

ACP meeting April 25th 2022 1pm

Attendees: members, Department for Food, Rural and Agricultural Affairs (DEFRA), devolved administrations, regulators, WRAP

Venue: Hybrid - Physical at John Lewis Partnership Offices, 171 Victoria St, London; Virtual by Teams

Advisory Committee on Packaging (ACP) – Minutes

<i>Attendees</i>	<i>Apologies for absences</i>
Deep Sagar - Chair Adrian Hawkes – Compliance schemes Andy Barnetson- Paper Emma Cook – Filler/Manufacturer Graham Fox – Filler/Manufacturer James Bull – Retailer John Dye – Wood Joseph Doherty – Waste Management Karen Graley -- Retailer Matthew Demmon - Glass Mike Baxter - Plastic Robert Fell – Steel Robbie Staniforth – Compliance schemes Stuart Hayward-Higham – Waste Management Tim Walker – Local Authorities (Northern Ireland) Linda Crichton – Defra Ian Atkinson – Defra Paul Bradley - Defra Olive McMahon – Defra (Secretariat) Vicky Burt – Defra Chris Preston - Defra Tirion Rees-Davies – Scottish Government (SG) Alex Hamilton – Welsh Government (WG) John Kirkham – Welsh Government Helen Little – Environment Agency Lesley Roberts – Northern Ireland (NI) Department of Agriculture, Environment and Rural Affairs (DAERA) Allison Townley – NI DAERA Lyn McLean – Environment Agency (EA) Andrew Thomson – Environment Agency Diane Carlisle – NI Environment Agency (NIEA) Bernard Gaffney- Scottish Environment Protection Agency (SEPA) Nat Chalamanda - SEPA	Emma Beal – Local Authorities (England) Alison Bramfitt – Filler/Manufacturer Andrew Bird – Local Authorities (UK) John Davies - Natural Resources Wales Simon McKernan - NIEA Andy Rees – Welsh Government Helen Bird -- WRAP Jack Ambler – DEFRA Charmaine Beer – DAERA

Items	Agenda Item	Actions arising

1.	<p>Welcome, introductions, minutes of January 2022 meeting (Apologies for absences: Jack Ambler; Charmaine Beer; Alison Bramfitt; Andrew Bird; John Davies (tentative); Emma Beal; Simon McKernan)</p> <ul style="list-style-type: none"> • Minutes of January 2022 meeting were confirmed. • Actions: Flexible plastic work – brief update from Mike Baxter. WG were interested in front of store plastic recycling. Retailer pilots continue. WRAP’s Plastics Pact and Ecosurety’s Plastic Fund contributing. Considering hosting a meeting in Heanor towards this. • Action re enforcement data to be published quarterly rather than the current annual report: Helen Little: Not everything can be published quarterly, but things like cancellations and suspensions can be shared within the ACP but possibly not published. Would be trickier to share more frequent updates on ongoing enforcement issues • WRAP: Action re plastics pact for DS and Olive McMahon to address after the meeting 	
2.	<p>Chair’s report</p> <ul style="list-style-type: none"> • The Chair’s written report was noted. • Evaluation of the Resources and Waste strategy: Chair said he had joined a Defra stakeholder advice group along with Stuart Hayward-Higham. • Consultation on the Packaging Recycling Note (PRN) system changes: Adrian; Karen; Robert; Mike have offered to be in working group for response. Others to contact chair • Comms to minister: any parties interested in particular in taking updates to minister invited to get in touch with ACP Chair • Discussion between members over concerns about Deposit Return Scheme (DRS) scope raised • Tim Walker raised concern over the exclusion of litter from the Extended Producer Responsibility (EPR) scheme. Stuart H-H: Clarified that litter is only excluded in England and NI; prevention is still included as is street bins 	
3.	<p>Defra update</p> <p>Update from Chris Preston:</p> <ul style="list-style-type: none"> o Defra had been extremely busy, working on a number of consultations : <ul style="list-style-type: none"> ▪ Consultations on single use packaging, has now closed ▪ Consultation on carriers, brokers, dealers, analysis of responses is underway ▪ Consultation on waste tracking • It was suggested that a separate meeting be arranged to discuss any specific questions arising from the PRN consultation. Defra will follow up with members. • Q (Matthew Demmon): Question on how Scottish DRS will be managed 	

	<ul style="list-style-type: none"> • A (LC): finalising discussions with Scottish colleagues. As Scottish DRS is now due to start in 2023, we believe there is no longer a need to amend the 2007 regulations to exempt material captured by the DRS in Scotland. These exemptions will be reflected in the new EPR statutory instrument (SI). This is to be confirmed with SG colleagues. • AH: Clarity on Matthew Demmon’s point will still be necessary • DEFRA: Approach also depends on outcome of PRN consultation • Q: When do we think responses to other consultations will be published • A (CP): As soon as we possibly can Update from Linda Crichton: • Focussing initially on household payments, then giving further consideration to business payments in EPR. • Summarised feedback received • Said in Government Response to the consultation that DEFRA will be setting up a taskforce on business payments (Terms of Reference being drawn up this summer and considering membership, for activity to commence in Autumn) • Now establishing a delivery team that will focus on appointment and delivery of the scheme administrator, Still in early stages of development • Drafting of SI is well underway and drafting quite advanced – will start going through processes and procedures this Autumn. As it is a single UK-wide SI, it will need to go through all parliamentary processes • PB: modulated fee project has been in hibernation for last 9 months due to waiting for government response critical decision points. Now looking to drive forward quickly to understand fee rates for each packaging format and category – expect update in coming weeks. Hoping to get a cost estimator tool ready for end of July for producers to use • LC confirmed no formal consultation on the SI • RS: Question that modulated fees work was paused as will be up for scheme administrators (SA) to decide – so how confident can we be that these can be estimated accurately until SA is in place? • PB: decision about modulated fees has been made easier as a result of the decision that scheme administrator will be a public sector body • Offer from AH to assist with modulated fees work • Thrust is that costs will begin to accrue from 2024 based on 2023 data. Some flexibility may be needed in first few quarters once EPR goes live. Delivery colleagues still working on achievability so await an update to finalise • AH: Concerns raised over IT transitions Update from SG: • Continuing to work across nations • Only divergence from rest of UK EPR scope is that SG are proposing that ground litter still be covered within scope of EPR • Chair reiterated offer of help with regards to DRS. 	
4.	Recycling targets update	

	<p>DEFRA provided update:</p> <ul style="list-style-type: none"> • Total tonnes recycled are higher than previous years, though not able to confirm the recycling rate due to the changes in the total packaging placed on the market (as a result of covid) . • This data is being reviewed before the recycling rates are confirmed. • MB: Turkey has gone back to top for plastics exporting; new entry at #5 is Bulgaria. UK recycled plastic is still exceeding exported • We are still dependent on plastic exports. • MB to circulate report on plastics recycled/exported to members • Q to DAERA on 9 day notice period. Allison Townley confirmed that no change had been finalised to her knowledge 	
<p>5.</p>	<p>Work plan including consultations</p> <p>Present workplan was approved. The following would take priority:</p> <ul style="list-style-type: none"> • PRN consultation • Single-use plastic SG work • EPR transition – to continue. Offer to Defra, waiting to hear • Re-use group. 	<ul style="list-style-type: none"> • Working groups to convene asap
<p>6.</p>	<p>Updates by exception</p> <p>WG: Plans on course for EPR.</p> <p>Q to WG: major implications for producer reporting. Retailer responsibility to give broad figures to be used by devolved administrations. But if what goes onto market by nation must be reported by producer there will be an enormous burden on businesses.</p> <p>Defra: From the outset of the SI, the provisions will be common across nations. Development of policy measures for littered packaging will need to consider the point raised.</p> <p>Q to WG: will there be any public comment given on the reason for the deviation on scope to DRS</p> <p>WG: Will need to check in with colleagues working closely on it but can not say firmly now</p> <p>DAERA:</p> <ul style="list-style-type: none"> • 25p (up to £5) charge on a carrier bag has now entered into force in NI • Request from Chair to focus on NI issues for next ACP meeting <p>EA:</p> <ul style="list-style-type: none"> • 6 producers have been suspended, 3 did not meet requirement, 3 subject to investigation due to significant tonnage discrepancy • Enforcement response pending 	<ul style="list-style-type: none"> • MB to write some lessons learned from silage wrap voluntary collection scheme • KG and JB to write note on progress through front of store flexible plastic collections

- New applications for 2022 – on track to have similar level of operators as in previous years; one operator suspended and four suspension notices that have been brought back into compliance; dealt with eight operators last year with issues arising from audits
- Drop-offs 2021: Small drop off in registration hoping to be evened out by end of this year.

SEPA:

- All those registered are currently compliant;
- 1 reprocessor and 1 compliance scheme registered and accredited this year

NIEA:

- One producer that didn't meet their target (failed by just one PRN)
- One investigation ongoing with a producer
- Movement of waste from GB to NI still remains as it was prior to Brexit – discussions ongoing with EU commission
Some exports are permitted to certain countries that aren't possible for other GB countries (and vice versa).

Plastic:

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*Driving factor has been huge increase in cost (all polymers now more than double cost that they were 18 months ago)

- Projections are that May will see top of the price cycle for virgin plastics – we may see price erosion
- Summer will see 'planned maintenance outage'
- Big increase on price of scrap in addition to virgin materials
- Price initiatives coming in for Front of Store materials which is bad news for UK recyclers as overseas recyclers a more attractive prospect.

Glass:

- Glass needs to be collected separately to paper as part of Consistency in recycling scheme to avoid polluting the recycle

Paper:

- Same cost implications as other members
- Huge hike in energy prices – expecting price increases to follow on paper packaging as a result of these energy price increases
- Closing months of last year steep decline in demand for corrugated packaging
- Ongoing issues with board and paper labels (ref Finland factory issues)
- If glass remains in kerbside then threat of contamination remains high – conversations with DEFRA noted to discuss options for this

Metals:

- Metal sector continues to be challenged from a wide selection of cost increases
- Reports of demand strengthening for food and beverage packaging
- Sharing learnings with EPR as scheme moves into delivery
- Discussing with beverage members about response to DRS scope decision

Manufacturers:

- More deviation we see between devolved administrations on schemes, the more we will struggle as a sector to provide good quality information and data
- Conversations already being had about commercial viability of certain products in certain markets if deviations continue
- Ongoing work with chemical recycling; report to share next meeting
- Struggling to get hold of recycled PPE as an industry – this is essential if we want to make recyclable flexibles work
- Cost increase on raw materials and packaging
- Very demanding situation for food industry at present
- Q: any sign from HMRC that they will change position on mass balance?
- A: making good progress but no changes can be made until next budget year
- RS: Starting to be taken seriously only in last few months and progress now being made

Retailers:

- Echoes serious cost and supply issues in whole supply chain for food manufacturing
- All producers trying not to pass on additional costs to consumers due to additional cost burdens from energy and fuel costs but the situation will continue
- Echo conversations around commercial viability of trading in small areas and small quantities
- Echoed demands mentioned by other retailers (key headline being inflation)
- Lots of confusion around roadmap

Wood:

- Noted effects of energy costs
- Positive response to 'reuse' emphasis
- Ukraine, Belarus and Russia war is having adverse impacts on European nations trying to source wooden pallets and packaging
- Q: Is industry more united around 'reuse'?
- A: Very much so – lots of joint engagement from industry and all parties committed to working towards benefits of wood reuse

Waste management update:

	<ul style="list-style-type: none"> • Material prices have stayed high from pandemic and rebalancing of PRNs as well as cost of energy, staffing and labour shortages and elimination of red diesel • Seeing lots of changes in materials in anticipation of EPR coming in • Highest covid infection rate in last week (and ensuing staffing issues) • Some concerns around what Material Reprocessing Facilities will be responsible for • Outstanding issues around when DRS will come into force • CIWM president chairing green jobs initiative with Defra <p>Compliance schemes:</p> <ul style="list-style-type: none"> • Data accuracy relating to implementation of EPR • Discussion around threat of biodegradable/compostable packaging to recyclable flexibles stream 	
7.	<p>Any other business</p> <p>Next ACP meeting: Tuesday 26th July '22</p>	<p>*ACP member able to host July meeting to contact the chair</p>