north london waste authority

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RE: Consultation on recovery and recycling targets for packaging waste for 2013 - 2017

Dear Sir/ Madam

Thank you for providing the North London Waste Authority with the opportunity to respond to the government's consultation on recovery and recycling targets for packaging waste for 2013 - 2017.

The North London Waste Authority (NLWA) is the second largest waste disposal authority in England, handling nearly 1 million tonnes of municipal solid waste collected in the seven London boroughs of Barnet, Camden, Enfield, Hackney, Haringey, Islington and Waltham Forest.

The Authority's detailed response to your consultation is attached.

If you require any further clarification of the points raised in our response or have additional queries please do not hesitate to contact me.

Yours sincerely,

Tim Judson

Director of Procurement

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Question 1: In your view, are our projections for waste arisings reasonably accurate?

Are you aware of any other factors which may affect the levels of packaging entering the waste stream?

Please provide us with as much evidence as possible to support your answer, so we can adjust our figures as necessary.

The Authority supports the proposal to update the baseline for the projections.

1.1 We note that the government intends to use 2011 data as a baseline for setting new targets, compared to the current targets which were set in 2007 using 2006 data as a baseline.

1.2 The Authority supports the proposal to update the baseline for the projections, but notes that that in 2011 municipal waste arisings in general (and we assume packaging waste as a subset of that) were still being impacted by the global and UK recession, i.e. that volumes were depressed compared with earlier 21st century figures. In north London for example we have continued to see falling waste volumes in 2010/11 compared to 2009/10, despite increasing population numbers, and although the rate of waste reduction is slowing compared to other recent years the volumes of municipal waste produced are still lower than in previous years. Table 1 reproduced from the annual monitoring report of our joint waste strategy is reproduced below:

Table 1. Municipal waste collected in North London

	2006/07 (Baseline)		2008/09	2009/10	2010/11
Annual growth rate	-		-4%	-2%	-1%
Tonnes of municipal waste collected	958,600		905,778	883,931	878,817
Tonnes of household waste collected	768,770		680,444	656,915	678,270
Tonnes of non-household waste collected	189,830		225,334	227,015	200,547

Source: 3rd Annual Monitoring Report 2010-11, North London Joint Waste Strategy, December 2011 http://www.nlwa.gov.uk/governance/annual-monitoring-reports

1.3 The consultation document projects varying growth rates of packaging flowing into the UK waste stream by material, ranging from a 0.5% per annum decline in steel packaging to a 2.5% per annum increase in plastic. We note that the projected growth rates have been discussed with the Advisory Committee on Packaging, the ACP and that they are based upon industry predictions captured in the PackFlow report. Whilst the Authority is predicting growth rates in household and non-household waste for an ongoing 25-35 waste services and fuel use contract, rather than predicting packaging growth and accordingly amounts of packaging waste in the waste stream, the figures presented for packaging waste arisings look reasonably accurate overall and in line with our total waste projections over a similar period.

The Authority considers that the projections of packaging waste arisings presented in the consultation document in Table 4 are reasonably accurate.

Question 2: in your view, are the predictions for obligated tonnage reasonably accurate?

Are you aware of any other factors which may affect the levels of obligated tonnage reported?

Please provide evidence to support your answer, so we are in a position to adjust our figures as necessary.

2.1 The assumption made in the consultation document is that obligated packaging tonnage will closely follow the prevailing trend for material placed on the market, i.e. that the level or tonnage of obligation will rise or fall approximately in line with the growth in packaging waste arising. The consultation document notes that major changes in the level of obligated tonnage have been the result of regulatory changes (e.g. to bring more packaging within the scope of the Regulations).

2.2 The predicted growth rates in obligated tonnage (Table 6 in the consultation document) and the total level of obligated tonnage projected from 2012 to 2017 outlined in table 7 very much mirror the predicted growth rates that the Authority is using for both household and non-household waste going forwards. Whilst it is not possible for us to share the detail of our revised waste projections as part of this consultation response as we are in the middle of a live procurement process and market projections on non-household waste in particular are commercially sensitive, we are projecting a 4% increase in municipal waste arisings between 2012 and 2020, i.e. a growth rate of approximately 0.5% per year and we have no reason to think that the obligated packaging materials in the waste stream would not increase at a similar rate.

As a result of the above the Authority considers that the predicted growth rates in obligated tonnage outlined in Table 6 of the consultation document and resultant levels of obligated tonnages in Table 7 are reasonably accurate.

2.3 The consultation document notes that all ongoing lightweighting work, including existing voluntary agreements such as the Courtauld Commitment, and predicted shifts within a given sector have been factored in to the data. As a result we consider that the key factors which may affect the levels of packaging entering the waste stream have already been taken into account.

The Authority is not aware of any other factors which may affect the levels of packaging entering the waste stream which have not already been taken into account.

Question 3: We would welcome respondents' views on the proposal to remove composite material from the waste calculations

Please provide evidence to support your answer, so we are in a position to adjust our figures as necessary.

3.1 The consultation document discusses the proposal to remove composite materials (those which are not easily separable by hand) from the waste calculations, but then goes on to only discuss aluminium. It would be helpful if further clarity could be provided regarding the scope of this proposal, but our understanding of the plans using an example, is as follows:

3.2 The UK government reporting on a company producing 100 tonnes of liquid carton board comprising of 75% paper, 19% plastic and 6% aluminium would currently count this as 75 tonnes of obligated paper, 19 tonnes of plastic and 6 tonnes of aluminium arising and these tonnages would accordingly be added to the denominator of the calculation for the percentage of individual and total packaging materials recycled. However, because of the practical difficulty of separating the individual materials when the company calculates their obligated tonnage recycled they would be required to report the amount recycled as 100 tonnes of paper (the majority material) recycled. Therefore the aluminium and plastic recycled as part of the overall process is effectively lost from the system.

3.3 Under the new proposals outlined in the consultation document it is proposed that the UK would count the 100 tonnes of liquid carton board as 75 tonnes of paper and 19 tonnes of plastic, but exclude the 6 tonnes of aluminium from the arisings. Accordingly the aluminium tonnage would be lost from the denominator thereby better reflecting the fact that it is impractical to extract the aluminium from the composite material and improving the overall recycling rates of aluminium in the process.

3.4 Our understanding is that this is an issue for aluminium in particular given the relatively high percentage of packaging aluminium which is used in composite packaging material rather than single material aluminium packaging.

3.5 The consultation document discusses the proposal to remove composite materials on the grounds that:

a) Generally these materials are un-recyclable at a commercial level because it is so difficult to separate the individual materials. Accordingly the individual material elements which make up the composite materials e.g. the paper in liquid carton board is essentially 'lost' to the packaging system, thereby making the achievement of the target more challenging.

b) Secondly because the calculation methodology requires obligated companies to count composite material against the majority material so in the case of liquid carton board, this would all be counted as paper which represents 75% of the composition this also causes inaccuracies in the tonnage calculations.

c) We also understand that elsewhere in Europe the aluminium in composite materials is removed.

3.6 As a result of the above it is proposed to remove aluminium used in composite packaging materials from the calculations of obligated packaging, an estimated 16-20,000 tonne per annum reduction in the amount of obligated aluminium.

As noted above it would be helpful to clarify if the proposal is to remove all composite material from the packaging obligations or just the aluminium content of composite materials.

3.7 On the grounds that the proposals for removing composite materials from the packaging obligations just apply to the aluminium in packaging the Authority responds as follows:

3.8 The Authority understands the rationale behind removing composite materials from the packaging obligations but opposes the move to do so on the grounds that:

- This unfairly disadvantages those obligated packaging producers, packer-fillers, distributors and retailers who choose to produce or use single material packaging, i.e. to pack in material which is more easily recycled but then becomes obligated as a result.
- Secondly, by removing composite materials from the obligations this simply serves to make these 'unrecyclable' formats more attractive as they carry a lower obligation, which is counter to national and international objectives to increase recycling.
- Thirdly, by removing aluminium in composite materials from the producer responsibility packaging waste obligations regime it may also be argued that the associated requirement for consumer information in this regard is also removed. There is a risk that accordingly consumer information about recyclability is removed from any such products effectively 'going backwards' in terms of raising consumer awareness and providing information and advice about recycling – again counter to other national and international initiatives to continue to raise consumer awareness and understanding of recycling to encourage further action.
- Lastly, composite packaging material is still packaging, so on the grounds of data robustness we should not in principle be removing part of the packaging stream from the reporting regime, just because it is more difficult to separate for recycling.

3.9 In principle we should be moving towards improving the design of products so that they are more easily reused and recycled to protect and preserve natural resources. This proposal, whilst understandable, leads to artificially incentivising less easily recyclable materials and should there not be introduced as a result.

The Authority opposes the proposal to remove composite material from the waste calculations.

Question 4: Do you support the proposed approach to split the glass target in line with end-use and limit the allowable recycling through aggregates?

Have you got any data which would make our estimate to total tonnages of glass going to re-melt, aggregate or other end-uses more accurate? If so please provide it with your response.

I you are a local authority, a waste management company or a packaging producer, we would welcome your views on our analysis for what this proposal would mean for you, including if there would be any unintended consequences, and the cost assumptions of collections used in our Impact Assessment.

4.1 The Authority supports the policy of encouraging more glass to be recycled into containers rather than as an aggregate substitute and in our response to the Packaging Strategy in 2010 we supported the proposal for a glass target which was split into two sub-targets for re-melt and aggregates.

4.2 However, as we urged then we are concerned that the government should manage the implementation of the policy with care to ensure that sufficient market capacity remains or is developed in time, bearing in mind the imbalance between filling demand and waste arising in the country in relation to the different colours of glass. As the proposal is outlined in the consultation document glass to aggregate would be capped at approximately 650,000 tonnes per annum with glass to re-melt targets set at 1,093,017 tonnes in 2013 rising to 1,163,791 tonnes in 2017.

4.3 The Authority cannot comment on the level of target that has been set for glass to re-melt but notes that the option and targets have been discussed with the Advisory Committee on Packaging and its Targets and Transparency Taskforce, British Glass and other key stakeholders. However, the Authority does provide some comment below on the implementation of the proposal to split the glass recycling target and the possible implications for local authorities:

4.4 Most local authorities such as ourselves do not have a commercial arrangement with a packaging compliance scheme or large obligated company such that the compliance scheme or obligated company invests in the local authority collection services in order to take title to some of the collected materials, thus contributing towards their packaging obligation compliance. Accordingly, for the majority of local authorities the principal interface with the packaging compliance regime is through the recycling reprocessing arrangements that are put in place for municipal waste.

4.5 If glass to aggregate tonnages are frozen, i.e. capped at the 2009 level of approximately 650,000 tonnes in terms of meeting packaging recycling targets, there is the potential for glass to aggregate reprocessors either having an excess of Packaging Recovery Notes (PRNs) or Packaging Export Recovery Notes (PERNs) for material recycled into aggregate or not being able to issue PRNs or PERNS for any material over and above the 650,000 tonne limit. This may result in glass to aggregate PRNs and PERNs attracting limited or no relative value. This in turn could potentially have a knock-on effect, depressing prices paid for glass from MRFs and/or leading to increased MRF gate fees.

4.6 Alternatively MRFs may be forced to introduce additional optical sorting equipment in order to get some colour separated material suitable for re-melt applications out of their process. (The relative value of re-melt PRNs and PERNs compared to aggregate PRNs and PERNs is likely to increase as a result of this proposal and accordingly the supply chain will be commercially incentivised to send material to re-melt). In either event this will result in a knock-on cost increase or income reduction to local authorities and other waste producers delivering commingled material containing glass to a MRF (from where it typically goes into aggregate).

4.7 An alternative is for local authorities to introduce more source separated glass collection systems and it may be that the proposed change in targets will stimulate obligated companies and/or compliance scheme investment into source separated glass collection systems such as bottle banks. However, the prices paid for the source separated material and the investment offered in collection systems will need to be sufficiently significant to encourage local authorities to go down this route.

4.8 What needs to be avoided is glass that was previously going to aggregate (because this was the most suitable recycling option based upon the collection system introduced) being diverted to landfill because of the low returns from glass to aggregate recycling or because the tonnage cap on aggregate has been exceeded.

4.9 It is also necessary to avoid the public and private sector competing for tonnage e.g. retailers introducing a series for new glass bring banks in order to meet their glass to re-melt obligations, leaving local authorities with a collection system sized on collecting packaging glass as part of the mix, but then finding that there is no market or need to the lower value material for aggregate.

4.10 Accordingly the Authority suggests that close monitoring of tonnages and end destinations is required for packaging glass to ensure that no unintended consequences are introduced as a result of the cap on aggregate applications, in particular increased amounts of glass going to landfill. It is unfortunate, that in the past, the glass industry has rewarded higher quality source-separated cullet at a relatively low level and many local authorities now use aggregate outlets to enable a greater variety of materials to be included in recycling collections services and to enable a single collection approach to be used across the range of property types, i.e. to collect dry recyclables with glass included commingled from purpose built flats, flats above shops, low rise houses and also from HWRCs and on-street banks. In north London, only one of the seven constituent boroughs now collects glass separately at the kerbside.

4.11 One option which might assist would be introduce a differential PRN/PERN system, such that glass to re-melt attracts perhaps one and a half or two PRNs/PERNs per tonne but glass to aggregate only attracts one and then maybe only half a PRN/PERN once the glass to aggregate limit has been reached. This approach would continue to incentivise the recycling of glass into aggregate over and above landfill, but would recognise the preference for glass to be re-melted. A similar banding system by technology is already in place for the Renewable Obligation Certificates (ROCs) regime, so it may be a suitable approach in this case too.

> The Authority supports the policy of encouraging more glass to be recycled into containers rather than as an aggregate substitute but is concerned about the risk of unintended consequences of the proposal to cap glass to aggregate at approximately 650,000 tonnes per annum and set glass to re-melt targets which rise from 1,093,017 tonnes in 2013 to 1,163,791 tonnes in 2017. In particular the Authority raises concerns about the risk of glass being diverted to landfill once the glass to aggregate cap has been reached.

Question 5: Do you support the Government's preferred option?

Please indicate your views on the propose increase to specific materials targets. Have you got any data which would support your position, please provide it with your response.

5.1 As noted in the consultation document, despite recent successes in increasing the amount of packaging recycled, there is still a perception amongst both householders and businesses that more packaging should be recycled. Members of the public also believe that packaging is an environmental problem and that more needs to done to tackle it. In particular there is a general feeling that whilst the public try to recycle as much as possible, the Government should be taking firmer action to control the amount of packaging provided on goods.

5.2 The Authority acknowledges some packaging is essential to ensure that some food types in particular reach the consumer in safe and high quality condition for consumption and that appropriate information is provided to consumers in relation to storage, use and nutritional or possible negative health impacts of the food contained within the packaging.

5.3 However, the Authority has also consistently argued for increasing packaging recycling targets as well as for further effort to be made in relation to packaging reduction.

The Authority supports the government's preferred option to achieve higher recycling rates of packaging through introducing higher statutory targets.

5.4 The Authority supports the government's preferred option to achieve higher recycling rates of packaging through introducing higher statutory targets on the grounds that:

1. Setting higher targets will ensure that the UK continues to meet, and goes beyond, the EC Directive on Packaging and Packaging Waste (as amended) minimum recovery target of 60% and the recycling target of 55% for packaging waste and the sub-targets for glass packaging (60%), paper and board (60%), metals (50%), plastics (22.5%) and wood (15%).
2. Setting higher targets will assist in diverting biodegradable municipal waste from landfill as required by the EC Landfill Directive – because the biodegradable percentage of packaging waste will be diverted from landfill as a result.
3. Setting higher targets will assist with investment in recycling and recovery infrastructure. Higher targets will result in more PRNs and PERNs being generated by the packaging recycling and recovery system. As the PRN revenue goes directly from packaging producers to recycling reprocessors who are required to invest such funds building new recycling and recovery capacity or investing in collection infrastructure the higher the targets and the greater the number of PRNs and PERNs in the system, the greater the level of investment. Increasing targets would therefore drive growth in the recycling and recovery sector.
4. Setting higher targets moves more waste up the waste hierarchy.
5. It is also noted in the consultation document that out of the options considered by government, option 3a) (to achieve higher recycling rates of packaging through

introducing higher statutory targets), also has the strongest environmental benefits and the highest NPV.

5.5 Although setting higher packaging recycling and recovery targets imperceptibly shifts recycling requirements and investment from the public to private sector, particularly in the light of the removal of national indicators and statutory recycling targets for local authorities, in environmental terms it doesn't matter who does the recycling as long as it is done. It is also consistent with producer responsibility principles that those producing the packaging waste should be responsible for its recovery and recycling. What it would be helpful to see however is some move in the packaging sector, as there has been with Waste Electrical and Electronic Equipment (WEEE), for local authorities and obligated companies and compliance schemes to work together to deliver target and environmental objectives, i.e. with local authorities providing the infrastructure for collection and the obligated companies and compliance schemes providing the investment to ensure that the collection, recycling and recovery happens in the way and to the level necessary to meet the targets that have been set.

5.6 The Authority would also be particularly keen to see mechanism by which the value of the tradable packaging recycling notes generated by reprocessors can be used to offset the additional costs to local authorities of collecting and separating various recyclable packaging wastes.

6. Packaging Waste Prevention

6.1 Finally, whilst the consultation document does not seek a response on packaging waste reduction, the Authority considers that there is also a need for a more effective programme of action with manufacturers and retailers to reduce packaging. Waste prevention/reduction is at the top of the waste hierarchy and if the packaging producer responsibility regime is compared with the regime for WEEE it is clear that with WEEE there is a requirement for obligated companies and compliance schemes to evidence what they are doing on reuse for example, but there is no similar requirement within the packaging regime and this is an omission of the system.

The Authority considers that there is a need for a more effective programme of action with manufacturers and retailers to reduce packaging.

6.2 As the Authority commented in its response to the Waste Review the voluntary Courtauld Commitment is already in place to provide a focus for packaging reduction activities and the good work that WRAP is doing nationally with companies which have signed up to the Commitment does not need to be duplicated locally. On a statutory level the Packaging Essential Requirements Regulations are also in place to ensure that products are not over packaged and it is a requirement for obligated companies to meet these requirements. However, the Authority still considers that there are gaps in the current programme of action with manufacturers and retailers to reduce packaging which the Authority considers must be filled in order to maximise reduction further. These include:

- An awareness raising programme about the requirements, particularly amongst smaller manufacturers and retailers.

- On-the-ground support to provide advice for obligated companies – for example design support to help smaller companies reduce their packaging requirements.

- Incentives to invest in less wasteful design.

- Promotion and encouragement for returnable products and refillable packaging. WRAP is doing some work in this area, but again it is the many smaller companies where such support is potentially just as urgently needed.

- Work with trade associations to embed an understanding of packaging reduction within them and amongst their members. For example it may be possible to consider additional voluntary agreements with trading associations to encourage all their members to sign up to waste prevention plans for example.

- Work with small retailers to promote the purchase of less wasteful and more sustainable products.

- Support for trading standards officers in the practical use of powers to enforce against over-packaged goods.

7. Concluding Remarks

7.1 In conclusion the Authority supports the proposed approach to increasing the packaging recycling targets and the projections that have been used in the consultation document. The Authority also supports the proposal to split the glass target into two sub-targets for re-melt and aggregates although raises concerns about the implementation of this change. The Authority opposes the proposal to remove aluminium in composite packaging from the target obligations and considers that more needs to be done on packaging waste prevention. However, overall the Authority is pleased to see a move to increasing statutory targets on packaging materials, particularly after two years of no increases in these obligations.