-crime-time-to-stop-trashing-our-future>

<sup>2</sup> <https://committees.parliament.uk/writtenevidence/109040/html/>

will be done to improve estimates like these. Modernising our current waste data systems will be a huge weapon in this fight.

## **Data**

In the evidence session I and Defra's Permanent Secretary Tamara Finkelstein spoke about the new digital waste tracking service (due to be implemented from April 2024) that the EA has been working on alongside Defra. For the first time this will bring together fragmented existing systems and data, allowing us to better track the full life-cycle of domestic and international waste movements. We will then be able to analyse and interrogate this new bank of digital information to identify discrepancies and work out where there is potential illegality, the better to intervene to stop it or to inform other intelligence led operations and enforcement activity.

## **Regulation**

In my evidence and in my recent speech I said that modernising our waste regulation remains critical to beating the criminals.

I told your committee about how the Environment Agency is working with the Government to tighten the system that has allowed criminals to hide in plain sight. This includes plans to move waste carriers, brokers and dealers from a registration to a permit-based system; to enhance background checks needed to operate as a waste carrier, broker or dealer; and to introduce a technical competence requirement for these operators.

On exports specifically, we are working alongside Defra to consider changes to Waste Shipments regulations. Sunlight is the best disinfectant, and we would like to see a requirement for exporters to submit information about the waste they are sending before it leaves the UK, with penalties for those who fail or who submit false information. This will help us build a more complete picture on the scale and nature of exports to target enforcement.

## **Resources**

We can have the best data systems and regulations in the world. But as I told your committee, our ability and that of our partners to fight the criminals will depend on our resources.

When I gave evidence in June, I said the Spending Review had set departmental budgets for this financial year and the next two and the Government had baselined £10 million a year in grant in aid to the Environment Agency to fight waste crime. That is very welcome: it has allowed us to deliver for this year and plan effectively to deliver in the next two years. As you know, the Chancellor announced on 17 November that the government would protect in cash terms the increases in departmental budgets set in the 2021 Spending Review which set budgets for this and the next two financial years.

There are other potential sources of funding for tackling waste crime beyond government grants. The legitimate waste industry is largely supportive of providing more funding to prevent illegal exports. We are hoping to be able to secure fees for waste shipments, paid by

exporters, to provide us with an income to undertake compliance work and improve standards. In partnership with shipping lines we are exploring the use of voluntary industry funding to set up intelligence arrangements. We are also using the Proceeds of Crime Act to seize criminals' assets and use our share to fund the fight.

I told you we would like to use some of the charge income we get from regulating the legitimate waste industry to fight the criminals which damage it, but that this is against the Treasury's current rules. The Environment, Food and Rural Affairs Committee, in their recent report on plastic waste, agreed that this should change: *"Government should allow the Environment Agency to reinvest some of the charge income it collects from regulating the waste industry into enforcement capacity. This would be compatible with a recommendation made by the 2018 Independent Review into waste sector crime which called on government to review how the enforcement of waste crime is funded, potentially through broader fee incomes."*

### **Collaboration**

While the right level of resourcing is important, we can also become more effective in fighting waste crime to the extent that we do it together with our other partners. Greater collaboration is the crucial difference between our strategic approach of a few years ago. Today we are working with not only Defra and HMRC but with a range of other agencies, the public and the legitimate waste industry to leverage in the support we need.

In 2019 the Environment Agency also teamed up with several partners (Natural Resources Wales, the Scottish Environment Protection Agency, the Northern Ireland Environment Agency, the police, the National Crime Agency, HM Revenue & Customs and the British Transport Police) to create the Joint Unit for Waste Crime - which shares intelligence and plans joint operations in this country. Cross border collaboration is also essential, which is why we are increasing our outreach to countries outside the Organisation for Economic Co-operation and Development which we have identified as being at high risk of illegal waste activity.

### **Deterrence**

Six years ago, I called waste crime "the new narcotics". As with drugs then, we know today that waste is being exported illegally because there is a lot of money to be made, the chances of being caught have always been relatively low, and the penalties if you are caught traditionally light. The Environment Agency's new strategy is to work upstream to prevent crime and harm before it happens. But one of the best ways to prevent it remains changing how criminals calculate the odds with tougher penalties.

I welcome your recommendation that the government should consider whether the sentencing guidelines need strengthening. We are working with Defra to consider penalties for illegal waste exports in line with those of other waste crimes. We would like to see a requirement for exporters to submit information about the waste they are sending before it leaves the UK, with penalties for those who fail to do so, or who submit false information. In addition, we have been calling for more confiscation of criminal assets, and we would like to see more and longer prison sentences. The more of this we can achieve, the more we will concentrate the criminal mind.

## **Performance metrics**

How we measure our performance is also essential. I told your committee that what gets measured gets done: to give us a better handle both on how we are doing as an agency and on whether we are winning the battle against the criminals, the Environment Agency has expanded our performance metrics to measure how we are doing, including the tonnage of waste that is not going to illegal export because of our interventions.

## **Conclusion**

The fight against illegal exports is a good fight: success will boost growth and jobs while protecting nature at home and around the world from pollution. I am grateful to your committee for producing its report and giving the Environment Agency an opportunity to comment on this issue.

Yours sincerely

A handwritten signature in black ink that reads "J.D. Bevan". The signature is written in a cursive style with a horizontal line underneath it.

**Sir James Bevan KCMG**  
Chief Executive