



"Working for our members to be the voice of government on waste minimisation and recycling issues"

LOCAL AUTHORITY RECYCLING
ADVISORY COMMITTEE

Robert Rawlings
Producer Responsibility Unit
Defra
Area 6D Ergon House
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London SW1P 2AL

May 2010

Dear Robert,

Consultation Response – Implementing the Packaging Strategy: recovery and recycling targets, transparency and technical changes

I am writing to present the LARAC response to the proposed changes to the Producer Responsibility Obligations Regulations Consultation, which is contained below, and I thank you for the opportunity to respond to the above consultation.

The comments below are sent on behalf of the Local Authority Recycling Advisory Committee (LARAC). LARAC is an association of around 380 local authorities across England, Scotland Wales and Northern Ireland whose waste management and recycling professionals' co-ordinate and operate waste management services. Membership is drawn from all types of authority including statutory Waste Collection (WCA), Waste Disposal (WDA) and Unitary.

Overall LARAC supports the proposals contained within the consultation. However there are some targets that we feel are not challenging enough and will not enhance resource recovery in the UK as much as it could. There is also concern the attempts to tighten up on the area of PRN/PERN revenue spend do not go far enough and will not produce a system that targets investment in the UK's ability to meet future targets or is transparent enough to give the confidence that it in fact what it is doing. Overleaf are our detailed comments as requested in the consultation.

If you have any queries on this response or would like to discuss the matter further then please contact me on (phone) or (email).

Yours faithfully,

Andrew Craig
Principal Policy Officer



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ADVISORY COMMITTEE

Consultation Response – Implementing the Packaging Strategy: recovery and recycling targets, transparency and technical changes

Question One

Whilst LARAC has no reason to doubt the packaging industries projection a number of local authorities are modelling no growth or negative growth in waste reduction over the next few years. We agree that using 2009 as a baseline gives the most accurate data on which to base future predictions. We would however question how much the industry believes it will reduce packaging through light-weighting. However whichever figures are used there should consensus amongst all parties.

Question Two

If previous assumptions on obligated tonnage have proved to be accurate it would appear to make sense to continue with those assumptions so we have no reason to contest those figures.

Question Three

We would support the UK in aiming to match or surpass the best in Europe figures for paper recovery. However there needs to be an understanding of what other policy instruments these countries have in place that aid and facilitate these high levels of recovery and therefore whether just setting higher targets under the Packaging Obligation Framework would be enough to enable high levels of recovery to be achieved. If there is an expectation that the increases will be obtained from the household waste stream then it would be useful to understand how other countries link producer responsibility support with municipalities so that extra burdens do not fall on local authorities.

Question Four

LARAC feels that a more stretching target could be explored given the desire to increase capture from the municipal waste stream (possibly 700,000 tonnes).

Local authorities agree that closed looped recycling is the preferred to other recycling options but they have concerns about the additional financial burden local authorities could face if 'forced' down this treatment route. Given this is producer responsibility legislation local authorities would look to obligated producers to provide the additional resources needed to supply the container end market. This is one area where funding from the PRN system could be used to collect more colour separated glass, or to support moves toward greater use of colour sort technology. Local authorities may also be concerned about the end market capacity for all colours of glass (especially green) – one of the reasons the aggregate market developed in the first place.



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ADVISORY COMMITTEE

Question Five

We broadly agree with setting the proposed challenging targets for aluminium. In relation to the waste hierarchy, asking the question whether composite materials are classed as paper or aluminium is 'end of pipe' thinking. A much better way to address the problem is to adopt a 'start of pipe' viewpoint and start by evaluating the environmental cost of putting the barrier layer in paper/card products against the cost of the alternative technical solutions to keeping goods fresh or fizzy. Ideally we should be trying to find ways to eliminate use of composite materials in packaging or design them in such a way that recovery of valuable materials is made very simple.

Question Six

Given that 61.7% of steel was recycled in 2008 a target of only 62.8% in 2014 appears not to be ambitious enough. Given also that only half of steel cans in the municipal waste stream are currently captured there is a case for increasing the targets to incentivise obligated companies to engage closely with local authorities to develop and fund systems (and communications) to extract the steel from the municipal waste stream, especially non-household streams such as recycling on the go and offices.

Question Seven

LARAC broadly agrees with the proposed targets for plastics, although we are aware that parts of the industry believe them to be very challenging. Both end markets and, to a greater extent, the sorting technology for mixed plastics will be key to achieving this. We are aware that the infrastructure is starting to develop but doubts exist about the speed of this development to meet targets in the short/medium term. Recoup believes it could be 2015/16 before relevant technology is available to deal with mixed flexible plastics. This is one area where transparency in the use of PRN revenues to develop infrastructure could make a big difference.

If true 'closed loop' recycling is to be instigated as a condition for the end market destinations for plastics then LARAC believes that the targets will be too difficult to achieve.

LARAC is also aware of concerns raised by Recoup regarding the base data on which the proposed targets have been based. As with all materials and comments made elsewhere consensus must be reached on the data that is used to establish targets, given the importance going forward and the implications for investment decisions.



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ADVISORY COMMITTEE

Question Eight

If the proposed targets for wood are increased to 2020 to match the current recycling levels there will be no challenge or incentive for change or improvement. A better solution would be to increase targets significantly in the short term up to current recycling levels and then extend beyond those levels to 2020 to encourage investment in infrastructure and realise greater environmental benefits from greater recovery levels. This would have the likely consequence of pushing up all PRN prices in the shorter term which would then generate more funding to promote collections of other packaging materials.

Question Nine

Challenging targets mean more focus will be placed on diverting packaging waste from the municipal waste stream. This is to be welcomed but we wouldn't want to see additional burdens falling on local authorities as a result given that this is producer responsibility legislation. We would expect to see more private sector investment in the local authority collection infrastructure but it would then also be reasonable to expect the private sector to achieve a greater degree convergence of design and operation of new systems.

Question Ten

We cannot comment on the reason for the obligated tonnage gap but would ask whether this presents a case for lowering the de minimus level for those materials where there is a gap. This would bring more companies in to the system that have specific responsibilities for tonnages and so generate more funds to increase material capture.

Question 11

In terms of resource efficiency and ecological foot printing there is a compelling argument and logic for closed loop recycling and restricting the aggregates end market for glass. However this would then take out 30% of the current end market capacity and, as is highlighted in the consultation document, the additional income from the remelt market would not normally cover the increased costs of colour separated collection. Careful thought therefore needs to be given to how the potential additional costs of collection and/or separation for remelt can be met without adding to the overall financial burden on local authorities. If the wrong incentives were given, local authorities currently collecting non colour-separated might stop collecting altogether if the alternative outlets became less economically viable, causing future targets to be missed.

We assume that the LCAs that have been carried out on alternative outlets for glass (e.g. aggregates, filtration media, brick making) have taken into account the environmental effects of substituting glass for alternative inorganic ingredients in these products (and not



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LOCAL AUTHORITY RECYCLING
ADVISORY COMMITTEE

just the environmental costs of preparing (milling/classifying) the glass for these applications). If not, then this should be revisited.

Question 12

LARAC agrees that any target must be based on data in which there is confidence and so a data collection exercise should be the first step.

If targets are split then the categories suggested appear to be sensible. From the consumers' point of view, this is how they would most easily associate the different 'types' of plastic packaging.

There is a need to be sure that, whilst the split might progress and encourage 'underperforming' materials, it will not result in momentum being lost on other types of plastic. Targets still need to be set for all plastics types at levels that are challenging and result in an increase in recovery rates.

However as highlighted in our response to question 7 above there are doubts concerning whether the required infrastructure will be in place until 2015. This casts doubt on the usefulness of a specific target for plastic film, given the small quantities likely to be recycled separately from other plastics and the associated problems with collection.

Question 13

A stricter regime around business plans and measurement of their implementation is to be welcomed. Sanctions available need to be strong enough to encourage compliance of reprocessors and any potential loopholes closed. We would urge the Government to increase its focus on policing the implementation of business plans and holding reprocessors and exporters to account when their actual activity deviates from their business plan without good reason beyond their control.

Question 14

We believe that the change in reporting requirements will help improve the transparency of the PRN process – in particular with regard to price support. Reporting needs to reflect more focussed and targeted categories of PRN revenue spend. Reporting alone may not be enough if what the PRN revenue spend is being used for is not aimed specifically at areas that will increase the overall capacity for recycling packaging. The effectiveness of the new reporting requirements should be reviewed early and the regulations amended if it is shown that the changed reporting requirements have not resulted in an identifiable significant increase in funds invested in collection schemes and recycling/treatment infrastructure.



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ADVISORY COMMITTEE

It is debateable whether the proposed reporting requirements will increase the administrative burden given that there is already a reporting regime in place. We would not want to see PRN revenue diverted to 'administration' instead of the intended use to increase the UK's ability to meet the packaging targets and increase recovery.

Question 15

Data collection and reporting needs to be accurate and comprehensive. Any amendments to achieve this are supported. Given the reconciliation process that local authorities must undertake as part of the Waste Data Flow system it does not appear unreasonable to expect private industry to perform a similar function with the National Packaging Waste Database. The cost of this system should also sit with industry as ultimately they will benefit from the availability of accurate data.

Question 16

LARAC supports the proposal for percentage reports on the way businesses have spent PRN/PERN revenue as this would help with the current problems around transparency whilst protecting commercial confidentiality.

Question 17

As pointed out in the answer above there is a need to make the spend of PRN/PERN revenue more transparent to all. LARAC feels that if it is a requirement for all reproprocessors and exporters to produce a report showing how PRN money has been spent the system becomes completely transparent. It also aids decision making on where future investment needs to be made in order for 'UK plc' to meet future targets.

The claim of handing an advantage to competitors should not be an issue if all companies are required to report information in the same way, backed up by appropriate auditing to a suitable level, probably similar to current levels. LARAC would not foresee the need to change the auditing regime.

Is there an option of the regulator being given the power to require an independent audit of a reprocessor's or exporter's spend if it has cause for concern about the figures? To pay for these a small levy on all producers could be used to create a fund, from which a small number of audits could be paid for each year. This could counter any problem where an audit paid for by a particular reprocessor could be seen as unfair and open to challenge.

Question 18

We agree with the technical changes



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Question 19

LARAC agrees that packaging waste sent to offshore platforms should form part of the UK recovery/recycling obligation.

Question 20

We agree that the requirement for reprocessors and exporters to provide independent audit reports should be removed from the regulations provided that the Agency's are confident that alternative measures are in place.

Question 21

LARAC agrees with the proposed fee structure for Part C's. Industry needs to ensure that exported recycling waste is handled correctly and that public confidence in the export system is maintained.

Question 22

We would support this change if reassurances could be given that it will not then create a potential loophole that companies could exploit to avoid keeping data relating to the packaging they handle.

Question 23

Small subsidiary companies and the allocation method	YES	
Registration of class of producers in scheme	YES	
Requirement for small producers who are members of a compliance scheme to provide CIC codes	YES	
Obligation to inform the relevant Agency if a company is experiencing financial difficulties	YES	
Approved persons	YES	
Compliance scheme approval	YES	
Reprocessor/exporter change of status	YES	
Evidence of scheme approval	YES Could a definitive and official	



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GREEN GLASS

	approved list be held on DEFRA website?	
Exporter/reprocessor returns	YES	
Fee payments	YES	
Deadline for scheme registration	YES	
Submission of operation plans	YES	
Definition of scheme member	YES	
Updates to public register	YES	
References to PRN books	YES	
Deadlines for reporting of obligated data to DEFRA	YES	