



Subject:	External Consultations on Packaging and Packaging Waste
Date:	6 August 2019
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Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in	
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report or Summary of main Issues
1.1	As agreed at the April 2019 People and Communities Committee, this update is to provide Committee with a copy of the relevant responses from the Council and arc21 to recent consultations relating to Packaging and Packaging Waste.
2.0	Recommendations
2.1	The Committee is asked: <ul style="list-style-type: none">To retrospectively adopt the consultation responses to the Reforming the UK Packaging Producer Responsibility Scheme, Introducing a Deposit Return Scheme in England, Wales & NI and Plastic Packaging Tax as submitted by the Council and arc21 earlier this summer.

<p>3.0</p> <p>3.1</p> <p>3.2</p> <p>3.3</p>	<p>Main report</p> <p>Members may be aware of a recent series of consultations from the Department for Environment, Food and Rural Affairs (DEFRA) relating to packaging and packaging waste. These are likely to have a considerable impact upon the waste and resources sector in the UK in general and serve to provide further justification for the Council in its approach to target improving the collection of quality materials from householders.</p> <p>The three consultations are as follows:</p> <ol style="list-style-type: none"> 1. Reforming the UK Packaging Producer Responsibility Scheme (PPRS); 2. Introducing a Deposit Return Scheme in England, Wales & NI (DRS); and 3. Plastic Packaging Tax (PPT). <p>Members may care to note that DEFRA also produced a fourth consultation entitled “<i>Consistency in Household and Business Collections in England</i>” which is not applicable to Northern Ireland.</p>
<p>3.4</p> <p>3.5</p>	<p><u>Key Issues</u></p> <p>Considerable change in public attitudes to the natural environment and our impact upon it is underway, highlighted by TV programmes such as “<i>Blue Planet</i>” and “<i>The War on Plastic with Hugh and Anita</i>” which expose the pollution caused poor waste and resource management. Against this background, there is increasing recognition that waste and resources management provides a considerable opportunity to address production and consumption and manage materials better. Increasingly, this is being labelled as the circular economy which, as a concept, seeks to rebuild economic and natural capital. As an approach, it is worth emphasising that the circular economy is not just about recycling more stuff – dealing with materials and products once they become waste – but is about a complete recasting of how materials and resources are treated throughout their production and post-production life – managing the supply chain.</p> <p>In May 2018, the EU approved a package of legislation setting binding targets on waste and recycling to move to a more Circular Economy. There are several headline targets under the new Directive which will require Member States to recycle 65% of their municipal refuse by 2035, to separately collect hazardous waste by January 2025, to halve food waste by 2030. The EU also proposed phasing out landfilling, and promoting economic instruments “<i>such as extended producer responsibility schemes</i>” (EPR).</p>

3.6	<p>A separate directive was also approved on Packaging Waste to ensure that 70% of packaging is recycled by 2030 (this is different for individual packaging materials, for example 30% for wood, 55% for plastic, 75% for glass and 85% for paper). Member States had two years to incorporate the Circular Economy Package into national legislation, followed by another two to three years to implement changes.</p> <p>When published, the UK Government committed to backing the packages.</p>
3.7	<p>In the UK, in 2017 the Department for Business, Energy & Industrial Strategy (BEIS) produced the Clean Growth Strategy and highlighted that (a long overdue) Waste & Resources Strategy for England was due imminently which, combined with the</p>
3.8	<p>Government's Industrial Strategy would have "<i>strong commitments on resources productivity as a critical contribution to a successful economy</i>".</p> <p>In December 2018, DEFRA published the Waste & Resources Strategy which included commitments on revising the extended producer responsibility (EPR) schemes for a variety of materials (packaging included) and the introduction of a deposit return scheme. On</p>
3.9	<p>initial review, the proposals around packaging could see retailers and producers expected to pay considerably greater sums under EPR (as much as £1Bn) and, in order to inform the finalisation of this approach, DEFRA undertook a series of comprehensive consultation exercises. The responses from these consultations will be used to inform Government thinking and are likely to generate further consultations later this year or later in 2020.</p>
3.10	<p>Responses to the three consultation papers relevant to Northern Ireland have been developed by arc21 (see Appendix 1) and a further review has been undertaken by Council officers to the consultations to add a city perspective to these (see Appendices 2 & 3). They are the subject of this Committee paper and a summary of each is provided below:</p> <p><u>Reforming the UK Packaging Producer Responsibility Scheme (PPRS)</u></p> <p>Recognising that the EU impact of packaging is locked in at the design stage, this consultation seeks views on measures to reduce the amount of unnecessary and difficult to recycle packaging and increase the amount of packaging that can and is recycled, through reforms to the packaging producer responsibility regulations.</p> <p>It also proposes that the full net costs of managing packaging waste are placed on those retailers, producers and others within the supply chain who use packaging and who are best placed to influence its design. This is consistent with the polluter pays principle, EPR and promoting a shift towards the Circular Economy.</p>
3.11	

3.12	<p>In the UK, a system of producer responsibility for packaging has been in place since 1997. Starting 20 years ago, this has helped to drive recycling of packaging waste from 25% to 64.7% in 2016. Over this period, the UK has met all of its national and EU packaging waste recycling targets, and the cost of compliance to business has been kept low when compared to other EU Member States.</p>
3.13	<p>Like any system that is over 20 years old however it is in need of reform. Stakeholders have expressed concerns over the transparency of the system including how income from the sale of evidence has supported packaging waste recycling; that councils receive limited direct financial support for managing packaging waste; and that there is not a level playing field for domestic reprocessing.</p>
3.14	<p>Government's ambitions have increased too and in recent months there has also been a rise in public consciousness when it comes to the need to tackle packaging waste. DEFRA has indicated the need to: reduce substantially unnecessary and difficult to recycle packaging; make more packaging designed to be recyclable; have more packaging waste be recycled; and to have more packaging to be made from recycled material.</p>
3.15	<p>DEFRA also wants fewer packaging items to be littered and for it to be easier for people and businesses to recycle their packaging waste. Reforming the packaging waste system addresses these ambitions and the commitments made by all UK devolved administrations.</p>
3.16	<p>For Belfast, the response submitted proposed placing greater responsibility onto those within the packaging chain and, should this approach be adopted, under current proposals the Council would receive additional financial support of around £4M per annum to assist in paying for the collection and recycling of packaging, as well as contribute towards some of the costs associated with littering.</p>
3.17	<p><u>Introducing a Deposit Return Scheme in England, Wales & NI (DRS)</u></p> <p>While waste policy is a devolved responsibility, and the Scottish, Welsh and Northern Ireland administrations can decide policy separately, DEFRA wants to ensure that, as far as possible, their approach to DRS forms part of a coherent UK-wide system. The Government and devolved administrations are therefore working closely together on this policy area. This consultation was undertaken jointly by the UK and Welsh Governments and the Department of Agriculture, Environment & Rural Affairs in NI (DAERA).</p> <p>As the Assembly is not sitting, the UK Government, in discussion with DAERA, consulted on their behalf. DAERA officials have informed DEFRA that they have no evidence that NI stakeholders or Ministers would not wish to participate in a consultation on options for a DRS.</p>

3.18	<p>The consultation sets out details on how a DRS could be managed, financed and operated. and proposes that the materials to be included in a DRS are PET and HDPE plastic bottles, steel and aluminium cans, and glass bottles. It includes a broad range of drinks, including water, soft drinks, juices, alcohol, and milk-containing drinks, when sold in containers made of these materials.</p>
3.19	<p>The consultation sets out two options for a DRS, both of which cover the same materials and drinks outlined above, but differ in terms of the size of the drinks containers in-scope. The options are:</p> <ul style="list-style-type: none"> • the “<i>all-in</i>” model, which would not place any restrictions on the size of drinks containers in-scope of a DRS; and • the “<i>on-the-go</i>” model, which would restrict the drinks containers in-scope to those less than 750ml in size and sold in single format containers. This model would target drinks beverages most often sold for consumption outside of the home (while “<i>on-the-go</i>”).
3.20	<p>Responses to this consultation will help DEFRA consider the merits of introducing a DRS. The aim of the UK and Welsh Government and DAERA is to ensure that, should a DRS be introduced, it will be easy for consumers to return drinks containers, leading to increased recycling rates and a reduction in littering. Following the passage of DRS-related legislation, there will be a short period of further formal consultation on specific regulatory measures in early 2020.</p>
3.21	<p>For Belfast, as highlighted by arc21, the position of NI is different from GB in that there are different considerations (e.g. market conditions, base costs, land border with the RoI, council functions &c.) The key consideration however concerns the timing; introducing a DRS in advance of, or in tandem with Packaging Responsibility Reform is likely to cause great confusion and complexity in the market. From an operational impact perspective, a DRS should only be considered following the introduction of the Packaging Responsibility Reform to compensate for any apparent shortfalls within the EPR scheme.</p> <p><u>Plastic Packaging Tax (PPT)</u></p> <p>At Budget 2018, government announced that from April 2022 it would introduce a world-leading new tax on the production and import of plastic packaging with less than 30%</p>

3.22	<p>recycled content, subject to consultation. Plastic packaging accounts for 44% of plastic used in the UK, but 67% of plastic waste, and over 2 million tonnes of plastic packaging is used each year. The majority of this is made from new, rather than recycled plastic.</p>
3.23	<p>The Government's call for evidence last year, which received a record 162,000 responses, highlighted that recycled plastic using is often more expensive than using new plastic, despite its lower environmental impacts. The Government wants to shift the economic incentives involved in the production of more sustainable plastic packaging, encouraging greater use of recycled plastic and helping to reduce plastic waste. This complements the government's proposals for reformed Packaging Producer Responsibility regulations.</p>
3.24	<p>The consultation outlines the Treasurer's proposal for how the tax will work and contains a number of questions relating to this. For example, which packaging should be in scope of the tax, how to assess recycled content, and which businesses will be liable for the tax? Government is seeking views on the best design options.</p>
3.25	<p>Ultimately, this proposed tax will act as the "<i>pull mechanism</i>" with the Reform of the Packaging Producer Responsibility being the "<i>push</i>" to change how plastic packaging is managed. If the proposed measures are introduced it will be important to ensure the balance between the "<i>pull</i>" and "<i>push</i>" mechanisms are appropriate and can be rebalanced if required. If Government proceeds with this tax, the Council would clearly support arc21 recommendations that the funds received are used in a manner consistent with the measures of the Packaging Producer Responsibility Reform in each of the devolved administrations, particularly regarding supporting councils' endeavours.</p>
3.26	<p>In concluding this report, Members may care to note that DEFRA have stated that the responses to these consultations will help inform a new proposals and a further series of consultation exercises. These will be run alongside additional consultations on introducing the Circular Economy into the UK (and NI) and will also call for a review of supplementary legislation, policies and plans. It is anticipated that this batch of consultations will get underway later this year or early in 2020.</p>
<p><u>Financial & Resource Implications</u></p> <p>While there may be considerable financial implications from introducing these consultations, there are no financial or resource implications associated in responding to them.</p>	

<p>3.27</p> <p>3.28</p>	<p><u>Equality or Good Relations / Rural Needs Assessment Implications</u></p> <p>There are no Equality, Good Relations or Rural Needs Implications in responding to the consultations</p>
<p>4.0</p>	<p>Appendices – Documents Attached</p>
	<p>Appendix 1 - Arc21 responses to the consultations</p> <p>Appendix 2 - Council response to the PPRS consultation</p> <p>Appendix 3 - Council response to the DRS consultation</p>