

[News story: Better Broadband Scheme extended to 2019](#)

The [Better Broadband Scheme](#) offers a subsidised basic broadband connection to anyone unable to get download speeds of at least 2 mbps, and who will not benefit from the superfast broadband roll out within the next 12 months.

Since its launch in December 2015, the scheme has so far boosted the broadband speeds of more than 20,000 homes and businesses in some of the hardest to reach areas of the UK.

Households and businesses that are eligible to take advantage of the scheme have the installation and hardware costs of their connection subsidised to ensure their first year costs are no more than £400.

The subsidy is used to fund a variety of technology solutions including – satellite, 4G and fixed wireless.

The closing date for applications has now been extended until 31 December 2019.

Margot James, Minister for Digital, said:

Improving broadband services for people struggling with poor connections is a top priority for the government – we want everyone to benefit from the digital revolution.

While we've helped make superfast speeds a reality for 19 out of 20 UK premises and are reaching thousands more each week, this scheme offers immediate assistance to those most in need.

The Government's superfast broadband rollout continues as part of its Industrial Strategy to ensure all homes and businesses in Britain have access to high speed broadband by 2020.

And it has also introduced the Universal Service Obligation which will give everyone the legal right to request a connection to high speed broadband. Eligible consumers will be able to request a connection under the Universal Service Obligation by the end of 2019.

[Press release: CMA proposes reforms to](#)

improve competition in audit sector

Improvements to the independence and the quality of audits are the focus of the CMA's market study update.

Press release: CMA proposes reforms to improve competition in audit sector

The Competition and Markets Authority (CMA) has published an update paper outlining serious competition concerns and proposing changes to legislation to improve the audit sector for the benefit of savers and investors alike. It is now putting these proposals out for public consultation.

Following the launch of its [market study](#) in October, the CMA has identified a number of reasons why it believes audit quality is falling short:

- companies choose their own auditors, and as a result we have seen too much evidence of them picking those with whom they have the best 'cultural fit' or 'chemistry' rather than those who offer the toughest scrutiny
- choice is too limited, with the Big Four audit firms conducting 97% of the audits of the biggest companies
- auditors' focus on quality appears diluted by the fact that at least 75% of the revenue of the Big Four comes from other services like consulting

In order to address these concerns, the CMA is proposing legislation to: separate audit from consulting services; introduce measures to substantially increase the accountability of those chairing audit committees in firms, and impose a 'joint audit' regime giving firms outside the Big Four a role in auditing the UK's biggest companies.

CMA Chairman Andrew Tyrie said:

Addressing the deep-seated problems in the audit market is now long overdue. Most people will never read an auditor's opinion on a company's accounts. But tens of millions of people depend on robust and high-quality audits. If a company's books aren't properly examined, people's jobs, pensions or savings can be at risk.

The CMA will now consult on a number of proposals for robust reform. These intractable problems may take some years to sort out. If it turns out that the proposals are not far-reaching enough, the CMA will persist until the problems are addressed.

CMA Chief Executive Andrea Coscelli also commented:

We have moved fast to come up with a comprehensive package of proposals for legislation, which we will now consult on. Successful reform of the audit market will require legislation, in combination with planned improvements to regulation as recommended by Sir John Kingman.

The reforms proposed by the CMA are:

A split between audit and advisory businesses

To get higher quality, auditors should focus exclusively on audit – not on also selling consulting services. One way of achieving this could be a structural break-up. But the international networks these firms belong to and the extent to which audit firms draw on expertise of those advising businesses would make this protracted and complex. A more immediate solution would be for audit and non-audit businesses to be split into separate operating entities. To be effective this will also require separate management, accounts and remuneration. That way auditors will only be rewarded for scrutinising an organisation's accounts but will still be able to draw on expertise from other parts of the firm.

Regulatory scrutiny of auditor appointment and management

Audits are a legal requirement, to ensure that companies act in the interests of their owners rather than their managers. Given the relative lack of engagement by investors and owners of some of Britain's largest companies, these companies should not be left to appoint their own auditors alone. The CMA proposes close scrutiny of audit appointment and management to make sure those appointing auditors are held to account and independent enough to choose the most challenging audit firm, rather than – for example – the cheapest.

Encouraging more choice

At present, many of the UK's largest companies have little choice, given that one or more of the Big Four may be conflicted. Competition is weak. The CMA proposes that audits of the UK's biggest companies (FTSE 350) should be carried out by at least 2 firms, at least one of which would be from outside the Big Four. This will give mid-tier firms access to the largest clients, allowing them to develop their experience and credibility, while also ensuring a cross-check on quality. A possible alternative is a market share cap – ensuring that some major audit contracts are only available to non-Big Four firms.

The CMA's proposals only address some of the concerns in this sector. Sir John Kingman's independent review addresses another: issues with current regulation. Today the government has announced a review of the purpose and scope of the audit more widely. It is already clear from the CMA's work that

a robust approach will likely be required here too.

The CMA now welcomes comments on its update paper by 21 January 2019.

Notes to editors

1. Market studies are carried out using powers under section 5 of the Enterprise Act 2002 (EA02) which allows the CMA to obtain information and conduct research. They allow a wide consideration of issues affecting the market. They can include a range of outcomes including recommendations to government, enforcement action and referral for market investigation.
2. The CMA welcomes views on its update paper by 21 January and hopes to conclude its work as soon as possible in 2019.
3. The Big Four audit firms in the UK are Ernst & Young (EY), Deloitte, KPMG and PricewaterhouseCoopers (PwC).
4. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law. For CMA updates, follow us on [Twitter](#), [LinkedIn](#) and [Facebook](#).
5. Media queries should be directed to: press@cma.gov.uk or 020 3738 6460.

[Press release: Government takes next step in improving standards of UK audit market with new independent review into audit standards](#)

Donald Brydon, outgoing Chair of the London Stock Exchange Group, appointed to lead new independent review of the quality and effectiveness of the UK audit market.

[News story: Gove launches landmark blueprint for resources and waste](#)

Businesses and manufacturers will pay the full cost of recycling or disposing of their packaging waste, under a major new government strategy unveiled by the Environment Secretary today (Tuesday 18 December 2018).

The move will overhaul England's waste system, putting a legal onus on those responsible for producing damaging waste to take greater responsibility and foot the bill.

The announcement forms part of the government's ambitious new [Resources and Waste Strategy](#), the first comprehensive update in more than a decade. It will eliminate avoidable plastic waste and help leave the environment in a better state than we found it for future generations.

Producers will also be expected to take more responsibility for items that can be harder or costly to recycle including cars, electrical goods, and batteries.

Householders will also see the existing complicated recycling system simplified, with new plans for a consistent approach to recycling across England. Timings for introduction will be subject to discussions at the Spending Review.

Launching the strategy at Veolia's recycling centre in London, one of the most advanced sorting facilities in Europe, Environment Secretary Michael Gove said:

Our strategy sets out how we will go further and faster, to reduce, reuse, and recycle. Together we can move away from being a 'throw-away' society, to one that looks at waste as a valuable resource.

We will cut our reliance on single-use plastics, end confusion over household recycling, tackle the problem of packaging by making polluters pay, and end the economic, environmental and moral scandal that is food waste.

Through this plan we will cement our place as a world leader in resource efficiency, leaving our environment in a better state than we inherited it.

To help drive up recycling levels further, the government will introduce consistent set of recyclable material for collection, subject to consultation. This will be funded by industry through Extended Producer Responsibility (EPR), which will see industry pay higher fees if their products are harder to reuse, repair or recycle and will encourage sustainable design, subject to consultation. EPR for packaging will raise between £0.5 billion and £1 billion a year for recycling and disposal.

The move builds on the Autumn Budget, which announced a world-leading tax on plastic packaging which does not meet a minimum threshold of at least 30% recycled content, subject to consultation, from April 2022. This will address the current issue of it often being cheaper to use new, non-recycled plastic material despite its greater environmental impact.

The Resources and Waste Strategy sets out how government will:

- Ensure producers pay the full net costs of disposal or recycling of packaging they place on the market by extending producer responsibility – up from just 10% now.
- Review our producer responsibility schemes for items that can be harder or costly to recycle including cars, electrical goods, batteries and explore extending it to textiles, fishing gear, vehicle tyres, certain materials from construction and demolition, and bulky waste such as mattresses, furniture and carpets.
- Introduce a consistent set of recyclable materials collected from all households and businesses, and consistent labelling on packaging so consumers know what they can recycle, to drive-up recycling rates.
- Ensure weekly collections of food waste, which is often smelly and unpleasant, for every household – restoring weekly collections in some local authorities. This will be subject to consultation which will also consider free garden waste collections for households with gardens, to reduce greenhouse gas emissions from landfill
- Introduce a deposit return scheme, subject to consultation, to increase the recycling of single-use drinks containers including bottles, cans, and disposable cups filled at the point of sale.
- Explore mandatory guarantees and extended warranties on products, to encourage manufacturers to design products that last longer and drive up the levels of repair and re-use.
- Introduce annual reporting of food surplus and waste by food businesses. Should progress be insufficient, we will consult on introducing mandatory targets for food waste prevention.
- Clamp-down on illegal movements of waste at home and abroad by introducing compulsory electronic tracking of waste, and tougher penalties for rogue waste crime operators if they mislabel their waste to dodge tax rules.

The strategy sits alongside government's [25 Year Environment Plan](#), the recently published [Bioeconomy Strategy](#), and the [Clean Growth Strategy](#) which sets out how the UK is leading the world in cutting carbon emissions to combat climate change and driving economic growth.

Speaking at Veolia Southwark's Integrated Waste Management Facility in London, Richard Kirkman, Veolia's Chief Technology and Innovation Officer, said:

The government has listened to industry and these steps have the clear potential to dramatically change the way the sector operates to increase recycling and recovery rates.

With consistent collections and advanced facilities like this at Southwark more recyclable materials can be collected for reprocessing into new products. As a business we are ready to invest, to take advantage of new technology, build more infrastructure and work with brand owners and local authorities to harness resources on an industrial scale.

It's the direction we have been hoping and waiting for, and with the public and businesses playing their part the UK can build a sustainable future.

Paul Vanston, CEO of the Industry Council for Packaging and the Environment (INCPEN) said:

Substantial credit is due to Secretary of State Michael Gove, Environment Minister Therese Coffey and officials for the high quality and depth of their engagement work in the lead up to this Resources & Waste Strategy.

The focus on whole-system changes is welcome including packaging reforms, consistency of councils' household collections, and ways to increase investment in recycling infrastructure.

Gudrun Cartwright, environment director at Business in the Community, said:

We welcome the Resources and Waste Strategy and the ambitious direction it sets for the UK. By making the most of valuable resources, businesses can lead the way and help turn the tide on waste by 2030. We know that businesses want to come together, take action and get results faster with over 80 major brands signing our Waste to Wealth Commitment to help double the nation's resource productivity and eliminate avoidable waste by 2030. Research carried out in partnership with Ipsos MORI told us that consumers welcome action from business to help them do their bit and reduce waste. Around 80% of people chose money-back incentives; dedicated spaces in shops to return used packaging and clothing; loyalty points and hiring not buying as the most popular actions from business when it comes to helping consumers reduce their own individual waste.

2030 is a critical year if we are to ensure we have an environment in which business and communities can flourish. The risks of inaction are enormous, but so too are the opportunities that could be created from a prosperous and resilient, low carbon economy. We must make the most out of precious resources, waste as little as possible and find ways of turning the waste we do create into new wealth. Business must now focus on setting targets to improve the productivity of resources that are key for their business, work collectively towards doubling the nation's resource productivity and eliminate avoidable waste by 2030, redesign how resources are used in products, services and operations, collaborate across organisations, value chains and sectors and report on progress to share learning and keep the momentum going.

Sir James Bevan, Chief Executive of the Environment Agency, said:

We support a circular economy and welcome the resource and waste strategy that will help us all deliver it.

The plan embodies a solid commitment to tackling serious and organised waste crime, which drains the economy and blights communities.

Last year, the EA closed down over 800 illegal sites and carried out 93 successful prosecutions. The strategy sets to build on our successes, with additional resources, better innovation and improved partnerships across government and enforcement agencies.

The strategy builds on existing government work to tackle unnecessary waste including a [world-leading ban on microbeads](#) in personal care products, a [5p plastic bag charge](#) which has taken over 15 billion single-use plastic bags out of circulation, a [£15 million pilot scheme for reducing food waste](#), and [up to £10 million to clear the worst abandoned waste sites](#) that blight local communities.

On the same day, the government announced £8m of funding for eight new research projects that will explore new and different ways of making, using and recycling plastics.

The government is also investing £20m to tackle plastics and boost recycling: £10m more for plastics research and development and £10m to pioneer innovative approaches to boosting recycling and reducing litter, such as smart bins. This is in addition to the £20m for plastics research and development through the Plastics Innovation Fund announced in March 2018.

The government is committed to being a world leader in resource efficiency and driving international action, including through our ground-breaking Commonwealth Clean Oceans Alliance and a [£66 million package of funding to boost global research](#).

- ‘Extended Producer Responsibility’ (EPR) is a powerful environmental policy approach through which a producer’s responsibility for a product is extended to the post-use stage. This incentivises producers to design their products to make it easier for them to be re-used, dismantled and/or recycled at end of life. Alongside stakeholders, we consider EPR to be a crucial tool in moving waste up the hierarchy, and stimulating secondary markets. It has been adopted in many countries around the world, across a broad range of products, to deliver higher collection, recycling and recovery rates. The most successful schemes use a range of measures to encourage more sustainable design decisions at the production stage.
- The ‘circular economy’ is linked to the concept of the ‘circle of life’ – nature’s way of returning life back to the earth so that when something dies, it gives new life to another. In terms of materials and resources, the circular economy relates to the re-use, re-fashioning, or remanufacturing of goods, thus extending their lifespan.
- Packaging reform is government’s immediate priority. We will launch a

consultation to reform the packaging waste regulations shortly. We will ensure that the reformed system will match or exceed targets set by the EU.

- Subject to consultation we will legislate to allow government to specify a core set of materials to be collected by all local authorities and waste operators.
- Timings of all the proposals can be found in the Strategy.
- Household waste recycling rates in England have risen from around 11% in 2000/1 to about 45%, but since 2013 rates have plateaued.
- Government recently commissioned and published the recommendations of an [independent review on Serious and Organised Crime in the waste sector](#).