



**Smarter Regulation of Waste in Europe
(LIFE13 ENV-UK-000549)
LIFE SMART Waste Project**

Waste industry perceptions of waste crime in Scotland

**Prepared by Margaret Gay
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Disclaimer

The results of this survey presents the views expressed by respondents only and are not representative of the Scottish Environment Protection Agency, the Chartered Institute of Wastes Management or the Environmental Services Association.

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Foreword I

By Terry Ahearn

In summer 2016, I asked for contributions to a questionnaire on the nature of waste crime in Scotland. I'm pleased to see this report as the outcome of that exercise.

There is no doubt in my mind that waste crime is a significant, complex and, ultimately, costly problem that affects us all. It can badly damage the Scottish environment; impose huge clean-up costs on the public purse; and adversely impact on our efforts to improve the country's social and economic outcomes by removing valuable materials from the economy. In short, it hurts our environment and undermines responsible businesses.

SEPA's Regulatory Strategy takes a more sector-based approach because we realise that it is only through having a coherent strategy for each sector that we can create high levels of compliance and support high levels of innovation. In this case, we hope it will support a truly top class waste and resources sector that benefits Scotland.

The eradication of waste crime will directly support resource efficiency and sustainable growth. Let's be clear: this is a big challenge and small changes to the way we do our work will not work. We need to think bigger and more cleverly about how we innovate and collaborate with the sector in our efforts in identifying, tackling and reducing waste crime. SEPA will work with all its partners to help provide a crime-free sector that supports the waste industry. To do that, we need the help of the sector itself to identify where, how and why criminals are able to enter, exploit and profit from illegal waste management activities.

The results of this questionnaire are a crucial part of that engagement and by sharing your knowledge and experiences of crime we, the regulator, will have more information to work with you to build more effective ways to tackle waste crime in Scotland. It is only through collaboration that we will eradicate waste crime and allow the sustainable use of resources to create prosperity in Scotland.



Terry Ahearn

Chief Executive Officer, Scottish Environment Protection Agency

Foreword II

By Jacob Hayler and Dr Colin Church

This report reflects the experiences of legitimate operators who see first-hand the significant negative impacts that waste crime continues to have in Scotland.

The damage done by waste crime continues to have a huge effect economically and environmentally from fly-tipping which blights local neighborhoods and costs local authorities, farmers and landowners millions each year, to organised waste crime which subverts environmental regulations for profit. Waste crime harms the environment and defrauds revenue through landfill tax misclassification and evasion. As a consequence, it undermines responsible businesses in the waste and resource management industry and is estimated to cost the UK as a whole around £500 million each year.

The waste and resource management sector is at the heart of the drive towards a Circular Economy, turning waste into economic resources. However, waste crime is hindering progress by undermining investment in the sector. The industry is, therefore, united in its conviction that the fight against waste crime must not let up. We will continue to work closely with governments and regulators to tackle this important environmental and economic problem together, for example by helping to raise awareness of the waste Duty of Care through the 'right Waste, right Place' campaign.

This report helps to provide a greater understanding of the impact and causes of waste crime and what more both the regulator and the legitimate industry can do. Whilst the challenge remains enormous, we hope that this report will help to galvanise support and maintain the momentum in the fight against waste crime.



Dr Colin Church
Chief Executive Officer
Chartered Institute of Wastes Management



Jacob Hayler
Executive Director
Environmental Services Association

1.0 Executive Summary

The threat of waste crime to the natural environment, the well-being of our communities and to the health of our economy is well described in a number of recent publications and reports. These reports describe the considerable financial gains available to illegal operators from waste and, as a result, the potential harm to the operations of the legitimate waste management industry. These reports are useful in describing the general threat of waste crime. However, they do not actually help us to measure the specific scale, extent and impact of waste crime in Scotland against which the design of effective interventions is possible.

Professor Jim Baird has powerfully argued that waste crime is essentially a hidden issue – an invisible crime – which brings with it problems around the measurement of reporting and detection.ⁱ Regulatory agencies need to enhance their intelligence if they are to better prevent, detect and enforce against waste crime. The knowledge and experience of the waste industry is therefore invaluable. It can provide regulatory agencies with information on waste issues, the causes of waste crime and what might work in dealing with this issue that may otherwise remain confined to the industry.

This report provides an insight into the current nature and scale of waste crime as *perceived* by individuals working within the waste industry in Scotland. Although much simplified, this approach borrows general principles from the work of Transparency International by using opinion surveys as a proxy for direct measurement of waste crime.ⁱⁱ Using insights from an online survey of waste industry operators undertaken during July-September 2016, the report considers three key themes:

The scale of waste crime: in terms of waste industry perceptions of the scale of the problem, the responses clearly indicate that waste crime remains a serious issue which is not being comprehensively tackled.

Understanding the causes of waste crime: another key theme addressed within this report is the waste industry's understanding of the causes of waste crime. It is the visible symptoms of waste crime such as fly-tipping and illegal dumping which are acknowledged as significant by the majority of industry respondents. Respondents also identified some of the macro-level vulnerabilities which could contribute to waste crime. Unsurprisingly, disposal costs, including higher landfill tax rates, are highlighted as a significant causal factor.

Tackling waste crime: the report also explores industry views on what could work in tackling the specific causes of waste crime. One response that has been highlighted throughout the survey is a lack of robust enforcement by the regulator. It is proposed by a number of respondents that SEPA must have a more visible presence within the waste industry in conjunction with a more vigorous investigative and enforcement approach. Tackling waste crime means tackling the macro-level causes of waste crime as much as it means the enforcement and prosecution of offenders

2.0 Introduction

There can be little doubt that the relevance and extent of waste crime across the UK has grown significantly in recent years. Insofar as research exists on the scale and extent of the problem, the starting point for the most recent estimate is *Waste Crime: Tackling Britain's Dirty Secret* commissioned by the Environmental Services Association Education Trust (ESAET) and produced by Eunomia in March 2014. Thanks to this report it is now possible to describe in broad terms a culture of criminality which exists in or exploits parts of the waste sector. It facilitates an assessment of the economic impact of this criminality and makes it possible to propose recommendations for action. Waste crime costs the UK economy at least £500m annually and, according to Eunomia, requires tougher enforcement action, greater intelligence sharing and enhanced regulatory controls if we are to make inroads in tackling the problem.ⁱⁱⁱ

Tackling waste crime means we need better data and intelligence to help us identify the enablers and causes of waste crime. Regulatory agencies are constantly improving their intelligence and data on the problem. The most comprehensive picture comes from the Environment Agency's annual reports. These describe a situation in which on average, despite the best efforts of regulators and investigators, almost as many illegal sites are identified as shut-down in any given year. In Northern Ireland the potential scale of the problem was outlined in the NIEA's report on an illegal site in Mobuoy^{iv}. The discovery of over 516,000T of macerated waste disposed into a sand and gravel quarry has revealed systemic faults in the regulation and investigation of waste management activities in Northern Ireland which are now being used to enhance the fight against waste crime there.

However, as John Galvin of CIWM has recently reminded us, tackling waste crime is about having the right data, and that is limited.^v One way of combatting this problem of data-absence is to seek an understanding of how the industry experiences waste crime. The *perceptions* of the industry can help the regulator identify the vulnerable points or moments of criminal opportunity which can then be used to help build partnership prevention responses.

3.0 Methodology

The views of those who operate within the waste industry can provide valuable insights into waste crime and its evolution and trends. In order to capture these views and perceptions, SEPA used an online survey during July-September 2016 to engage with the Scottish waste industry. Although much simplified, this approach borrows general principles from the work of Transparency International by using opinion surveys as a proxy for direct measurement of waste crime. An initial questionnaire was developed in 2014 with the support of the Scottish Environmental Services Association (SESA) and this was used as the foundation for the current survey engagement.

In order to obtain as broad a perspective as possible, the survey targeted the membership of SESA and the Scottish regional membership of The Chartered Institute of Wastes Management (CIWM). The survey group therefore represented the broad range of waste management professionals from private industry as well as the public sector and academia. The questionnaire was designed to ask respondents to anonymously share their knowledge and experiences of crime in the waste sector. In particular, the survey sought to identify where, how and why criminals are able to enter, exploit and profit from illegal waste management activities.

A total of **257** responses to the questionnaire were received and analysed to inform this report. The data collected on perceptions of scale and seriousness will be used to provide baseline information for subsequent annual surveys about waste crime in Scotland, as well as to evaluate the responses of SEPA and its partners to reduce waste crime.

Of course, it will be necessary to further develop the perceptions questionnaire, and improve participation rates, if a robust annual assessment of waste crime is to be provided. It is also clear from the survey that many respondents either skipped or provided a single-word answer to questions exploring the causes of waste crime. This was less problematic regarding questions on the scale and seriousness of the problem as answers to these were provided by all survey respondents. At the very least therefore, we have a baseline perception of scale which could be used to measure on-going and future efforts to tackle the problem.

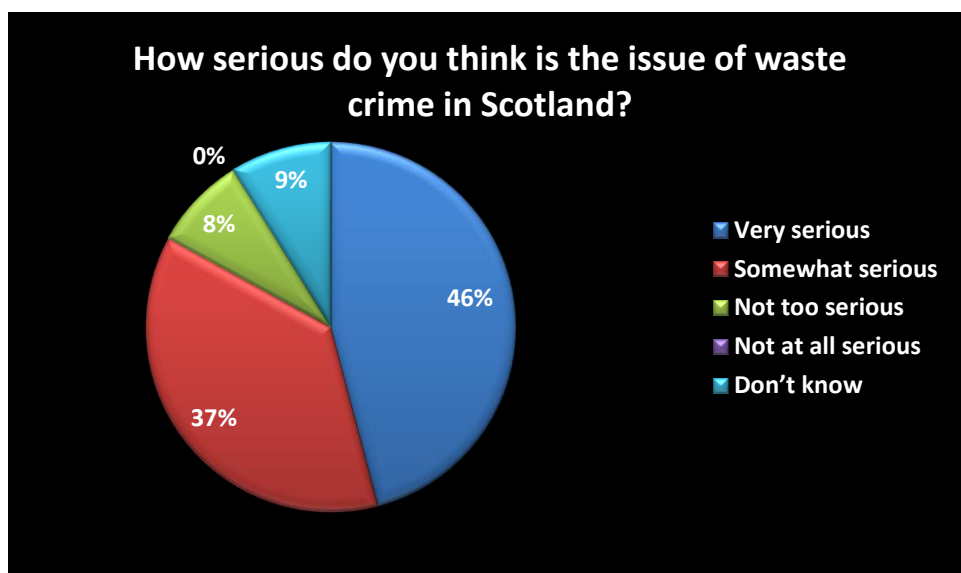
4.0 The Results

The survey results are presented in three sections:

1. Perceptions on the scale of waste crime in Scotland
2. Understanding the Causes of Waste Crime
3. Tackling waste crime

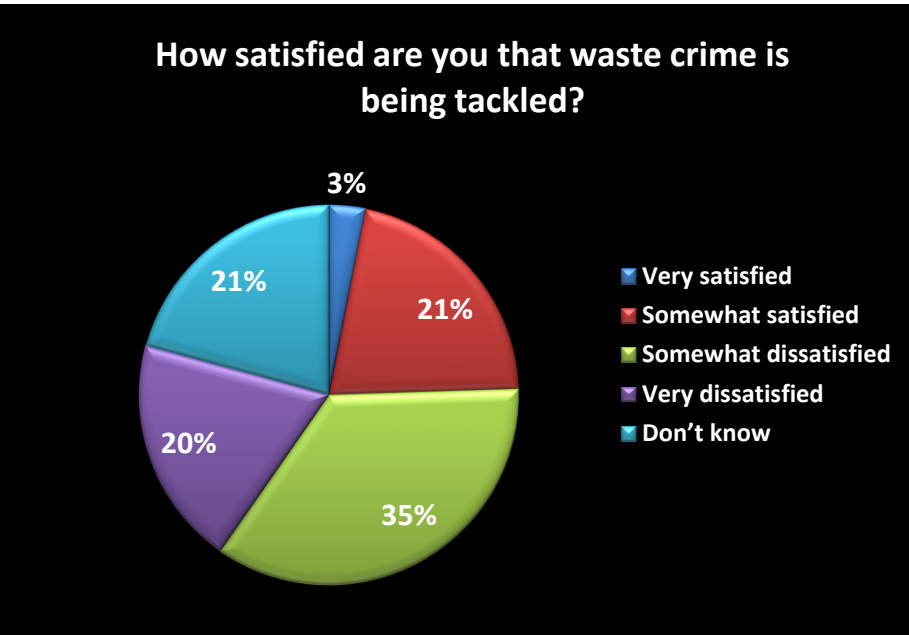
4.1 Perceptions on the scale of waste crime in Scotland

The first section of the survey sought respondent's views on the scale of waste crime in Scotland. In terms of the perception of waste crime in Scotland, **83%** of the 159 respondents who answered this question considered it to be either a *serious* or *very serious* issue as indicated in the chart below.



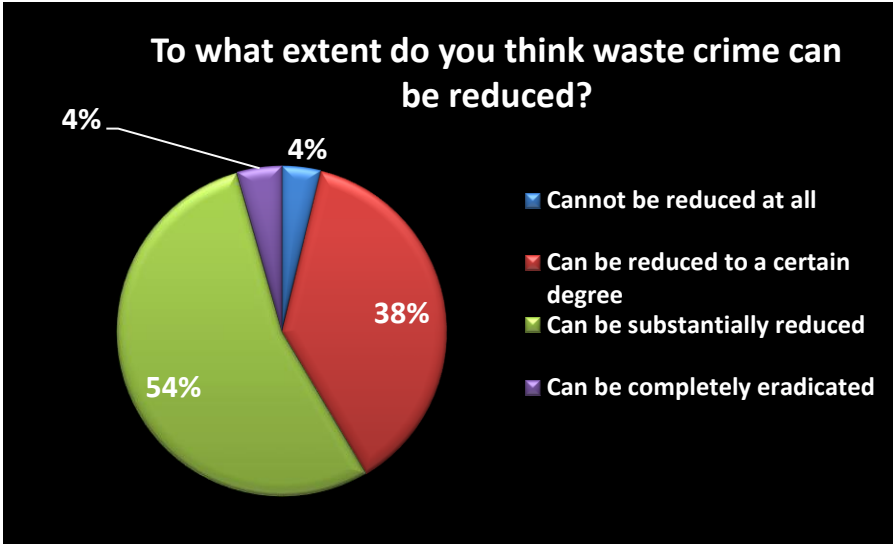
Approximately 9% of the respondents did not currently know or have an opinion about the scale of waste crime. Although, arguably, this is an improvement in awareness from a pilot report in 2014 in which 13% of respondents did not know the scale of waste crime, it still does raise some questions. These questions relate to the effectiveness of current awareness raising strategies, and whether current approaches are targeting all appropriate sections of the waste sector. It may well be that some parts of the industry are simply less aware of the threat presented by offending within their part of the sector, or that no criminal activities have actually been identified at present within those areas.

Significantly, when asked about their views on current responses to tackling waste crime in Scotland, over half of respondents (**55%**) answered that they were not satisfied that waste crime is being tackled. Less than a quarter of respondents (**24%**) were satisfied that waste crime is being tackled.



Although these figures do seem to present a significant challenge to our attempts to improve industry satisfaction levels with regulatory efforts, we can take support from the fact that, as detailed further below, a substantial majority of respondents felt that the problem could nevertheless be reduced over time, and that a majority (**59%**) felt that it could be substantially reduced.

Respondents were very optimistic about the opportunities for reducing levels of waste crime in Scotland. When asked to what extent they thought waste crime could be reduced, **96%** of the 159 respondents thought that **waste crime could be reduced**. A minority of these respondents, **4% of the total**, thought it possible to completely eradicate waste crime by means of collaboration and technological advances, as well as removing the monetary barriers (with reference to the disposal of domestic and trade waste).



A comparably small percentage of respondents thought that waste crime cannot be reduced at all. They attributed this to the human element, namely that *“some people will always avoid ways to pay”*, coupled with insufficient resources and manpower to monitor the disposal of waste.

The concluding question, in respect of the scale of waste crime, relates to the respondents' assessment of offending by their industry competitors. More than half (51%) of the 94 respondents suspected that 20 or more industry competitors engage to some degree in waste offending.



This perception, albeit derived from a small sample, does strengthen the view that waste offending is established within the industry and is not a problem inflicted by only a few 'rotten apples'. With a view of the UK waste management sector, the former Chairman of the ESA (David Palmer-Jones) described waste crime in 2014 as a 'cancer' which was widespread and growing within the industry.^{vi} It is now possible to begin the Scottish diagnosis from the results of the waste crime perceptions survey.

4.2 Understanding the Causes of Waste Crime

The survey moved on to ask respondents a series of open-ended questions with the intention of examining in more detail the causes of waste crime. The first question asked respondents to define waste crime. Although apparently straightforward, this is an important question to ask to avoid unnecessary assumptions. We need to make sure that what we consider to be the central characteristics of waste crime is acknowledged too by the sector, and indeed the public, as being representative of the problem and therefore where the agency should be directing its efforts. Otherwise, there is a danger that our efforts might be seen to be misplaced and, therefore, ineffective. When asked to provide a definition of waste crime, respondents did indeed give a wide range of answers:

- 31% specified illegal dumping or disposal;
- 28% specified fly-tipping and unlicensed operators;
- 15% specified a breach of waste legislation and / or non-compliant behaviour;
- 11% specified any activities which caused environmental harm.

We then asked respondents to identify specific causes of waste crime that SEPA and its partners could tackle. Although broadly like the earlier question on points of vulnerability, the aim of this question was to provide respondents with an additional opportunity to identify specific causal factors leading to waste crime, which could then be considered by SEPA as a

potential point of intervention. As might have been expected, respondents identified broadly similar themes as before, such as costs of disposal and low barriers to entry.

However, respondents did also identify some additional causes as being just as important factors. In response to these, SEPA's waste crime remit could consider taking a more central role. Education, public knowledge and awareness were identified as key factors leading to waste crime, and the provision of a visible, dedicated education and awareness campaign by SEPA's dedicated waste crime team could begin to tackle this issue.



Word cloud 1 - What specific causes of waste crime do you think SEPA and its partners could tackle?

In addition to asking respondents about their views on the particular causes of waste crime, the survey asked if current trends within the waste sector could, potentially, increase the risk of waste offending. Unsurprisingly, perhaps, the focus of the 80 qualitative responses received continued to draw attention to costs, either associated with landfill tax, compliance charges and disposal itself. There was a consensus that this then leads to small- to medium-sized businesses illegally disposing of waste.

Rather than identifying emerging issues, respondents took the opportunity to reemphasise their perceptions of enablers of waste crime in Scotland: unauthorised locations, restricted access for disposal, mixing and misclassification, poor observance of Duty of Care obligations, a lack of education and, of course, criminal infiltration.



Word cloud 2 - Are there any particular trends in the waste industry that you would highlight as potentially increasing the risk of crime?

Tackling waste crime effectively and with lasting results may also require a consideration of legislative and policy change. Indeed, the desire to see SEPA campaign for positive legislation was a theme identified early in the survey. With a view towards identifying potential changes for consideration, therefore, the survey asked respondents to identify if there were any loopholes in the current legislation or regulations.

Only 60 respondents replied to this question and, indeed, most thought that there were no such loopholes that required consideration, or reiterated previously identified issues (such as duty of care, exemptions abuse and the need for enhanced enforcement). However, a small number did identify potential policy and legislative changes. The provision of enhanced financial assessments as an early-stage requirement in the licencing process and the identification of the waste destination into formal planning applications to SEPA and other relevant bodies were two such suggestions.



Word cloud 3 - If any, are there loopholes in the current legislation or regulations?

4.3 Tackling waste crime

One area that can support the diagnosis of this problem and help move us towards a remedy is to understand what the sector thinks about current responses in tackling waste crime and their perceived effectiveness in dealing with the issue. The survey therefore asked respondents the question, “*What measures are you aware of to combat waste crime and how successful do you think they have been?*” There were 100 qualitative responses to this question, and the key themes are represented in the following word cloud. Recurring themes are represented by larger font whereas smaller font represents less common themes.



Word cloud 4 – What measures are you aware of to combat waste crime and how successful do you think they have been?

Although respondents were generally aware of measures to tackle waste crime, it is clear that the most prominent response theme was negative: **none, not aware, not sure, not successful, limited success** all characterise the most frequent responses to this question. Some respondents were clearly aware of regulatory responses to waste crime in Scotland: the use of road-stop vehicle checks; the formation of a dedicated waste crime team and collaboration with partners, including the police. However, responses were predominantly negative. Despite increased resources to tackle waste crime and its establishment as a corporate priority, SEPA is in danger of being perceived as being absent, unresponsive, and ineffective. What is to be done?

One answer to this question is provided, indirectly, by respondents when asked what they would like to see SEPA do to enhance the fight against waste crime. The primary purpose of this question was to identify potential areas of intervention by SEPA in tackling waste crime. It is clear from the answers represented in the word-cloud below, that the sector wants to see a more visible and proactive response from the agency.



Word cloud 5 - What would you like to see SEPA do to enhance the fight against waste crime?

The 109 respondents asked for more visibility, more publicity, and a higher profile from the regulator in the fight against waste crime. More specifically, there is a call for officers more regularly and proactively getting on the ground, patrolling high-risk sites and carrying-out spot checks. Respondents also identified a number of specific interventions that they considered would substantially reduce the risk of waste crime offending in Scotland:

- i. The enhancement of prosecution and sentencing, positive legislation and regulations;
- ii. Improved access to waste facilities and sites for waste disposal by small businesses.

Respondents were clear that much of the drive to engage in waste offending in Scotland is encouraged by apparent restrictions to small businesses and traders in accessing civic amenity and recycling sites for the disposal of their waste. One recommendation suggested, therefore, is that active engagement between the regulator and local authorities takes place to explore less costly access to such sites that could deliver meaningful inroads in tackling waste crime.

To better understand, tackle and reduce waste crime in Scotland, SEPA needs to enhance its understanding of the structural, economic and other factors that encourage offending in the first place. It is only with this information and insight that we will be able to design and apply long-lasting prevention and deterrence interventions. So, we asked respondents what specific points of vulnerability attract criminals or allow exploitation. A total of 100 qualitative responses were provided to this question, and are represented thematically in the word-cloud below.



Word cloud 6 - Are there specific points of vulnerability that attracts criminals or allow exploitation; and, what are they?

As might have been expected, respondents identified the cost of disposal as the main vulnerability driving waste crime. This was closely followed by vulnerabilities that could more reasonably be tackled by the regulator, namely:

- Interventions to tackle remote places used for illegal waste disposal;
- Tackling restrictions on access to approved sites;
- The poor observance and enhanced enforcement of Duty of Care obligations;
- Slow enforcement and intelligence gathering;
- Lack of monitoring and traceability of waste to the end point.

The design of interventions that aim to tackle these points of vulnerability and, importantly, the active demonstration and participation of the sector in these interventions should also result in an enhancement of the regulator's central role in tackling waste crime in Scotland. Tackling waste crime is ultimately about ensuring that our most challenging and vulnerable waste streams are identified and protected from criminal activities. We therefore asked our survey respondents to consider the waste streams they thought were most likely to be impacted by waste crime. A total of 95 responses were received.



Word Cloud 7: What waste streams do you think are most likely to be impacted by waste crime?

Although there was not a great deal of variation in average scores attributed to each waste stream, respondents perceived the waste tyres, special waste, construction, demolition, and excavation and WEEE as the four main waste streams most at risk from crime.

5.0 What does all this mean?

In summary, the waste crime perceptions survey provides the following insights:

- Waste Crime is a broad issue which can mean different things to different people.
- There is a general level of **dissatisfaction** about current responses to tackling waste crime in Scotland.
- There is a strong perception that waste crime is **endemic**.
- Most respondents think that waste crime can be **substantially reduced**.
- There is a danger that SEPA is being seen as **unresponsive** in tackling waste crime.
- People want to see SEPA take-on a more **visible, public** and **higher profile** response in tackling waste crime.
- **Costs** are identified as the main cause of waste crime, but some specific points of vulnerability that could more reasonably be tackled include **“remote” places**, the **current restriction on small businesses to utilise approved sites** and an **enhanced focus upon Duty of Care**.
- The waste streams most vulnerable to crime in Scotland are **tyres, special waste, construction, demolition and excavation**, and **WEEE**.

These insights highlight the following areas for further consideration and follow-up by SEPA:

- We need a **visible, dedicated education and awareness campaign** in Scotland.
- We should consider **enhanced financial assessments** as part of licence applications.
- We should consider the **identification of waste final destination** as part of formal planning consents.

References

ⁱ Baird, J., Curry, R., and Cruz, P., “An overview of waste crime, its characteristics, and the vulnerability of the EU waste sector”, in *Waste Management & Research*, vol. 32(2) (2014), pp. 97-105

ⁱⁱ For a discussion on comparable methods but from the perspective of measuring corruption, see. The Hungarian Gallup Institute, “Basic Methodological Aspects of Corruption Measurement: Lessons Learned from the Literature and the Pilot Study (1999 December)”, accessible at www.unodc.org/pdf/crime/corruption_hungary_rapid_assess.pdf; T. D. Lancaster and G. R. Montinola, “Toward a methodology for the comparative study of political corruption” in *Crime, Law and Social Change*, XXVII (1997), 185 – 206.

ⁱⁱⁱ Eunomia Research and Consulting, *Waste Crime: Tackling Britain’s Dirty Secret* (2013) accessible at http://www.esauk.org/esa_reports/ESAET_Waste_Crime_Tackling_Britains_Dirty_Secret_LIVE.pdf

^{iv} Northern Ireland Environment Agency, Mills, C. ‘*A review of waste disposal at the Mobouy site and the lessons learnt for the future regulation of the waste industry in Northern Ireland*’ (December 2013)

^v J. Galvin, “Fighting Waste Crime: Fight or Fly-Tip” in *CIWM Journal*, February 2016, pp. 14 – 16.

^{vi} As described on BBC Radio 4, File on Four, “Dirty Secrets” broadcast on 12 November 2014.