

# Consultation on reforming the UK packaging producer responsibility system: response from London Councils' Transport and Environment Committee and the London Environment Directors' Network

#	Question	Response
1	What is your name?	Kate Hand
2	What is your email address?	<a href="mailto:kate.hand@londoncouncils.gov.uk">kate.hand@londoncouncils.gov.uk</a>
3	Which best describes you?	Local government
5	Would you like your response to be confidential?	No
<b>Principles and outcomes</b>		
6.	Do you agree with the principles proposed for packaging EPR?	(a) Yes. Although there is no mention of the waste hierarchy and, in particular, the need to both reduce packaging and increase the proportion of packaging that is reusable.  The government should apply these principles in full, and ensure that the first principle – of coherence – extends beyond packaging waste to the broader household and household-like waste and recycling for which local authorities are responsible.
7.	Do you agree with the outcomes that a packaging EPR should contribute to?	(a) Yes, but per Q.6, there is no mention of the waste hierarchy.  We believe an EPR system with these outcomes will support the waste hierarchy, and environmental and financial efficiency of the system.
8.	Do you think these types of items not currently legally considered as packaging should be in	(a) Yes

	scope of the new packaging EPR system?	
<b>Full net cost recovery</b>		
10.	Do you agree with our definition of full net cost recovery?	<p>(a) No – it does not fulfil the polluter pays principle</p> <p>We welcome much of this definition, but it currently only focuses on direct operational costs. In practice, there is rather more to delivering a successful waste management system, and in order to fulfil the polluter pays principle the definition must cover the following:</p> <p><b>Operational costs</b></p> <ul style="list-style-type: none"> <li>• Collection of packaging in the residual and recycling streams, and from street litter bins</li> <li>• A proportionate share of the cost of street cleansing, carried out to a high standard</li> <li>• Treatment of packaging (residual waste treatment, sorting of recycling), along with any intermediate transport of material</li> <li>• A share of depots and facility running costs, vehicle maintenance</li> <li>• A share of corporate overheads consumed by operating the service</li> </ul> <p><b>Supporting services</b></p> <ul style="list-style-type: none"> <li>• Surveys necessary for efficient delivery of services and the fair flow of funding, such as waste composition analysis</li> <li>• Communications – at the level necessary to achieve the required behaviour from local residents</li> <li>• Enforcement costs</li> <li>• Efficiency reviews to ensure that services are run at the lowest necessary cost</li> <li>• Performance incentives to encourage: <ul style="list-style-type: none"> <li>○ A high recycling rate</li> <li>○ High recycling quality</li> </ul> </li> </ul> <p>The costs of the system should be net of the value realised from the sale of recyclate (less any cost of sales).</p> <p>Furthermore, as stated in our response to Q26, the assessment of costs based on the application of a limited range of rurality/deprivation based classifications is problematic. The assessment of full net cost recovery needs to be weighted for local circumstances and not rely on the assessor/reviewer to join these up (i.e. the solution should be formula and criteria based, but sufficiently sophisticated and granular to ensure fair outcomes).</p>
11.	Do you agree that producers should be required to fund the costs of collecting and managing household and household-like	<p>(a) Yes; this fulfils the polluter pays principle and should provide fair cost recovery for local authorities.</p> <p>In our view, the packaging industry itself is best placed to control the sale of recyclate, so that it can satisfy itself that the best value is being realised from the material – and to incentivise the industry to grow the market for recyclate to help to create secure outlets and to maintain its value. Ultimately, this would be our preferred model, subject to suitable transitional arrangements to allow local authorities fulfil (or exit) their current contractual obligations.</p>

	packaging waste, i.e. all consumer facing packaging?	In view of the recent adoption of the Single Use Plastics Directive, which will introduce EPR for an additional range of commonly littered items, including crisp packets, sweet wrappers, cigarette butts and food containers (e.g. take-away restaurant packaging), we are concerned that the Government may be missing an opportunity to bring together all of the changes that will advance the polluter pays principle in a single tranche. Doing so would enable a single transformation to take place, particularly for services such as street cleansing, rather than there being two successive (and closely spaced) change programmes for local authorities to contend with.
13.	We would welcome your views on whether or not producers subject to any DRS should also be obligated under a packaging EPR system for the same packaging items	<p>(a) Yes</p> <p>Packaging materials may end up in either scheme, and if items within scope of DRS are not returned to collection points, local authorities will continue to foot the cost for disposing of these items either through recycling collection or litter and cleansing activities.</p> <p>In some cases, it may be possible for authorities to redeem the deposits and thereby cover their collection costs. We argue that local authorities should be allowed to do this, and where redeemed deposits exceed costs, this sum might reasonably be deducted from the net cost calculation under the EPR scheme. However, it may not always be possible to redeem deposits, and the deposits may not be sufficient to cover costs. Items subject to a DRS should also therefore be subject to EPR, in proportion to the extent to which those items are not captured through the DRS. This will help to ensure that the principle of full net cost recovery is maintained.</p>
<b>Packaging design</b>		
14.	Do you agree with the development of an 'approved list' of recyclable packaging to underpin the setting of either modulated fee rates or deposits?	<p>(a) Yes</p> <p>We recognise the attraction of developing a list of types of packaging that are recyclable. Producers will have a strong interest in ensuring that their packaging is classed as recyclable, in order to avoid the much higher costs that are likely to be associated with non-recyclable material. However, there are many types of packaging that do not fall within the list of core dry recycling materials that local authorities are to be required to collect. If producers wish to ensure that their packaging can be recycled, the most economical way for them to do this will be ensure that councils are funded to collect them, and that recycling infrastructure is put in place. Items such as cartons, which are collected by some (but far from all) authorities, would be a prime example.</p> <p>We therefore call on the Government to facilitate discussion between local authorities and producers to ensure that there is a co-ordinated approach in the period through to 2023, so that council services are in a position to respond to producers' requirements at the point when the new EPR system comes into effect. That will ensure that recycling performance is not held back through a lack of integration.</p> <p>We note the government, local authorities and producers will need to work together to ensure that the infrastructure exists to collection, treat, transfer and reprocess products classed as recyclable. This should include discussions over the transition period into EPR, to ensure that that council services are in a position to respond to producers' requirements at the point when the new EPR system comes into effect. That will ensure that recycling performance is not held back through a lack of integration. Government should also consider the impact of its wider policies on stimulating end markets, to maintain the market for these recyclable products.</p>

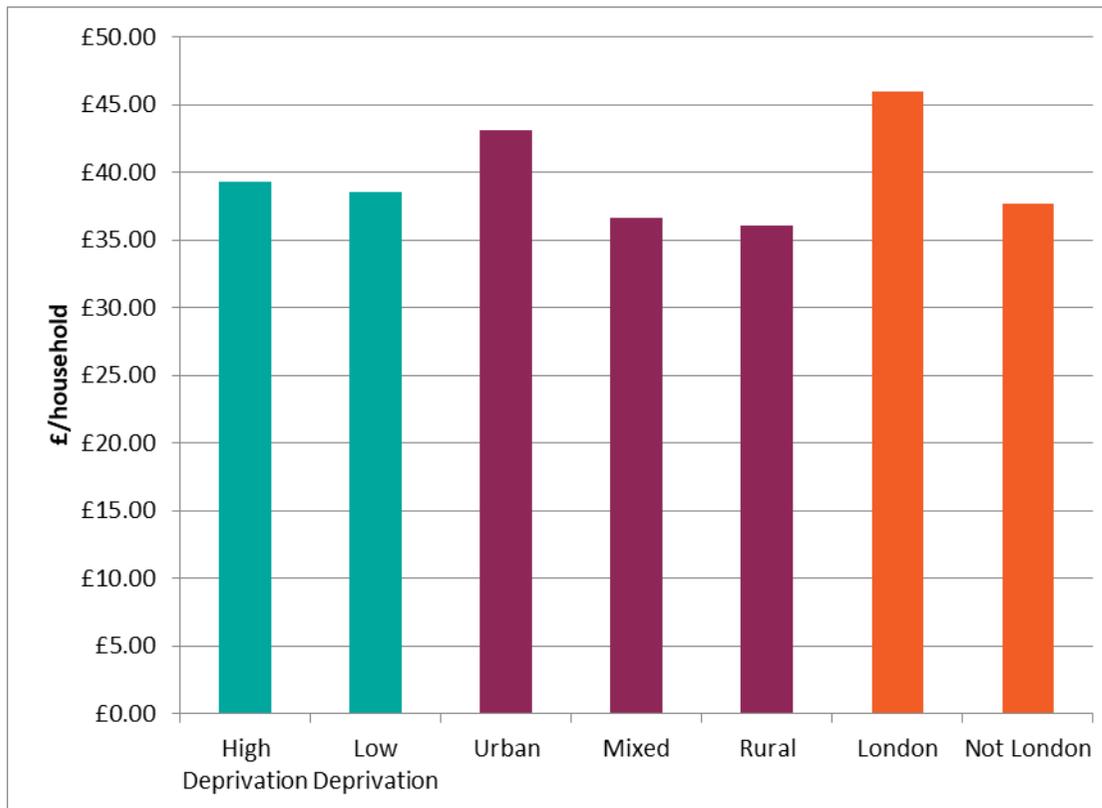
		<p>We also note that clear explanations will be required as to the role of cost effectiveness in what 'is' or 'isn't' recyclable, as this is often a subject of understandable confusion to residents.</p> <p>The modulated fee system should account for packaging that is reusable and reused to encourage greater reuse of packaging.</p>
17.	Do you agree that the deposit approach should be designed to incentivise more closed loop recycling?	(a) Yes, as this will drive reduced environmental impacts from our waste and resources consumption.
<b>Obligated producers</b>		
18.	What do you consider to be the most appropriate approach to a single point of compliance, the Brand-owner or the Seller approach?	<p>(a) Brand owner</p> <p>We believe that this will send the clearest price signal to the market, and thus achieve the most cost effective and environmentally sound outcomes. Many retailers will also be brand owners for their own products in any event.</p>
19.	<p>If a single point of compliance approach was adopted, do you think the de-minimis should be:</p> <p>(a) Replaced with a lower turnover threshold?</p> <p>(b) Retained and wholesalers and direct-to-retail sellers take on the obligation of those below the threshold?</p> <p>(c) Other, please state</p> <p>(d) Don't know</p>	(b) Retained and wholesalers and direct-to-retail sellers take on the obligation of those below the threshold
20.	Should small cafés and restaurants selling takeaway food and drinks whose	<p>(b) No</p> <p>Option B under brand-owners as the single point of compliance should be introduced, such as that wholesalers and direct-to-retail sellers of unfilled packaging are obligated.</p>

	packaging is disposed 'on the go' be exempt from being obligated?	
21.	If shared responsibility is retained, is Option A or Option B preferable for including smaller businesses or the packaging they handle in the system?	Option B
23.	Overall, do you have a preference for maintaining a shared responsibility compliance approach, or moving to a single point of compliance?	<p>(b) Single point of compliance</p> <p>For local authorities, provided that the principle of full net cost recovery is respected, the point at which responsibility is assessed is a secondary consideration. However, our preference is for a single point of compliance, as this appears to be a simpler and more enforceable approach. While recognising the need to avoid disproportionate burdens on small businesses, we are keen to see as many businesses as possible incentivised to design their products with recycling in mind – and to use recycled material in their products.</p>
25.	Do you think that requiring operators of online marketplaces to take the legal responsibility for the packaging on products for which they facilitate the import would be effective in capturing more of the packaging that is brought into the UK through e-commerce sales?	<p>(a) Yes</p> <p>As a matter of principle, these businesses should have responsibility for the packaging they sell, not least because this mode of consumption is increasing.</p>
<b>Collections and infrastructure</b>		
26.	Do you agree payments to local authorities for collecting and	<p>(a) Yes</p> <p>In line with the principle of full net cost recovery, we contend that local authorities should receive payments that cover all of the cost areas highlighted in our answer to Q.10.</p>

<p>managing household packaging waste should be based on:</p> <p>(a) provision of collection services that meet any minimum standard requirements (by nation);</p> <p>(b) quantity and quality of target packaging materials collected for recycling;</p> <p>(c) cost of managing household packaging waste in residual waste</p>	<p><b><i>Value of materials</i></b></p> <p>Consistent with our comments under Q10, we suggest that Producers are best placed to manage the risk related to the value of materials. The amount that producers pay into the system to support collections should therefore be sufficient to meet the necessary costs of local authorities providing the service. Local authorities should be paid the gross costs of collection, disposal and sorting. Producers should receive any benefit of the value that is obtained from the sale of packaging materials for recycling – which could be netted off the amount they need to pay into the EPR system – protecting local authorities from material price risk.</p> <p><b><i>Principles of a funding formula</i></b></p> <p>We recognise that there will be a need to use a formula in order to facilitate the system of payments to local authorities, but believe that the principle of full net cost recovery demands a formula that is sufficiently sophisticated, and makes sufficient use of actual data, to minimise the disparity between the necessary costs a council incurs and the payment it receives. It is unfair to all parties if some authorities are overpaid, and others left out of pocket. Clearly, local authorities have an important role in making sure that data of the necessary quality and consistency is collected.</p> <p><b><i>Formula development</i></b></p> <p>The proposed basis for a formula for collection costs seems to rely on a split between urban, rural and mixed authorities of two different levels of deprivation. It would be likely to lead to some London authorities being financially disadvantaged because compared with other urban areas, London authorities can face:</p> <ul style="list-style-type: none"> <li>• High wage costs (there are a wide range of costs in London)</li> <li>• High costs for land (e.g. where depot space is rented)</li> <li>• Efficiency challenges relating to narrow, congested streets</li> <li>• Challenges related to high proportions of flatted properties – which is not just a delineation between flats and houses: there are challenges with collecting from some houses and flats could be divided into house conversions, flats above shops, purpose built estates incl. maisonettes, purpose built mansion blocks, purpose built modern blocks/towers – all of which present their own challenges.</li> <li>• Challenges related to highly mobile populations with high proportions of residents whose first language is not English</li> <li>• Constraints on tipping and treatment arrangements</li> <li>• Highly variable sorting costs, and within current contracts it may be difficult to disaggregate these from anticipated material income (which we contend should be a risk managed by producers). To mitigate this, we propose that: <ul style="list-style-type: none"> <li>○ In the interim period to 2023, local authorities should be encouraged to enter MRF contracts that separate sorting costs from material income so that costs can be more readily identified.</li> <li>○ Where contracts need to be restructured to allow sorting costs and material values to be separated, Government should provide support</li> </ul> </li> <li>• Disposal costs that also vary considerably from authority to authority.</li> </ul>
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It is not clear from the impact assessment what assumptions have been made regarding the costs of vehicles and crew, which we agree are the two largest costs of undertaking waste collections. However, our view is that, on average, London authorities will incur higher costs – particularly for wages – than authorities outside the capital. This view is supported through a high level analysis of the data held by the government regarding local authority [revenue expenditure and financing](#), undertaken by Eunomia. While there are some limitations to this data, it strongly indicates that waste management is more costly for London authorities than for others. Based on 2016/17 data, waste collection costs for London authorities are more than £8.25 per household (22%) greater than for non-London authorities (see Figure 1: Analysis of Costs per Household for Waste Collection, Split by Deprivation, Rurality and London/non-London Authorities Figure 1). This reflects a general tendency for urban areas to incur greater waste collection costs than others.

**Figure 1: Analysis of Costs per Household for Waste Collection, Split by Deprivation, Rurality and London/non-London Authorities**



Source: CLG (costs)/ONS (households)/Eunomia (analysis)

Notwithstanding the likely unfairness of applying a single set of cost assumptions across the country, there would be considerable anomalies if a single set of assumptions were applied across London. Table 1 shows the variations found amongst 19 local authorities that

responded to a data request from the London Environment Directors’ Network regarding their key costs (although we note that further work is needed to ensure that these figures are calculated on a consistent basis; we would be happy to provide anonymised data to inform the development of policy in this area).

**Table 1: Variation in Costs Across London Local Authorities**

Expenditure Item	Max	Min	Mean	Range	Range as % of min
Annual Operative Cost (Inc. NICS, Pension and on Costs)	£38,000	£20,365	£30,064	£17,635	87%
Annual Driver Cost (Inc. NICS, Pension and on Costs)	£45,122	£26,044	£36,660	£19,078	73%
Annual Supervisor Salary Cost	£79,768	£33,000	£55,278	£46,768	142%
Average Annualised Cost per Refuse Collection Vehicle	£57,900	£30,000		£27,900	93%

The variations in staff costs are considerable, with the range between the highest and the lowest driver cost being over £19,000, with the highest cost being 73% greater than the lowest cost. This is not a matter that local authorities can straightforwardly control. Staff costs can reflect the effects of local pay bargaining over many years, while costs are greatly influenced by pension costs, which are likely to be significantly greater for authorities that deliver in-house than for those that have long since outsourced their services – where few staff will be members of the Local Government Pension Scheme.

Vehicle costs also vary considerably, even after some outlier data has been removed from consideration. Costs depend on when vehicles were procured (older vehicles will tend to be cheaper), the period over which they are depreciated, and the mileage (and resulting fuel use) that local rounds involve. Again, these are factors over which authorities have limited control – especially fuel costs, which may be built into outsourced contracts, or depend on the density of housing and the location of infrastructure.

Any formula therefore needs to take account of the realistic efficiency that can be achieved within the authority area, and the actual value of key costs such as vehicles, staff and waste disposal.

The formula must be separately consulted on.

***Transitional costs***

It is reasonable for producers to expect the service they pay for to be of a good standard. However, the timeframe for the introduction of EPR and of consistent collections means that in 2023 some authorities will not yet have been able to implement the full range of collections that are expected, or to have responded to any new separate collection requirement. Government should make clear that, during a

transitional period, EPR payments will be paid to authorities that are still in the process of transitioning – and to speed the process along, should begin providing support for authorities that are implementing new services required by law considerably earlier than 2023.

**Scope**

As per our answer to Q.10, we believe that the definition of full net cost recovery should include additional activities essential to the delivery of a collection service that is capable of enabling producers to meet their targets. These include local recycling communications and local enforcement.

**Incentivising high performance**

While we wish to see local authorities’ costs covered, we recognise the interests of producers in seeing value for money and incentivising performance. We note that:

- If incentives are needed to ensure performance (quantity and quality of materials), these should be recognised as a necessary cost and charged to producers.
  - Incentives should not be funded by underpaying some authorities for their collection work. This would be inconsistent with the goal of full net cost recovery.
- Authorities recognise that producers need reassurance that they are obtaining good value for money from each collection service.
  - We do not believe market testing of each local authority’s service is the correct approach.
    - Under normal circumstances this would only lead to a market test taking place every seven years.
    - It would be unreasonable to expect the waste industry to effectively pay for a system of soft market testing
      - If authorities have to tender, this would effectively mean a reintroduction of Compulsory Competitive Tendering
  - Instead, authorities should be required to conduct regular benchmarking and efficiency reviews of their services to establish where they stand in relation to other, similar authorities and how they could reduce costs/improve efficiency.
    - Undertaking such reviews (to a defined standard and at a reasonable level of frequency), and acting on them, could be a condition of receiving full funding.

We believe this approach would provide a fair balance between the interests of producers and collectors, and be consistent with the principle of full net cost recovery.

**Local decision making**

Finally, we believe that decisions on frequency of collection and volume of containment are local decisions, although we accept that the government may take a view on the principles to apply in making such decisions. With regards the implication that EPR funds might be withheld in the event that the materials collected for recycling and the degree of separation required are not met by individual WCAs, this contradicts the acknowledgement in Defra’s consultation on consistent collections that the point of transition to the consistent collection model should be at a rational point and that exceptions will exist with regards the requirements on separation. The rational point of transition could be different in different instances, taking into account WCA contracts, WDA contracts, fleet replacement cycles, container replacement cycles, depot refurbishments, etc.

		If EPR funds are to be made contingent on compliance with minimum standards this should only apply to local authorities that are demonstrably not correctly applying the subsequent guidance on consistent/separate collections, including the application of exemptions and transitional provisions. In any event, EPR funds should not be contingent on consistent collections of biowaste as this is not a concern for the packaging industry.
27.	Do you think we have considered all of the costs to local authorities of managing packaging waste?	(b) No  We refer to our answer to Q.10 and Q.26.
28.	Do you agree with our approach to making payments for the collection of household-like packaging waste for recycling?	(a) Yes  The most appropriate system for payments in respect of household-like packaging will depend in part on the approach that is adopted in respect of collections. Key considerations are as follows: <ul style="list-style-type: none"> <li>• If a franchise model is adopted for some or all businesses in a local authority area, a system of direct payment to the body responsible for collecting the material would be most straightforward approach, and would enable free or low-cost collections of recycling – a considerable incentive for businesses to recycle. <ul style="list-style-type: none"> <li>○ The payment system must address the cost of managing unregulated commercial waste, which is difficult to attribute with certainty to either households or businesses</li> </ul> </li> <li>• Direct payments to businesses would be complex to administer and at risk of fraud/abuse. A payment might even create a perverse incentive to put waste in the residual stream.</li> <li>• A credit to MRFs/reprocessors seems like an unduly complex system, relying on each link in the chain being transparent, and risking diluting the incentives that are passed through to collectors.</li> </ul>
29.	Should businesses producing household-like packaging receive a payment for the costs of household-like packaging waste in residual waste?	(b) No  Businesses already have an incentive, in the form of being obligated to pay for their waste service.
30.	Are there other factors, including unintended consequences that should be considered	(a) Local authorities: we refer to our answers to Q.10 and Q.26.

	<p>in determining payments to:</p> <p>(a) Local authorities?</p> <p>(b) For the collection and recycling of household-like packaging waste?</p>	
31.	<p>Do you have any information that would help us to establish the costs incurred by local authorities and other organisations of cleaning up littered and fly-tipped packaging items?</p>	<p>We do not as yet. However, we note that the cost drivers around the services are complex, and that this is an aspect that requires further detailed engagement with local government to establish the data required to inform policy.</p>
32.	<p>How do you think producer fees could be used to improve the management of packaging waste generated on-the-go?</p>	<p>We note that this depends to an extent upon the proposals for a DRS on drinks containers.</p> <p>On-the-go recycling has a track record of producing heavily contaminated recyclates, and there are challenges with using this approach to reduce littering.</p> <p>We propose that Defra could set up a series of geographically defined pilots to determine the impact of intensification of on the go provision (both commingled and source separation) to inform future policy.</p>
33.	<p>Do you have any information that would help us to establish the costs of collection and disposal of increased on-the-go provision?</p>	<p>We do not; we note that this is very difficult to disentangle from overall cleansing costs, and a relatively small part of those overall costs.</p>
34.	<p>Do you agree that provision for the take back of single-use disposable cups for recycling should continue to be</p>	<p>(a) Yes</p> <p>However, we note that this short-term approach should not detract from a more effective, long-term solution to the issue of single use cups, which are widely littered and the management of which is therefore a significant cost to local authorities. Please see our answer to Q.35 for more details.</p>

	developed on a voluntary basis by business prior to a government decision on whether disposable cups are included under an EPR scheme or DRS?	
35.	Do you think the recycling of single-use disposable cups would be better managed through a DRS or EPR scheme?	<p>(b) EPR</p> <p>Single use cups should fall within the scope of EPR, which will ensure that local authorities are appropriately resourced to manage cups that arise in the residual waste, recycling and street litter streams. Single use cups are widely littered, and managing them presents a significant cost to local authorities.</p> <p>Bringing cups (and many other items, such as thin carrier bags, food containers and cigarette butts) within the scope of EPR will in any case be a requirement of the Single Use Plastics Directive, and there would be change management advantages in recognising as many of these requirements as possible at an early stage.</p> <p>However, the additional costs that EPR this would be likely to apply to a cup will be relatively small, and unlikely to bring about a significant move towards the use of reusable cups on their own. Given the waste hierarchy, this should be the overall goal of policy on disposable cups. We are therefore calling for an additional levy or charge that can drive prevention. The income from such a levy could be used positively – for example, to create a fund for litter prevention or street cleansing improvement projects, or used to fund an improvement in overall street cleansing standards.</p> <p>We believe that a DRS is likely to be less effective in achieving this behavioural change than a levy or charge, although we recognise that a DRS for cups could have benefits, particularly in respect of litter but also in increasing recycling rates for this item.</p>
36.	Do you think a recycling target should be set for single-use disposable cups?	<p>(a) Yes</p> <p>Assuming this helps to drive recycling, but does not undermine efforts to improve minimisation of overall coffee cup usage/ waste.</p>
<b>Communications and labelling</b>		
37.	Should producer fees be used to support local service related communications delivered by local authorities?	<p>(a) Yes</p> <p>Local service-related communications are a core component of delivering an effective recycling service, and in our answer to Q.10 we noted that they should be included under the definition of full net cost recovery. This includes both active communications campaigns, and day to day provision of service-related information to residents.</p>

		We believe the funds should be ring-fenced and the branding flexible enough to allow for a localised communications approach, which can be more effective. For example, the National Blood Transfusion Service which became far more effective at gaining blood donors when it changed its communications from national messaging about giving blood, to a more localised approach saying that the local hospital was running low on supplies.
38.	Should producer fees be used to support nationally-led communications campaigns in each nation?	(a) Yes  Until a consistent collections service is in place across the UK it will be more effective to have nationally-led communications; these will also benefit from the appeal of more localised messaging, per our answer to Q.37.
39.	Are there any circumstances where producers should be exempt from contributing to the cost of communications campaigns?	(b) No
40.	Do you agree it should be mandatory for producers to label their packaging as Recyclable/Not Recyclable?	(a) Yes  We supportive of clear labelling of products to indicate that they are recyclable, and the proportion of recycled content they contain.  However, we are concerned that if the only materials that are marked as recyclable are those that form part of the core list of dry recycling, this could deter people from making use of recycling services that are already available for materials such as cartons, which some local authorities already collect at the kerbside.
41.	Do you think that the percentage of recycled content should be stated on product packaging?	(a) Yes  We believe that it would improve awareness of resource use and the resources system, the outcome and effectiveness of the recycling system, and awareness of and social mandate for producers' responsibilities. We note that the greater change will be brought about by proposals to mandate minimum recycled content in packaging.
<b>Packaging waste recycling targets</b>		
45.	In your view, are the estimates made in the Material Flow reports for packaging waste arising the best available data?	We believe they are the best available data at present, but we believe urgent priority should be given to improving the quality of waste data, on which to base the new system. This data should be based on material flows that are supported by verifiable audit trails.

50.	Please provide your views on the policies and actions that could help us achieve an even higher overall packaging recycling rate, for example 75%, as well as your views on the costs associated with doing so.	<p>Those measures that will significantly enhance the capture of packaging (whether in pursuit of the proposed or enhanced targets) include:</p> <ul style="list-style-type: none"> <li>• The return of credible s46 enforcement powers to compel householders to recycle and not to contaminate;</li> <li>• The review of s46 obligations (currently on the occupier) to place obligations on the individual or institution best placed to control the waste presented (whether that be householder, the landlord or the managing agent);</li> <li>• Clear and unambiguous powers to charge for the clearance and differential costs of treatment/disposal of waste set out in contravention of a s46 notice;</li> <li>• Government support of local government restrictions on residual waste volumes based on local circumstances;</li> <li>• Strengthening of the emphasis in the determination of planning applications of adequate waste storage;</li> <li>• The imposition of increased levels of the landfill tax; and</li> <li>• Inclusion of packaging beyond drinks containers in a DRS system.</li> </ul>
52.	Should a proportion of each material target be met by “closed loop” recycling, e.g. as is the case for glass recycling targets?	<p>(a) Yes</p> <p>However, this might not be directly applicable to local authorities, particularly if producers take responsibility for the onward sale of recyclables. The government is rightly concerned that members of the public should be assured that the efforts they make to recycle serve a purpose. Downcycling of material has some environmental benefits, but is of far lower value than genuine closed loop recycling. It is therefore important for public confidence that the system should encourage “genuine” recycling. However, any target that relates to local authorities must be based on a proper baseline, which can only be developed when reporting and traceability improves.</p> <p>Biodegradable packaging raises complex issues, and is not readily handled within current waste management systems. There is limited consistency in the ability of biowaste treatment facilities to actually compost material that they receive, unless it arises from relatively “closed” systems where they can be confident that all plastics they receive will be bioplastics. It is therefore difficult to give the public a clear message about how to handle biodegradables, and a risk that much of the material will end up as residual waste. Nor is it certain that such material will biodegrade in the natural environment, making its environmental benefits questionable. We therefore contend that it would be premature for the Government to set any targets in respect of these materials.</p>
53.	Should government set specific targets for individual formats of composite packaging? If yes, what key categories of composite packaging should be considered?	<p>(a) Yes</p> <p>We support this proposal, and suggest that the most environmentally-damaging composites (i.e. those that can least readily be reused or recycled) should be the priority for targets that drive reduction of these composites.</p>
<b>Governance</b>		
56.	Overall, which governance model for	The current PRN system, with multiple competing compliance schemes, is inefficient and leads to significant amounts of producers’ money being wasted on the duplication of administration and overheads between these competing schemes. This competition does not appear to

	packaging EPR do you prefer?	<p>add appreciable value and risks diminishing the funding that is available to be spent where it is really needed – on collecting, sorting and recycling more packaging and on engaging with the public on behaviour change.</p> <p>Our view is therefore that:</p> <ul style="list-style-type: none"> <li>• The new system should be governed by a single, transparent, not-for-profit producer responsibility organisation that provides a single point of interface; its board should include significant local authority representation; there should be no procurement risks associated with direct local authority-producer compliance scheme working.</li> <li>• The body’s primary responsibility should be to efficiently collect and transfer funding from producers to those carrying out the necessary collecting, sorting, recycling and communications activities; they should guarantee accurate full net cost recovery those delivering these activities.</li> <li>• The body should also guarantee offtake of materials.</li> <li>• Producers are best placed to manage the risk related to the value of materials, and there should be no exposure to material price risks for local authorities.</li> <li>• Local authorities should not be exposed to any fines/compliance fee risks.</li> <li>• Producers should be incentivised to invest down the supply chain.</li> </ul>
57.	If you had to modify any of the models in any way to make them better suited to achieve the principles and outcomes government has set for packaging EPR what changes would you suggest?	<p>There is a potential contradiction between the principles of EPR and any solution that requires producers or compliance schemes to compete for evidence.</p>
60.	Stakeholders have suggested that a compliance fee mechanism similar to the arrangements currently in place under the WEEE producer responsibility scheme should be introduced if a competitive	<p>(a) Yes</p> <p>Firstly, because of the requirement to provide support for authorities who have not been able to award a contract to a compliance scheme for whatever reason. The compliance fee can be set to ensure that each scheme pays into a fund which can support the provision of services to such local authorities.</p> <p>Secondly, because it would potentially be able to fund comprehensive communications.</p>

	evidence market continues to operate such as in Model 1. Do you agree?	
62.	Please let us know your thoughts as to whether the proposed single management organisation should be established on a not-for-profit basis or as a government Arm's Length Organisation.	<p>We support a not for profit model.</p> <p>The current market-driven PRN system, with multiple competing compliance schemes, is inefficient and leads to significant amounts of producers' money being wasted on the duplication of administration and overheads between these competing schemes. This competition does not appear to add appreciable value and risks diminishing the funding that is available to be spent where it is really needed – on collecting, sorting and recycling more packaging and on engaging with the public on behaviour change.</p> <p>We also believe that a not-for-profit would be more in line with the need for transparency. The current PRN system is inherently opaque; a single not-for-profit compliance organisation will create transparency with clear lines of responsibility.</p>
63.	If such a management organisation is established as not-for-profit, one option is for government to invite proposals from potential operators and then issue a licence to operate for a defined period of time. Do you agree with this approach?	(a) Yes
<b>Export</b>		
67.	Do you agree that government should seek to ensure export of packaging waste is undertaken in a transparent and environmentally responsible manner?	<p>(a) Yes</p> <p>This supports the environmental protection and transparency objectives that will underpin the new system that the consultations propose – and the Resources and Waste Strategy already suggests.</p>
68.	Do you agree that measures identified	(a) Yes

	here would help ensure the export of packaging waste is undertaken in a transparent and environmentally responsible manner?	
69.	Have we missed potential measures that you believe need to be considered alongside those measures we have proposed?	(b) No
<b>Transparency</b>		
71.	Do you agree that accredited reprocessors and exporters should be required to report their financial information?	(a) Yes  Such reporting will confirm that income from the sale of evidence has been used to support capacity building, supporting transparency (EPR Principle 8).
72.	Should accredited reprocessors and exporters be required to generate evidence for every tonne of packaging waste that they process?	(a) Yes  We believe this is required to support development of robust data and transparency (EPR Principle 8).
<b>Compliance monitoring and enforcement</b>		
81.	Do you think a single database, as opposed to the current range of methodologies available, would be an effective alternative?	(a) Yes

82.	Do you agree that compliance schemes (models 1 and 3), the producer management organisation (model 2) or the scheme administrator (model 4) should be responsible for carrying out audits of producers, which should be reportable to the regulators?	<p>(a) Yes</p> <p>We believe that in each case these are the bodies who will be best placed to audit producers in respect of having the right data.</p>
<b>Impact Assessment</b>		
94.	Do you have further comments on the associated Impact Assessment, including the evidence, data and assumptions used?	<p>There is not enough detail in the Impact Assessment to determine how the key figures have been calculated. Given that the high level approach within the corresponding Impact Assessment for the recycling consistency consultation appears not to capture significant elements of local authority costs, we are concerned that this may also be the case here.</p> <p>We also note that this Impact Assessment appears to significantly rely on extrapolation from incomplete data and old data sources. This underlines the urgent need for more transparency and better data across the system to inform and shape policy as it is further refined.</p>