

**Subject: Resources and Waste Strategy consultations**

**Report to: Environment Committee - Wednesday 9<sup>th</sup> June 2021**

**Report by: James Wilson - Head of Environmental Services**



## **SUBJECT MATTER/RECOMMENDATIONS**

### **Overview:**

This report provides an overview and highlights the impacts of the Resources and Waste Strategy Consultations that have been recently released by Government covering the following themes:

- Extended Producer Responsibility for Packaging
- Introducing a Deposit Return Scheme
- Consistency in Household and Business Recycling

### **Recommendations:**

- 1. The Committee notes the details of the consultations and officer comments.**
- 2. Members are asked to note that an officer working group to look at the implications and prepare the Council for these proposed changes is being setup and will feedback to the committee.**

## **1. INTRODUCTION / BACKGROUND**

- 1.1** In 2018 the government released its Resource and Waste Strategy setting out how it will preserve material resources by minimising waste, promoting resource efficiency and move towards a circular economy. As well as minimising damage caused to the natural environment by reducing and managing waste safely and carefully, and by tackling waste crime.
- 1.2** The strategy included a number of principles that will fundamentally change the way that waste and recycling are collected, recycled and who has responsibility for the end to end life of packaging material.
- 1.3** There were some initial consultations released in 2019 which detailed some of the proposal in more detail. The government has used these to inform and firm up their ideas they are looking to include the Environment Bill which is currently going through parliament. The 3 consultations outline in more details their thinking on the way we handle waste and recycling

in England for the future.

- 1.4 The consultation set out some significant and fundamental changes to who pays for handling waste, how we can improve recycling quality and quantity and what Councils are expected to collect and how often.
- 1.5 Whilst the Council agrees with the fundamental principles behind the need to reduce waste at source, create a circular economy and increase recycling the proposals laid out by government in these consultations have both huge logistical and financial impacts on the Council. Although statements are made in relation to the use of new burdens funding for this, the Council has significant concerns this would only be short-term funding and there would be a cost to the Council in future years.
- 1.6 The Council is working with colleagues across the Norfolk Waste Partnership to complete a joint Norfolk response as well as completing its own response. It is important we work in partnership over the coming months with the both the Joint Venture contract for GYBS and the Norfolk wide material recycling facility contracts coming to their end in 2023 and 2024.

## **2. EXTENDED PRODUCER RESPONSIBILITY**

- 2.1 This second consultation focuses on specific policy proposals for its introduction, including the scope of full net costs, producer obligations, scheme governance, regulation of the scheme, and packaging waste recycling targets.
- 2.2 The system of producer responsibility for packaging has been in place in the UK since 1997 and has helped to increase recycling of packaging waste from 25%, 20 years ago to 63.9% in 2017 but with any system that is over 20 years it needs reform and this consultation details the proposed changes.
- 2.3 The consultation firms up the governments aims around producers paying for the full net costs of managing packaging they place on the market to end of life, using the polluter pay principle. The cost paid will vary based on a number of factors including the type of packing and the ease by which it can be recycled.
- 2.4 These costs paid by the producers will be used to fund local authorities for the collection and management of household packaging waste with some proposals around these being based on the good practice collections schemes being in place. This would with the other consistency consultation ensure local authorities are collecting the core materials the government is proposing.
- 2.5 The control of litter is also now within scope and the consultation proposes that producers will be liable for litter payments through the EPR process. They will be required to cover the costs of all littered packaging, including packing in litter bins and ground litter, with the aims to:
  - Reduce the of packing littered
  - Increase the amount of the 'on-the-go' packaging that is recycled or reused.
  - Ensure the polluter pays principle is embedded into waste disposed of via the litter stream.
- 2.6 The Table below, shows the ambitious recycling targets this consultation proposes with the implementation of the EPR, DRS and consistency frameworks proposed within the 3 consultations:

**Table 2 - Modelled UK packaging waste recycling rates in 2025 and 2030**

	2025			2030			
	No change	DRS Consistency +EPR	+ Percentage point increase	No change	DRS Consistency + EPR	+ Percentage Point increase	2030 PPWD Targets <sup>13</sup>
<b>Plastic</b>	42%	51%	+9%	42%	62%	+20%	55%
<b>Wood</b>	38%	39%	+1%	38%	39%	+1%	30%
<b>Aluminium</b>	57%	69%	+12%	57%	69%	+12%	60%
<b>Steel</b>	83%	88%	+5%	83%	92%	+9%	80%
<b>Paper/card</b>	70%	81%	+11%	70%	86%	+15%	85%
<b>Glass</b>	69%	92%	+23%	69%	93%	+25%	75%
<b>Total</b>	61%	73%	+11%	61%	78%	+16%	70%

Note: this analysis assumes the introduction of an England, Wales and Northern Ireland deposit return scheme, Extended Producer Responsibility and Consistency (in England). The analysis does not include the contribution from Scottish deposit return scheme material.

- 2.7 There is also a proposal to ensure all packaging should be using approved labelling stating if the product is 'recyclable' or 'not recyclable' to make it for the consumer to do the right thing.
- 2.8 The consultation also proposes a mandatory takeback scheme for sellers of filled disposable paper cups, this would replace a lot of the existing voluntary schemes and the hope is to promote the use of refillable cups.
- 2.9 The Government whilst recognising they have an ambitious timeline; we remain committed to the implementation of packaging Extended Producer Responsibility as soon as possible and propose implementing Extended Producer Responsibility through a phased approach commencing from 2023.
- 2.10 Whilst the proposal will see Councils receive funding from the producers to tackle both the recycling of this waste and litter, there will be implications as it is likely packaging level will reduce as producers will aim to minimise the waste they are paying for. This will likely mean that there is less recycling material to collect, but this will be a slow reduction over time.
- 2.11 **Overview of Council comments:**
- **Generally supportive of the scheme and its principles.**
  - **We would want to see more detail on the level of payment Councils would receive in relation to handling this packaging and making sure the formula for calculations was adequate to cover our needs.**
  - **Very supportive of the proposed mandatory takeback scheme for disposable paper cups, a common source of litter in the Borough.**

### 3. DEPOSIT RETURN SCHEME

- 3.1 It is estimated that in the UK that consumer go through 14 billion plastic bottles, 9 million drinks cans and 5 billion glass bottles, this consultation sets out one of the main ways the government wasn't to move towards to a circular economy where resources are kept in use for as long as possible and waste is minimised.

- 3.2 The consultation sets out the plans in terms of scope of the scheme whether it should be an 'all in' (including drinks containers up to 3litres) or an 'on-the-go' (including drinks containers under 750ml and excluding those sold in multipacks).
- 3.3 It also proposes the establishment of a Deposit Management Organisation (a not for profit body) to manage and operate the scheme ensuring it meets the high collection targets which will be set out in legislation.
- 3.4 The scheme will mean that the consumer will pay up front deposit at the point of purchase, which can be redeemed to the return of the item to a designated return point. There will be an obligation on producers of in scope packaging to ensure packing is labelled correctly, cover the costs of the scheme, as well as retailers who will be obligated to accept all in scope containers.
- 3.5 The scheme has 3 primary objectives:
- Increase recycling rates of in scope containers
  - Increase the quality of recycled material to encourage close loop recycling and circularity.
  - Reduce littering of in-scope containers.
- 3.6 The scope of the scheme is to be determined on the material as opposed to the product as such it proposed the following are included:
- Polyethylene terephthalate bottles
  - Steel and aluminium cans
  - Glass bottles
- 3.7 The modeling of the scheme and impact assessment assumes that a deposit level of 20p will result in a return rate of 75% in year one increasing up to 85% after 3 years. This would result in a large amount of recyclable material normally collected by the Council to be taken out of this waste stream.
- 3.8 There is a lot of detail in the consultation around the governance of the scheme and how it would be monitored to prevent fraudulent activity. There are also several questions about the use of digital technology in the delivery of the scheme which would make it more efficient as the scheme bedded in.
- 3.9 Return points are also discussed in detail with questions around where they can be placed and if the planning legislation around permitted development could be adapted for this. Also, what requirements there would be for retailers in close proximity to be exempt from providing return points.
- 3.10 **Overview of Council comments:**
- **Generally supportive of the scheme and its principles, the Council would want to see the 'all in' scheme as opposed to the 'on the go' proposal, this would ensure greater consistency across the Country and its devolved administrations.**
  - **There are some concerns over how this scheme would dovetail with those containers finding their way into the Council collections streams and how this would also impact on the recycling tonnages we currently collect.**
  - **There would have to be a different measure for showing recycling success as the current recycling targets and credits are all based on tonnage. There is the possibility this scheme would significantly reduce the quality and quantity of the recycling the Councils collect.**

#### 4. CONSISTENCY IN HOUSEHOLD AND BUSINESS RECYCLING

- 4.1 This consultation set out the government's plans to ensure a great consistency of the recycling materials collected from households and businesses, creating a standard set of material that all councils must collect within the following dry recyclable waste streams:
- Glass – (bottle and containers)
  - Metal (Cans -steel and aluminium, Foil food trays, jar lids and aluminium tubes, aerosols)
  - Plastic (bottles, pots, trays and tubs, plastic film, food and drinks cartons (tetra Pak type))
  - Paper and card (not disposable cups, covered under EPR)
- 4.2 There is an expectation from government that each of these recycling waste streams will be collected separately unless councils can justify under, economic, technological or no environmental benefit reasons. This is to increase the quality of the recyclable material making it more marketable. There is a proposal that some of these waste streams could be combined such as metal and plastic or glass and plastic.
- 4.3 We in Norfolk are in a relatively good position as we have the ability to collect all the above items and already collect most of them as part of the existing co-mingled position. The challenge will be collecting them via separate waste streams and the issues that come with numerous containers, additional rounds etc.
- 4.4 The collection of food waste was discussed in the previous consultation in 2019, but the government have clarified their position that they will legislate in the Environment Bill to require all waste collection authorities to arrange for a separate weekly food waste collection. This will have significant implications as we currently do not collect food waste within the Borough, although the government has stated within the consultation that:
- 'as part of the new duties imposed on local authorities in the Environment Bill, central Government will fund net additional capital costs (for example containers, vehicles), and transitional costs such as communications and re-routing vehicles, to implement the new consistent collection measures.'*
- 4.5 The Environment Bill will also require all waste collection authorities to arrange for the separate collection of garden waste for recycling or composting, this is a service we already provide as a paid for service. The consultation proposes to make this a limited free service with the expectation that the provision of one 240litre bin and fortnightly collection (as we have now) could no longer be charged for. The proposal is that Councils could only charge for additional bins or an increased collection frequency.
- 4.6 This change will have a significant impact as the income for this service is just under £500,000 currently. It is not clear in the consultation if this would be covered by the new burdens scheme. We will be feeding back comments on this proposal to ensure that any costs to the Council would be covered if this proposal was agreed.
- 4.7 Recycling credits (currently based on weight) will be reviewed as part of this consultation, this is due to the new funding streams via the EPR and DRS, and the potential for weight not to be the right indicator anymore. The review will assess if the current scheme is fit for purpose or needs amending based on the new waste streams.

- 4.8 The consultation also covers recycling in businesses and is looking to impose legal requirement all businesses to recycle the same dry recycling waste streams as planned for domestic households, as well as food waste. This will have implications on a business and how they handle and store waste and recycling in often small spaces with little room for bins.
- 4.9 Overall this consultation proposal will have some positive impacts on what is recycled and also making it easier for people, however as detailed above there are significant hurdles to come with such a fundamental change and will involve a lot of work to deliver this.
- 4.10 There a number of unique challenges for us in the Borough with our seasonal businesses, increase in population over the summer months as well as some areas with highly transient population and non-English speaking communities.

**4.11 Overview of Council comments:**

- **As stated above the Council agrees with the principles of the proposal to ensure greater consistency with the material collected across the country to make recycling easier for the consumer.**
- **There are significant issues raised in this consultation that should they go ahead would have cause both large financial and logistical issue for the Council.**
- **The delivery of a free garden waste scheme as proposed would not be feasible without the full and ongoing costs being covered both for lost revenue and delivery of new bins and likely additional crews and vehicles. The Councils questions the environmental benefits of this proposal.**
- **The collection of waste a multi stream approach as opposed to the current co-mingled method would again cause several significant barriers to overcome including:**
  - **the additional cost of crews and different vehicles**
  - **the extra bins/boxes required to deliver this and how would these be managed on the ground in our urban areas.**
  - **Communication and delivery of this system in our urban areas with highly transient and migrant communities.**

**As such the Council does think this is achievable without a fully funded approach from government, this would include all the on the ground delivery around ongoing communication and management of the system to be included.**

- **The proposal of the addition of a weekly food waste collection, as above has similar major impacts on the Council. The setting up of a new system including the roll out of new vehicles and food caddies would cost in the region of £1000000 per year. Whilst the Council agrees with the aim, if there is an expectation to deliver this then a fully funded ongoing option is the only method, otherwise the Council would not be able to realistic deliver such as scheme.**

## **5. FINANCIAL IMPLICATIONS**

- 5.1 As discussed above these consultations cannot be look at alone and have cross cutting

themes that will have both a negative and positive impact on the financial position of the Council.

- 5.2 With the proposal to offer a free garden waste collection and the proposed changes to the recycling credit scheme, this could lead to a reduction of income in the region of £500,000.
- 5.3 The addition of the requirement to undertake a weekly food waste collection across the Borough is expected to cost the Council in the region of an additional £1,000,000.
- 5.4 These large costs to the Council where there are new requirement will be covered by the government through new burdens funding, however it is unclear if the scheme exists already like the garden waste collection, whether this loss of income would be covered by the new burdens funding.
- 5.5 The review of the recycling credits is also likely to have an impact on the Council as these are currently collected for all recycling (including garden waste) sent off for processing, as such these are used to offset the gate fees we pay for the processing. This is still unknown until we can see what the new alternative scheme will look like.
- 5.6 As mentioned, the Council would also now receive funding through the EPR scheme from producers to ensure we can collect packaging material and also 'on-the-go' litter. The amount of funding is unknown, but the consultation proposes full cost would be met.
- 5.7 There is the potential for these proposals to have a significant impact on the Council budget and without ensuring the new funding schemes cover full cost will lead to the Council paying to meet the government's requirements, but there are still a lot of unknowns until the proposals are finalised.
- 5.8 The timeline for this scheme, linked to other consultation is below:



## 6. LEGAL IMPLICATIONS

- 6.1 There will be several new legal requirements to meet within the Environment Bill which will have time limits for delivery and compliance.
- 6.2 There will also be significant changes need to existing contracts for both waste collection and processing, that will need to be in place and meet the new requirements within the above short timeline



## 7. RISK IMPLICATIONS

- 7.1 Significant risk of failure to meet the deadlines set out as this will be a very resource intensive piece of work to deliver within the planned timeline. Linked to the other waste related contracts expiring in 2023 and 2024 in relation to GYBS and the Norfolk wide MRF.
- 7.2 The issue of educating the public and making these changes on the ground to ensure they are rolled out effectively has significant reputational risks associated with it. There is likely to be the need for additional boxes or bins to deliver these proposals and this could lead to more street waste related issues.

## 8. RECOMMENDATIONS

- 8.1 **The Committee notes the details of the consultations and officer comments.**
- 8.2 **Members are asked to note that an officer working group to look at the implications and prepare the Council for these proposed changes is being setup and will feedback to the committee. (note for ELT first meeting planned for early June)**

*Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?*

Area for consideration	Comment
Monitoring Officer Consultation:	
Section 151 Officer Consultation:	
Existing Council Policies:	
Financial Implications (including VAT and tax):	
Legal Implications (including human rights):	
Risk Implications:	
Equality Issues/EQIA assessment:	
Crime & Disorder:	
Every Child Matters:	



