

ACP ANNUAL REPORT 2012

INTRODUCTION

The work programme for 2011/12 was influenced by the Government's waste review in England and the waste strategies of Wales (Towards Zero Waste) and Scotland (Zero Waste Plan). This report reviews progress and at Appendix 1 we show the responses to the previous year's report and its recommendations.

The ACP's objectives were divided into sectors and in the main were considered by task groups due to the wide range of areas under debate. The objectives are given at Appendix 2.

This year's annual report is presented to reflect both the work to meet the objectives and also to clarify the range of issues that concern both the function of packaging and then the recovery of used packaging.

Four working groups contributed advice;

1. Sustainable Packaging for the supply chain
2. Market development
3. Legislation
4. Plastics

The recommendations in this year's report are aimed at continual development in the utility of packaging for long term sustainability as well as the means to ensure that packaging material is recovered in increasing amounts and fit for the commodities market.

SUSTAINABLE PACKAGING

The Committee considered the expected trends and the likely implications for products and packaging motivated by the brand and retailer desire for continual improvement matched as well by the interest of policy makers and the public who will continue to demand for packaging to be reduced and where it is used, to be to be recyclable. (Links to England review action plan 10, 52, 54, and Wales Strategy)

There is substantial research and development into new materials which impacts on design, sourcing, substitution of materials and a major issue at present is the consideration of climate change impacts on crop production and the increasing awareness of food waste.

Whilst the ACP has been given a full list of the main trends that are influencing decisions it has insufficient data and supporting evidence to make decisions on which of these will require new policy development. So we can record our awareness of technological, demographic, economic and other trends the Committee felt that there was a greater need to be clearer in determining which of these would have the most impact on the type and volume of packaging placed on the market and also which recovery route would be most effective.

The ACP is aware that packaging is a means to protect the product and get it to the consumer in one piece and also that it has to fulfil a range of tasks including legislation regarding labelling and consumer information. Post use recovery is also a major consideration in the design and specification by brand owners and retailers. The Committee is convinced that the supply chain is well aware of the wide range of issues that have to be taken into consideration when producing packaging to protect goods. Appendix 3 gives a range of issues that the sustainable supply chain group have produced for the ACP.

What the ACP feels bereft of is the more tangible evidence to be able to advise which of the many trends will impact the greater in terms of reduction in product wastage, and reduction in packaging used per unit, in order to be able to provide advice on the prime issues affecting the role and trends in packaging. For this reason the Committee will take advice more directly in the coming year with evidence based presentations being made to the main Committee by chosen organisations or individual companies with the aim of being more precise by the end of the work programme year.

Recommendation 1: *The ACP recommends that industry groups provide directly or via WRAP greater research based evidence on the potential impacts of the identified trends by the end of 2012 so that a forecast may be derived by the spring of 2013.*

HOW TO RECOVER USED PACKAGING MATERIALS

The visibility of packaging material after products have been opened and used is theme two of this report. Following the ACP's view last year that targets for recovery should be higher and set for longer periods to enable investment in new infrastructure the Committee were pleased with the response announced in the Budget of March 2012. Targets have been set even higher than last year's ACP suggestions but the Committee feel that they will be deliverable by 2017 given the support by the majority of the supply chain.

The ACP will continue to monitor progress on a quarterly basis to show progress. In its response to the consultation on the review of targets the ACP suggested that a formal review midterm would be helpful especially as delivery depends not solely upon producer responsibility but also on the contribution of councils in choosing systems that will deliver market volumes and quality, and on householders to contribute the return of the materials.

Even with already high recovery rates for some types of packaging materials there is still scope to increase recovery and also to consider the means to improve collection quality. Each material sector has developed plans to increase the volume and quality of materials recovered. Each sector has some common issues and some specific agendas to address. The ACP reported this last year and has spent this year focussing on how to deliver the increases in the difficult area of plastics.

So whilst we are aware of the individual needs per type of packaging when it is mixed in use there needs to be a means of separating it again and batching it in bales of material suitable for a commodities market. We spent some time this year debating how markets could develop because essentially the recovery of packaging materials is subject to normal market based activities and the economics of supply and demand are paramount.

There are a number of levers which create an incentive to recycle including;

- Legislation (EU and National Government's including targets)
- Fiscal measures e.g. Landfill tax and the PRN scheme
- Political and public opinion
- Income from sales
- Resource security (which is becoming higher up the agenda for a number of major companies)
- Increased demand from new markets

Despite these levers it is a complex business model with supply and demand not in a perfect relationship. To enable the market to function, so that the targets will be met, the ACP considers that there is a need to support the supply chain coming together by influencing the contribution brands and retailers can make to encourage collection, and the decisions taken by councils and service providers on collection and handling systems.

The part of the market that is not integrated within the conventional supply and demand model is the household collection service. This is subject to different influences such as more general recycling targets (now only an EU need to meet 50% by 2015 for councils although Wales and Scotland have set specific and higher targets). There is a focus on providing an all round waste and recycling **service** with decisions on the type and frequency of collections paramount for councils and for service providers who have to respond to council tenders and specifications. Packaging is but one element of domestic recycling and the financial model is not one of market economics but of a service cost with funding coming via Government grant and council tax.

The ACP considers that councils should formally be given the responsibility within their wider remit for the general welfare of their community i.e. including the business community and consider that they have a responsibility to act as a supplier of materials for the market thereby reducing the amount of 'waste' they have to pay for and at the same time to engage more with the income streams available due to market value from the sale of materials. Besides the formality of the role it is likely to make economic sense to consider the value of materials still discarded weekly in household waste despite current recycling systems. This would have the impact of engaging industry more directly with the systems and services needed to meet the higher targets.

Where industry and local government representatives have met during the ACP meetings this year there was a general consensus that this was the way forward. Industry have the incentive to invest to meet their targets directly or via compliance schemes, and councils could benefit from increased income or reduced costs as a result of more recycling of materials.

The ACP has analysed the number of councils who will let contracts between now and 2020 and consider that if these were to adopt the WRAP /IESE framework contract specification (recommended to be developed in last year's report) then they will not only improve the cost base of the core service but also should be able to decide on an income share or further cost reduction as a result of collecting more packaging materials. The contract documentation will support quality standards of materials going to be sorted and baled. The service industry has assured the ACP that there is not only capacity but the willingness to invest to derive further increases. A case study is given at appendix 4 which indicates the approach being taken by a network of councils to adopting a wider role in packaging recovery as well as seeking major cost effectiveness in services.

The ACP considers that this is a major period for influencing leadership and decision making and a role that DEFRA should play over the next 12 months to create a head of steam for implementation.

This will allow the substantial investment by WRAP and IESE to be utilised effectively and for councils to increase recycling and reduce costs as well as industry meeting targets.

Recommendation 2: *The ACP recommends that councils during 2012 should be asked formally to play a role as a supplier of materials to the market in addition to its obligation to provide a general public service for waste and recycling.*

The ACP further recommends that Defra in their meetings with the Department of Communities and Local Government and the devolved administrations firmly support and encourage Councils to use the new contract specifications and advice developed by WRAP and IESE.

Meeting the stretching plastic recycling targets set by the Government represents a significant challenge to industry. However there is also a particular challenge in plastics because it is a much more diverse material than the others categories, with a large number of different polymer types and formats with very different characteristics, which mostly cannot be mixed for recycling.

In order to debate these issues in depth the ACP broadened its sub group membership to include representatives from the supply chain and over some 6 full day workshops developed a set of proposals to fulfil increases in recovery especially of bottles and rigid packaging such as pots, tubs and trays (PTT). Many of the areas of debate in this group were applicable to the whole packaging waste stream e.g. systems, sorting, and quality etc but specifically the task group developed a package of measures which would see much higher levels of plastics being recycled. The group finalised its work with a smaller team who produced an evaluated report given at Appendix 5. This report shows how it is possible to meet the targets but is cautious in its conclusions because there are some fundamental requirements to enable delivery. The ACP welcomes this evidence as it is clear in indicating the necessary elements for implementation that will ensure that the targets are met. The ACP considers that by engaging the supply chain in the solutions and continuing the work already under way, based upon previous ACP recommendations, that there will be every likelihood of the targets being met. However, because of the caveats in the appendix the ACP will monitor and work with the industry to ensure sound progress is made.

It is clear that to meet future targets the UK needs to open up significant new sources of different plastic materials, as well a further increasing collections from existing sources. In order to properly plan this activity and report and monitor progress it will be critical to have more accurate and reliable data on plastic recycling than just the total material figures currently reported in NPWD. This will be valuable for both national planning activity, for example by the Government and compliance schemes, as well as for individual reproprocessors and collectors to judge where investment should be targeted for best effect.

This could be relatively easily achieved through modifying the accreditation and reporting process for plastic reproprocessors and exporters to require them to report plastic by a limited number of sub-categories, in addition to the UK processed/export and recycling/recovery that they report now.

The specific categories need further assessment into their practicality and enforceability and could be considered either by product/packaging format or polymer type. Although this proposal will require some increased administration from producers, schemes and reproprocessors, the ACP considers that it is achievable relatively easily.

To meet the timetable necessary to provide this data it is critical that the change be introduced for the 2013 compliance period, which means that the necessary changes to agency guidance, accreditation processes and the NPWD system should be considered and implemented before September 2012.

Plastic film is also a category which has more potential for recovery and technology will develop such that more will be able to be recovered in the future. The work in respect of films recovery needs to continue and the ACP has asked for a films group to be convened so that it will benefit from considered and evidence based advice about volumes and the distribution of films. WRAP are already committed to following up on some initial research into current film processing technologies.

WRAP have produced a range of advice and materials for councils this year including technical and communications guidance for bottle only collections and the same for mixed plastics collections. The ACP feels that bottle collection can be increased with little cost as some 95% of councils currently offer bottle collections. The task is to ensure that **ALL** appropriate bottles are recovered especially those from other areas of the house than the kitchen.

Recommendation 3: *a) the ACP strongly recommends that councils adopt the WRAP advice during the next twelve months so that the potential of existing systems and infrastructure to collect more bottles can be fulfilled.*

b) The ACP recommends that an industrial group be established that focuses on providing guidance for the future collection of films supported by evidence

Whilst the above recommendation applies to the majority of councils there are at the time of writing, some 39 councils who currently do not collect plastic bottles. Whilst in some cases there may be specific reasons for this the ACP considers that there is potential for these councils to add such collections to their service. It is also likely that the potential to bring on stream such collections could exist due to contract renewal or renegotiation. Those councils during the course of the next twelve months should be visited by WRAP in conjunction with the plastics industry representatives to investigate the potential to bring additional collection on line.

Recommendation 4: *The ACP recommends that during the next twelve months WRAP and industry representatives support those councils who currently do not collect bottles to work out the opportunities to bring on additional services for bottle collection within a deliverable timeframe.*

WRAP are also continuing research into the root cause to the quality problems bottle manufacturers are experiencing with rPET bottles and also to help improve design for recycling which could lead to better identification of types of bottles without detriment to collection of other plastics.

For rigid containers WRAP are also carrying out decontamination trials to determine a process for producing food grade polypropylene that can be used in food packaging again as well as how sorting may be improved for rigids previously in contact with food and as with bottles packaging categorisation will also help improve design for recycling.

The ACP endorses the work of WRAP in this area and looks forward to advice being presented as soon as possible because the targets will not be met without the additional collection of good quality rigid plastics. This is also an important issue for the plastics task group who have highlighted the importance of communications in their report at appendix 5.r

For a given tonnage of waste the aim should be to maximize the total volume of material turned into as high a quality product as possible. "High-quality" recycling should mean getting plastics back into plastics, not just fuels or low quality products. This means that success is a combination of the **quantity** of recyclable plastic material collected for recycling, and the **proportion** of what is collected that ends up back into a new product.

There is evidence to suggest that collection systems that are simple for householders and businesses to use get better returns and can result in more material being recycled overall than systems which are more complex for householders to understand and use. The key is to engage householders and businesses in how to contribute, otherwise not all recyclable material will be captured in the first place. The committee was encouraged by the aluminum industry's 'Metal Matters' programme which has successfully supported council's communication programmes and shown increases in material recovered cost effectively. Communication is particularly important for plastics, where currently there is a great deal of confusion amongst consumers about which types of plastic can be put out for recycling. Plastics producers, retailers, waste companies and local authorities on the task group agreed that they needed to work together to make things clearer and this has led the ACP to **recommend that guidance to householders about which plastic materials (bottles, mixed rigids) can be put out for recycling should be developed and communicated, by retailers, local authorities, waste management companies, and plastics producers working together with WRAP being the facilitator.**

Recommendation 5: *That guidance to householders about which plastic materials (bottles and mixed rigids) can be put out for recycling should be further developed and communicated during 2012, by retailers, local authorities, waste management companies, and plastics producers working together and when developed issued by WRAP with sufficient communication support to ensure adoption.*

Rigid containers are often being collected not in formal schemes but just by householders adding them to their recycling and hoping that the service will recycle them. There is substantial public and retailer support for more collection of this product. It therefore represents an opportunity for improving collection but it does need to be done with a certainty that such materials can in fact be recycled within the total system organized by the council and also that it does not compromise the quality of bottle collection. The Committee is aware of the need to make plans immediately to begin to collect more rigid plastics in order to meet the targets. To do so the current challenges for rigids collections need to be given a prominence by the waste industry, council leaders and the plastics

industry so that over the next few years there will be more material recovered within schemes and systems that ensure the optimum levels of recovery.

At present there are a number of concerns by reprocessors that affect quality and income which will have to be overcome by a mixture of investment in new sorting equipment and by vital communication to householders. The ACP sees this as the next major opportunity but councils should heed the WRAP guidance and also ensure that householders are aware of their actions if they contribute such product to their recycling schemes in advance of the capability to recover within the overall system. The downsides of contamination are poor quality material for the market, low income, more rejects from recovery facilities leading to land filling of material and additional cost.

The export of recyclable plastics to countries outside the EU, such as China, where there has been strong market demand for the material has been an issue raised for the ACP on a regular basis. The ACP's view is that sending plastic recyclates overseas for reprocessing can make economic sense because there is strong demand for it from growing economies in Asia and elsewhere which need it as a raw material for manufacturing. For some types of plastic there may not be sufficient reprocessing capacity in the UK. It also makes environmental sense; WRAP studies have shown that the carbon footprint associated with the transport of dry recyclates from the UK to growing economies outside the EU is almost negligible in comparison to the carbon savings associated with the recycling.

However, some industry groups and retailers are concerned about the future legislation in these countries including taxation regimes, price and security of supply and would wish to see a means to incentivizing more UK based reprocessing. Whilst this is not a policy consideration the Committee feels that by adopting an approach like that given in example in appendix3 there would be a greater opportunity for UK based investment and for which retailers and others may be prepared to pay a modest premium over overseas market prices.

There is a strong concern that at the moment the UK produces lower quality bales of plastic for recycling than other EU systems. The way the system works UK reprocessors have higher costs due to the need to introduce more separation to remove unwanted materials and also to pay for its disposal making the income from the PRN about 15% less than its value. All exporters can claim PERNs on 100% of the weight loaded in a container, irrespective of the eventual yield achieved. Bales of bottles may contain up to 15% of non bottle and even non plastic material meaning that only 85% of a bale is suitable for recycling. The reprocessor will have paid a price for a bale of plastic yet now has to process the contaminated amount from the reprocessible product and landfill the residue at a cost. On the assumption that PRN values will increase due to the higher packaging targets UK recyclers feel they will be disadvantaged further. In the longer term the ACP favours a strategy of improving systems and collection quality in the UK which would then mean that there would be more incentive to invest in the UK and that PRN and PERN prices would be more equal but in the near future UK based processing will suffer an economic disadvantage. In next year's work *it is recommended that in conjunction with the EA, DEFRA and the devolved administrations the legislation task group seek a means by which a more equitable outcome may be achieved.*

Recommendation 6: *it is recommended that in conjunction with the EA, DEFRA and the devolved administrations the ACP engage with the review of Producer Responsibility and ensure a full debate on this issue is considered with outcomes improving the ability to recycle plastic and create a level playing field in terms of costs.*

General

Some material that is not suitable or cannot be used for recycling is suitable for use as a fuel. Whilst this use is secondary to recycling it does have a practical use in creating energy even accounting for the carbon emission; it is still a net benefit in environmental and cost terms (ref; Royal Society of Chemistry). Residual material from a recycling facility may contain at the moment some 14% plastic film and 11% rigids as well as paper, card and other combustibles. Whilst the proportions will change over the next few years this will still be a legitimate recovery route. The waste industry is monitoring the residual elements of packaging and plastics and as recycling increases will share this data with the ACP. The recycling facility is at the centre of the reverse logistics chain where co mingled collections are in place and has had to adapt to changes of collection systems and materials. However, the UK Governments have discussed a new code of practice with industry and this has the potential to lead to improvements in sorting and market quality over the period when the targets are higher. The Government are planning to make this mandatory and the ACP supports this direction. A small working group of WRAP, ESA, and reprocessors has been established to consider how best to build on the work of the ESA's MRF Code of Practice and to help ensure that the market can deliver material suitable for re-processors of all types including the high value end of the market. It will be important that local councils are also involved in this debate given their role at the core of the decision making for recycling process.

Appendix 6 gives an overview of the plans.

Consumers have raised concerns also about cartons. The current situation in respect of current and future plans is given at Appendix 7.

LEGISLATION

The Producer Responsibility Obligations (Packaging Waste) Regulations 2007 (The Regulations) place an administrative burden on businesses. In the case of smaller businesses the cost of this burden can be out of proportion to the cost of actually complying with the requirements of the Regulation (i.e. to ensure that packaging waste is recovered and recycled). This situation is exacerbated at the moment by the low price of PRN/PERN's. However, it is thought that taking just the admin burden on producers in isolation there may be more that could be done to reduce the admin burden the Regulations place on business. The Committee considered how reductions in the admin burden could be achieved and reviewed the recommendation made last year to introduce the Class D supply obligation.

The Regulations currently place an Annual Environment Agency Registration Fee on all obligated producers. The Fee varies depending on whether the producers register through a compliance

scheme (£564) or direct with the Agency (£720). The fees raise approximately £3.5m per annum which is used to cover the cost of enforcement and monitoring.

One option that was considered was the possibility of removing these fees altogether and instead charging each compliance scheme an annual registration fee and placing a stronger requirement on schemes to monitor and enforce their members. The Environment Agency would then only need to monitor the compliance schemes, which would justify the significant reduction in fees that they would receive. It was felt that this option wouldn't really solve the problem of reduced cost as any registration fees charged to schemes would ultimately be passed back onto their members and therefore rather than actually reducing the cost, it would simply move the cost from one body to another and the final result would stay the same.

Furthermore, valid concerns were raised by the EA that schemes do not have enough powers to enforce monitoring to a standard that would meet the requirements of the Regulations.

The Regulations have two threshold levels that have to be reached before a company is required to register; they are £2m turnover and 50 tonnes of packaging handled. The ACP looked at the possibility of increasing the threshold level (which would remove a number of small producers from the need to comply at all) and then re-introducing class D supply to capture any obligation that would be lost from the smaller companies no longer registering.

The ACP also examined a number of different threshold tests and concluded that raising the threshold from £2m to £4m would remove a large number of producers with a relatively small obligation (meaning that the effect on the UK's ability to meet EU targets would not be affected significantly).

Raising the threshold level to £4m would remove 556 producers (8% of all obligated producers), with a combined obligation of 51,714 tonnes. (0.74% of total obligation) This would send a positive message to small businesses and also meet the government aims to reduce the administrative burden the Regulations place on these businesses.

The Committee felt that raising the threshold should only be done in conjunction with the re-introduction of class D supply. The main body of companies to be effected by class D supply will be the wholesalers and whilst class D supply will increase the regulatory burden on them, many of them are very large companies with very small obligations. For example, there are 231 producers with a combined obligation of only 82,226 tonnes and yet their combined turnover is £13 billion. The proposed change will capture much of the unobligated tonnage represented by such a large turnover thus levelling the playing field for the majority of businesses already fully within the system.

The Regulations allow small producers (those with a turnover between £2m-£5m) to either calculate their returns using their own internal systems or use a simplified allocation method. It was felt that a raise in the thresholds should also include an extension to the turnover levels that allow companies to use the allocation method.

This would send a very positive message to small businesses and would answer a lot of questions raised by businesses during the Government's Red Tape Challenge process. Furthermore the re-

introduction of class D supply would ensure that the UK has the ability to continue to meet the targets imposed by the EU.

There is a desire to see coherence between all producer responsibility regimes. This is now being reviewed by Defra and the Environment Agency in separate forums. Stakeholder meetings will take place later this year asking for input and the ACP will contribute. The ACP agrees that a coherent approach to producer responsibility would be a positive step forward.

Recommendation 7: *a) The ACP recommends that the best way of reducing the regulatory burden placed on small businesses by the packaging regulations is to raise the current financial threshold level from £2m turnover to £4m with the tonnage threshold remaining the same.*

b) The taskforce recommends that this is done in conjunction with the re-introduction of class D supply.

During the year the ACP was represented on a joint DEFRA/CLG round table on packaging. This successful event ensured that there was greater understanding between the role of councils and council policy and the function and recovery of packaging materials. *Now the ACP has concluded this year's work programme it recommends that it presents the findings in a presentation to DCLG/DEFRA ministers at a similar event organised during 2012.*

Recommendation 8: *Now the ACP has concluded this year's work programme it recommends that it presents the findings in a presentation to DCLG/DEFRA ministers at a similar event organised during 2012.*

FUTURE ISSUES

The ACP considers that there is a substantial amount of action taking place that will see higher levels of materials recovered and a general approach to packaging that will add value to products and enable whole life sustainability. However, there will need to be close monitoring of the achievements for to meet these higher targets there will need to be changes in the way the supply chain works together. The ACP will monitor not only the figures as now on a quarterly basis but also HOW progress is being demonstrated in delivering the actions recommended.

Finding the route increase plastic film recovery will feature highly and the ACP will work with industry to map out a system that is effective and sustainable. The wide range of applications and the means to recover presents more unique challenges than other plastic packaging products.

In 2014 the EU will be discussing the Packaging Waste Directive. The UK will need to come to a view on its position well before then and the ACP will provide input to the UK teams who will represent the UK in the Brussels debates.

Last year the ACP mentioned that communications would feature as a major need. During this year discussions were held with the industry group responsible for communications as well as other networks and it was felt that it was too early to engage a wider network of people until there was a

clear route forward and a supply chain agreement on the way ahead. During 2012/13 the ACP members will be better able to engage with and decision makers in the supply chain to encourage more partnerships and joint working.

A work plan for the ACP for the next 12 months is given at Appendix 8

SUMMARY OF RECOMMENDATIONS

Recommendation	Detail	For who
1	<i>The ACP recommends that industry groups provide directly or via WRAP greater research based evidence on the potential impacts of the identified trends by the end of 2012 so that forecast may be derived by the spring of 2013 .</i>	Industry
2	<i>The ACP recommends that councils during 2012 should be asked formally to play a role as a supplier of materials to the market in addition to its obligation to provide a general public service for waste and recycling.</i> <i>The ACP further recommends that Defra in their meetings with the Department of Communities and Local Government and the devolved administrations firmly support and encourage Councils to use the new contract specifications and advice developed by WRAP and IESE.</i>	ACP Defra
3	<i>The ACP strongly recommends that councils adopt the WRAP advice during the next twelve months so that the potential of existing systems and infrastructure to collect more bottles can be fulfilled.</i>	Local Authorities
4	<i>The ACP recommends that during the next twelve months WRAP and industry representatives support those councils who currently do not collect bottles to work out the opportunities to bring on additional services for bottle collection within a deliverable timeframe.</i>	Wrap and Industry
5	<i>That guidance to householders about which plastic materials can be put out for recycling should be improved during 2012, by retailers, local authorities, waste management companies, and plastics producers working together and when developed issued by WRAP with sufficient communication support to ensure adoption.</i>	Industry, Local Authorities and Wrap

6	<i>It is recommended that in conjunction with the EA, DEFRA and the devolved administrations the ACP engage with the review of Producer Responsibility and ensure a full debate on this issue is considered with outcomes improving the ability to recycle plastic and create a level playing field in terms of costs.</i>	Defra
7	<i>The ACP recommends that the best way of reducing the regulatory burden placed on small businesses by the packaging regulations is to raise the current financial threshold level from £2m turnover to £4m with the tonnage threshold remaining the same. The taskforce recommends that this is done in conjunction with the re-introduction of class D supply.</i>	Defra
8	<i>Now the ACP has concluded this year's work programme it recommends that it presents the findings in a presentation to DCLG/DEFRA ministers at a similar event organised during 2012.</i>	Defra

Appendix one

ACP ACTION PLAN 2011/12

Summary of recommendations and actions taken

Recommendation 1

The unit of measurement for monitoring optimisation achievements should be the amount (kilogram) per year per household.

Action

DEFRA to use as well as current metrics, as appropriate. INCPEN and other packaging organisations to use in their publicity material.

Now being used as well as other metrics more widely

Recommendation 2

The ACP to commission a review of the reasons for losses encountered between retail depot and store to identify if processes or systems could be changed to put less stress on the product and its packaging. Study to be conducted by INCPEN and WRAP and be undertaken in 2011 reporting to the ACP by March 2012

action

INCPEN initiated research with WRAP to meet timescale. Feedback will be given to the ACP in 2012

Recommendation 3

Manufacturers and retailers should specify *the function* they want packaging to perform rather than specifying the exact nature of the packaging. This will encourage designers to innovate. The task will be allocated to a group of ACP members who will work with the BRC and produce an outcome by

Autumn/Winter 2011

action

Agreement by retailers and design houses assist by ensuring a focus is on what the packaging needs to do. The use of industry agreements has been adopted widely. The task group on sustainable supply chain for packaging encourages this focus continually

Recommendation 4

A round table multi-stakeholder workshop should be held to identify the scale, issues, and challenges of packaging for goods delivered direct to the home. It should include manufacturers, retailers, and delivery system providers. N.B. INCPEN (the industry council for packaging) has agreed to host a workshop and prepare a report for the ACP with recommended action by autumn 2011.

action

INCPEN organised the roundtable and with Trading Standards issued a public report in march 2012 called 'one size does not fit all'.

Recommendation 5

Voluntary agreements should set broad strategic objectives and take into account the function of packaging and the broadest impacts on economics and environment in the total supply chain including post consumer recovery. This recommendation is aimed for direct feed to the policy review team at DEFRA.

action

Defra has developed voluntary agreements with one material sector, is working with another and close to outcomes and has

an agreement with the service industry regarding mrf processing

Recommendation 6

To consider the re-introduction of the Class D supply. Obligating Warehouses a wholesaler (or class D supply) obligation is introduced so that companies who supply packaging to non obligated businesses pick up the selling obligation that is currently not captured in the UK obligation.

action

ACP member will produce report with reasons and outcomes sought in tonnage and economic benefit terms as well as considering regulations/legislation that could be removed or simplified.

Immediate work to fit in with the Red tape challenge i.e. by end October 2011

Considered version by spring 2012

Recommendation 7

The Environment Agency to re-assess the time allocation given to monitoring registered producers vs identifying freeriders to ensure the current allocation is delivering the best outcomes.

action

Feedback to be provided to the ACP by April 2012 after the EA has considered the scope for reallocation of resources. Lead EA ACP member

Recommendation 8

The ACP advises Government that higher targets should be set for 2013 onwards at the rate set out by each of the material sectors.

action

Government have set higher targets in the budget of June 2012

Recommendation 9

The ACP have asked WRAP to develop a template for use with contract renewals to assist local councils when it comes to retendering their service and for the waste industry to plan for offering the services that will deliver the returns needed for the packaging industry

action

WRAP and IESE have produced a framework contract which 140 councils have signed up to for improving the efficiency for collection contracts and includes quality specifications regarding collected materials. this will be launched in May

Recommendation 10

The ACP to evaluate whether consortia of authorities with or without contractors could sell materials more effectively to reprocessors.

action

Evidence from existing networks/partnerships or consortia indicate the benefit in savings to councils to engage directly and with service providers in the materials market. The ACP will promote

further this idea

Recommendation 11

It is suggested that retailers via the Courtauld agreement consider committing to specific levels of content in those products where appropriate.

action

A clear statement of the intent and potential for using recycled content in packaging materials to be produced for the ACP by spring 2012. retailers are keen on using more recycled material but the issue is not clear cut for a range of supply/cost/contamination/utility reasons and retailers are developing a response taking into account all these issues but at the same time support for using more recycled content has increased.

Recommendation 12

The ACP will develop a clear communication strategy

action

Work commenced and a way forward mapped out but it was decided that this issue needed to be deferred until a clear and agreed supply chain route forward had been made. This will be carried forward into the 2012/13 work plan

Appendix two

OBJECTIVES FOR 2011/12

- Identify and report on existing and future general trends in packaging design. (Formats; materials; etc), and the entry of “new materials” – bioplastic/oxo/etc
- Advise on the possible impacts of these trends for the full packaging chain (primary to tertiary) on (a) the current packaging material split, (b) UK packaging recovery and in particular the achievement of the statutory packaging recovery targets.
- Provide advice on the existing optimisation opportunities.

Links to England review action plan 10, 52, 54,

- Evaluate and promote the systems and processes by which the recovery of pots, tubs, and trays may be included in collection systems.
- Consider the issues regarding the collection and processing of film(s) and recommend options for the recovery of this material.
- To consider further increases in bottle recovery from both household and on the go streams and how this could be achieved.

Linked to England review action plan items 04,10,25,26, 28, 32,

- Consider the practicality and viability of local authorities operating directly or with service providers a market focused service that will see outcomes of collection services meeting quality and market standards that will maintain high market value, guarantee sales and offer a better return to those players in the recovery element of the supply chain.

This evaluation will consider the wider aspects of finance and include consideration of the role and impact of PRN's, making this element of the finance process more transparent.

Links to England review action plan 25, 32, 57, 62

- To consider how existing regulation could be simplified to reduce administrative burdens. To ensure the Committee are aware of developments in proposed legislation from EU or local legislation or policy proposals. To develop proposals regarding the consumer information obligations in the Producer Responsibility Regulations.

Links to England review action plan 27, 48, 52

Communications will be a running theme across all sub groups and for the main Committee who will need to ensure that its year one output is promulgated to policy and decision makers within the supply chain including consumers. The Packaging Recycling Action Group (PRAG) will be used as an advisory group but it will be expected that all Committee members will also put themselves forward

for events, and presentations within and outside their own sector to ensure that the issues we have identified are promulgated widely.

Advice and information from the key packaging groups will continue as now so INCPEN, the Packaging Federation and the Packaging Society will be asked to contribute information and technical knowledge to keep ACP members up to speed on industry matters.

For the future we shall retain the advice from the project group on metals until they finish their work on protocols.

An annual report will be produced setting out new proposals and monitoring progress.

Appendix three

Sustainable considerations and trends in Packaging

Manufacturers have to protect food and other products to ensure they are delivered in good condition to the end user. How and what we eat, when and what we purchase and the way we use products influences decisions on how products are packaged. Packaging evolves over time in response to changes in demographic and lifestyle trends, economic factors, technological developments and environmental pressures. Most products need to be packaged in order to:

- contain and protect them
- maintain shelf and storage life
- carry information, much of which is required by law
- enable goods to be handled efficiently in distribution, storage and retailing
- play an increasingly important marketing role by identifying and promoting brands
- perform a number of other functions such as acting as a functional aid to cooking, dispensing precise amounts of product, providing tamper-evidence and child-resistance.

A combination of primary (sales), secondary (grouping and display) and transport packaging protect the product and perform all the other functions expected of it

Ease-of-**opening and resealing** are becoming more important and this will drive new techniques for better sealing. More complex packaging with an increase in mixed materials will be needed; a current example is in re-closable packs for products such as cheese which can use zip locks or sticky labels.

The **demographics** of the UK is changing with more people living alone so there will need to be a wider range of food portion sizes with more smaller sizes so that food is not wasted. This means more packs and an increase in smaller portions of convenience products such as microwaveable prepared vegetables and salads which, in turn, means packaging such as modified atmosphere packaging (MAP) for longer life and more complex mixed materials for microwaving

There is more **on-the-go** food consumption and this will increase demand for foodservice packaging with re-closable features, easy dispense features.

There is a greater choice of retail goods and with a **1% compound annual growth rate in FMCG** Stock Keeping Units sold this means more packaged item. Brands and retailers mitigate this increase by ensuring that their packaging is as light as possible yet retaining the utility of its core function- to protect the contents.

New nutrition **labelling requirements** and EU regulations on font sizes **may** require larger labels to provide more space for larger font sizes.

There are then a number of economic factors that need to be taken into account;

Brands are global. Many goods are manufactured for a European or global market.

One packaging design has to be acceptable to many different cultures so the choice of packaging

is a compromise. It would be disproportionately expensive and wasteful to design different packaging for each country.

Rising cost of raw materials and energy adds to the pressure to make more efficient use of materials and reduce energy consumption.

There is a growth in demand for **Shelf Ready Packaging** by retailers as this increases display packaging; sometimes offers opportunities to reduce grouping packaging. More innovative approaches may reduce this.

More Products are made in emerging economies and transported to developed countries like the UK so these greater transport distances mean more robust packaging. Packaging made in emerging countries is likely to be heavier because manufacturing and converting equipment and packaging materials are currently less sophisticated.

Depot and distribution **handling systems have become more sophisticated and mechanised** and this requires packaging to fulfil a role in logistics as well which may mean consideration of robustness of outer packaging.

There is a **growing e-commerce** and resulting increasing diversity of delivery systems to deal with more on-line shopping and click-and-collect systems. The ACP last year highlighted this as a growing area for investigation which has commenced and the work has shown that courier delivery may require stronger packaging, automated packing systems restrict the variety of choice of pack sizes which can lead to over-sized packs and thus new designs will need to be developed e.g. flexible packs that can be adapted to contain a number of products.

Technological Developments are continual and those in or near to market are;

Technologies to reduce food spoilage where there is a potential to develop and use *active* and intelligent materials. *Active packaging* usually means having active functions beyond the inert passive containment and protection of the product. ¹¹ *Intelligent* and *smart* packaging usually involve the ability to sense or measure an attribute of the product, the inner atmosphere of the package, or the shipping environment. This information can be communicated to users or can trigger active packaging functions.

Handling technology changes e.g. scanning systems, RFID security tags will use codes and tags which will improve handling in the distribution system but may have an impact on options for routes at end of use

Material technology changes e.g. nanotechnology, in new paper products, further development of polymers from renewable resources will provide for potential weight reduction and greater whole life sustainability but end of life choices will depend on the full life balance being determined per each new product. Consumer pressure also ensures that research is continual into new opportunities for more sustainable solutions.

There is substantial awareness by brands and Retailers of the concerns and perceptions of the public and by politicians about packaging. Last year the ACP indicated that there were very few prosecutions for over packaging and that the UK was top of the European league in reduction. Despite this success there is still a view that there is a lot of packaging waste. The ACP take the view that more needs to be done to communicate the successes of contemporary packaging from the perspective of the total sustainability of the product and the materials used.

Continual progress has been made in reduction of material use and cost reduction in the amount and type of packaging used to protect goods. An example is the removal of trays for meat products and replacement by protective film. There will be continual progress and it is intended to retain the advice of the Sustainable packaging sub group to ensure that the ACP is fully abreast of developments and trends.

This progress has not always been visible to consumers or even those in local councils who have to collect packaging for recycling so it was considered that there would need to be more dialogue in future from brands and retailers to councils and consumers working together to ensure both understanding of new products to protect goods and then to give advice about its return through collection systems.

A substantial trend is that retailers and brand owners are seeking more closed loop recovery and processing as they wish to secure a continual and consistent supply of material. This agenda is likely to become more prevalent as the decade develops and the global market for recycled materials increases. Having access to a guaranteed supply will be an imperative. There is already activity being taken by companies like Coca Cola, Marks and Spencer and B&Q who are seeking recycled content for their packaging.

The concept of material security will also develop during the decade and the ACP expects to see more engagement with the supply chain and investment in reprocessing the latter fostered also by increases in recovery targets.

The ACP concluded that there will be continual improvement in the reduction of packaging on product ranges, there will be developments in technology that will improve the prime role of packaging, that decisions will be made taking into account whole life use of the packaging including design for recyclability where possible, carbon use, legislation and costs effectiveness.

Appendix four

Case study; the South East 7 councils

The ACP has had the benefit of working with the South East 7 network of councils representing some 53 local councils who are taking a broader approach to cost effectiveness and working together to derive financial benefits for all. One of the core strands of work is to consider what packaging materials could be recovered and to work with materials industries, retailers and reprocessors to develop tactics that will see changes to 2020 in how materials are collected. A recent report that accords with the ACP view explained above states that; *“The public sector approach to “managing” waste is no longer about buying in services to solve our waste “problem”. A commercial approach is required to maximise the use and value of materials to meet market demand, align the household, commercial and industrial waste streams and contribute to the development of the “green economy”*

They further state that;” The impact of SE7’s economic “clout” has already been recognised by businesses and government agencies. Plastics Europe, Confederation of Paper Industries, O-I UK, Aluminium Packaging Recycling Organisation and Marks and Spencer have already sought discussion, something that would never successfully be achieved by individual Councils. There is a strong appetite for change by joining supply (local authorities) with the demand for materials at the production end of the supply chain.”

The SE 7 have calculated savings due to increases in income , reduction of landfill costs and additional collection and processing costs and can demonstrate a substantial financial benefit. A detailed delivery plan has been developed to 2020 and this indicates to this Committee that the approach could be replicated with networks and partnerships of councils with the expertise developed in the SE being shared more widely. The ACP notes that this has been achieved because of clear and ongoing direction /discussion and tactical agreements with Chief Executives and Lead Members. Other success factors contributing to outcomes include a culture of openness and engagement of all parties, identifying and sharing resources , creating alternative options, bringing in external expertise when necessary, formal agreements drawn up by legal teams and formal policy agreements.

Operating at such scale with support from WRAP and IESE would indicate that for councils there is a tangible delivery route to assist in meeting the additional targets and at the same time benefit from cost effectiveness.

Appendix five

Report from Plastics sub-group of ACP to validate Government option 3A for packaging targets

1. Brief

The ACP charged the sub-group with the task to validate how and with what efforts the new Government target for plastics packaging could be met.

2. Group composition

The group was a sub set of the ACP Plastics Task Force with the following membership:

Claire Shrewsbury, WRAP

Jan-Erik Johansson, Plastics 2020 Challenge

Roy Hathaway, Environmental Services Association (ESA)

Stuart Foster, Recoup

3. Conclusions

*The group concludes that it is **theoretically** possible to meet the targets but that it requires that:*

- 1. All local councils which renew their waste contracts include bottles and mixed rigid plastics in their specification.*
- 2. Participation rates will need to go up for all councils to 8% above today's upper quartile for bottles and to 42% above today's upper quartile for mixed rigid plastics*

We leave to the ACP to draw the conclusions in their report based on the facts we have collected.

On infrastructure the group concludes that there is more than sufficient MRF capacity underway through the plans of the ESA members.

With 6.6 million tonnes/y expected the additional 525 k tonnes/y to be treated should be fully possible to be managed with this incremental infra-structure.

Investment in Material Recovery Facilities (MRF) is estimated to less than 10% of total waste management industry future investment in trucks, reception stations, MRFs, Energy from Waste (EFW), and other technologies. Hence more capacity will come on line and can support future plastics recovery demand.

The specification should include statements about the standards required for quality to meet market needs. Given that plastics sorting infrastructure can be installed either at the MRF or at the Plastics Recovery Facility (PRF) the quality aspect has been left to the commercial parties to agree.

Increasing the range and quantity of plastic materials collected will increase the technical challenge involved in subsequent sorting. This may require new systems or equipment at either the MRF or PRF.

Commercial and industrial material (C&I) will need to contribute a considerable quantity to meet the targets. Here we struggle with data and the estimates are very rough. We encourage ACP and Defra to develop a reliable source for placed on market, waste arising and recycling and recovery shares.

Collection of additional quantity must come from smaller users and through better participation from the midsized users. In total we expect 150 k tonnes/y of additional collection by 2017

If the additional quantities can be collected there exist capacities to reprocess in the UK and abroad.

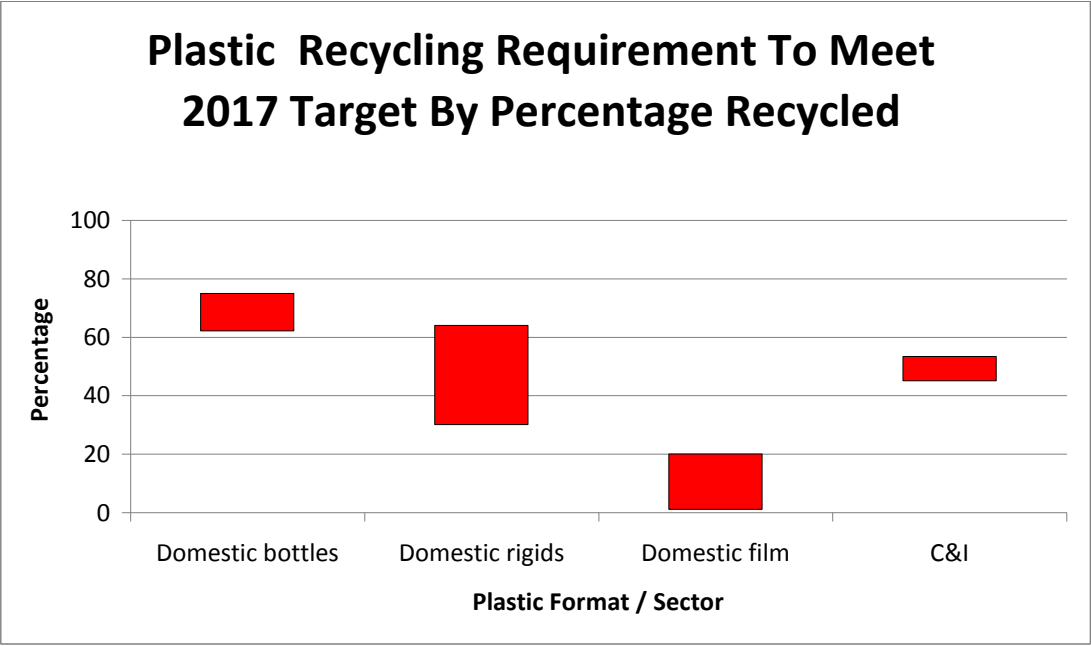
4. Required quantities to be collected per product stream

The group has tried to work out a set of numbers that based on today's situation, expected growth and recycling targets per product stream advised by Defra, where applicable for 2017.

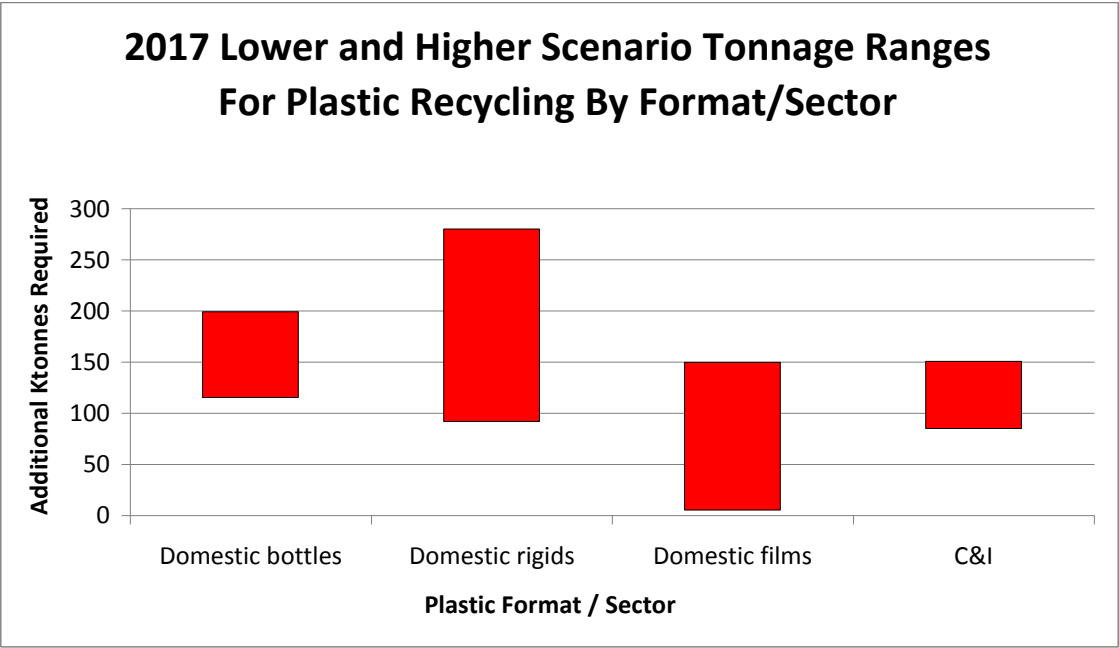
This has not been entirely possible simply because the data used in the recycling target consultation is not fully consistent.

Our best estimate is the midpoint from the figure below and tracks the 42% recycling rate by 2017 with an increase in recycled quantity of 525k tonnes/y. The recycling rates stated per product stream are also adhering to the ACP report as much as possible i.e.

- bottles 70%
- mixed rigids 45%
- mixed flexibles 10%
- Commercial & industrial 50%



From the recycling rate range above and the quantities per product stream a range of additional quantity for recycling result. The range is illustrated in the graph below.



These ranges illustrate that the target can be achieved by different contributions from the 4 streams – as long as the total is 525kTonne/y. We have taken 70% recycling rate for bottles as the starting point and used the midpoint for the other streams **as an example** for illustrating what growth and related initiatives would be required per stream by 2017 to reach the targets

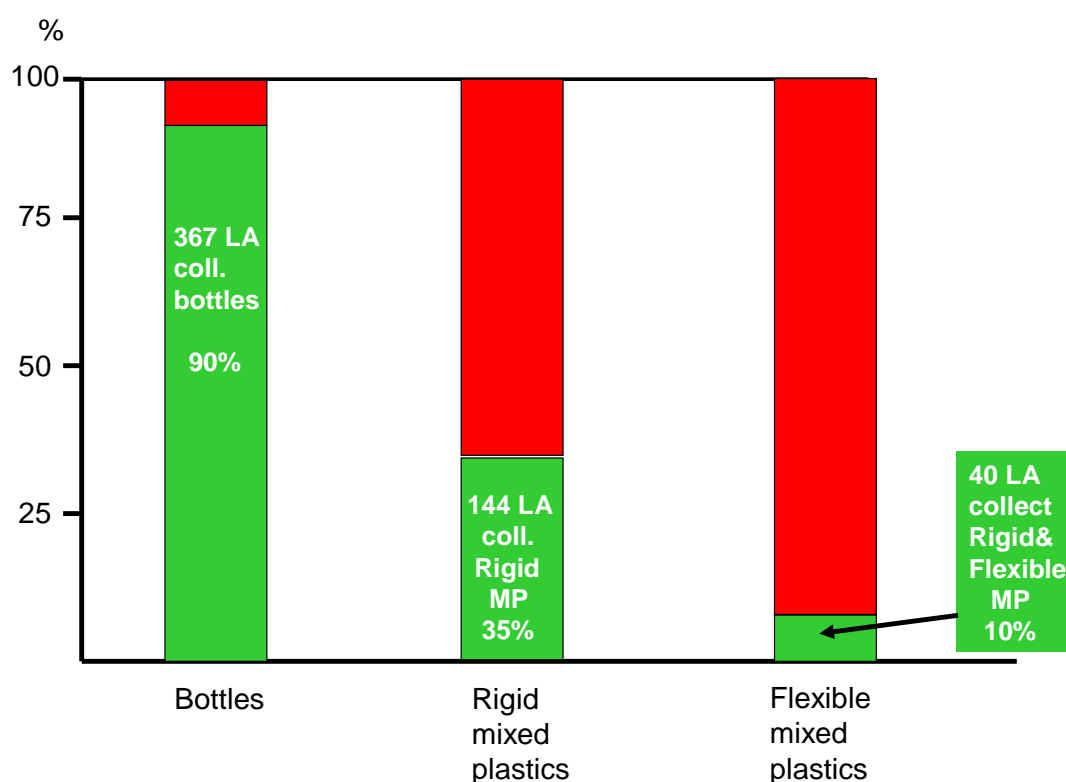
The additional quantities per product stream by 2017 over 2010 will then be: Bottles 155 k Tonnes/y

Mixed rigid plastics 185 k Tonnes/y

Mixed flexible plastics 70 k Tonnes/y

Commercial & Industrial 115 k Tonnes/y

5. Supply towards required quantities



3

67 of the 406 UK Local Authorities collect bottles as at March 2011. Since then several Local Authorities have introduced bottle collection.

144 collect bottles and mixed rigid plastics and 40 accept also flexible mixed plastics.

To collect the additional quantities per product stream different initiatives are required.

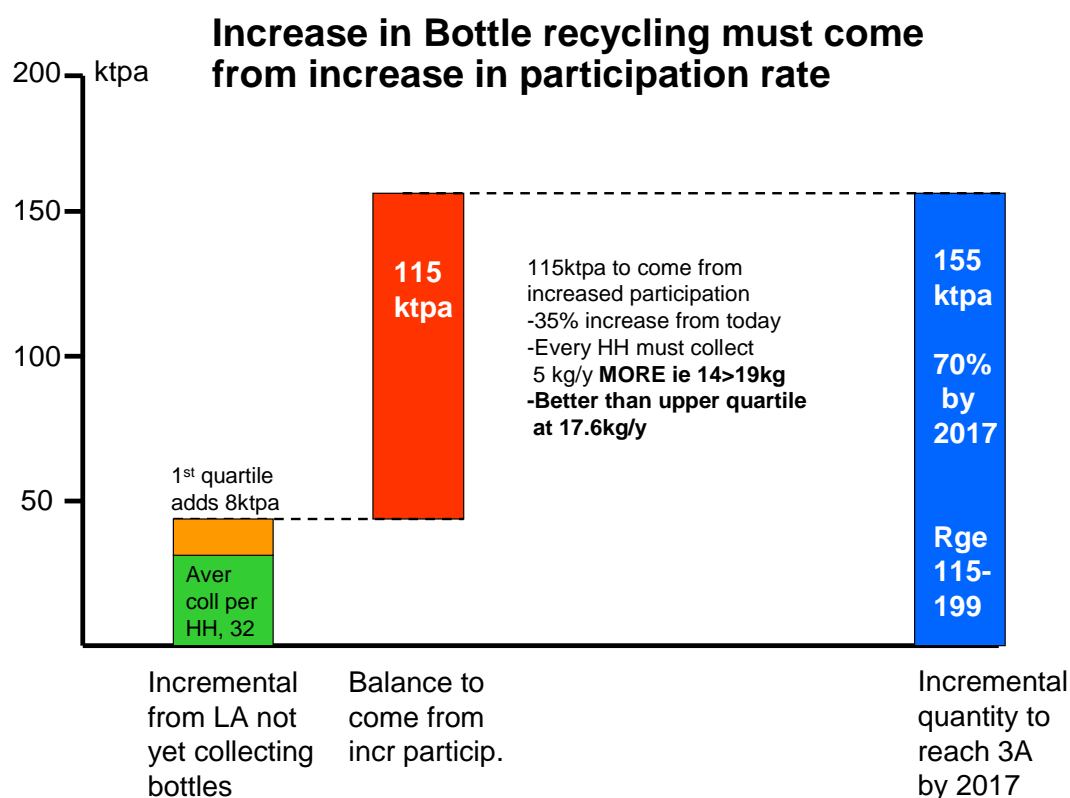
Bottles

As 90% - or more - Local Authorities collect bottles increases in numbers collecting is limited to only some 39 councils. If they would all include bottles and renew their contracts by 2017 it would only give 32kTonnes/y more should they collect at the average participation rate of 14kg/HH/y.

To go from the 32kTonnes to 155kTonnes the participation rate must increase.

Every Local Authority, existing bottle collectors and new, will have to increase from 14.1kg/household per year to 19 kg up to 2017. This will mean exceeding today's upper quartile by 8% and the average by 35% This is a challenging task ,especially since councils have no specific material targets, limited funds and little reason to invest in communication to their citizens.

The "On the Go" market is a minor contributor as quantity is in the range of 25kTonne/y acc to WRAP and even if 30-50% of this would be captured by 2017 this will fall within the accuracy of our estimates.



For **mixed rigid plastics** the situation is different. Only 35% of the Local Authorities today collect bottles and mixed rigid plastics. On average 9.1kg/hh/y is collected and the upper quartile is at 11.1kg/hh/year.

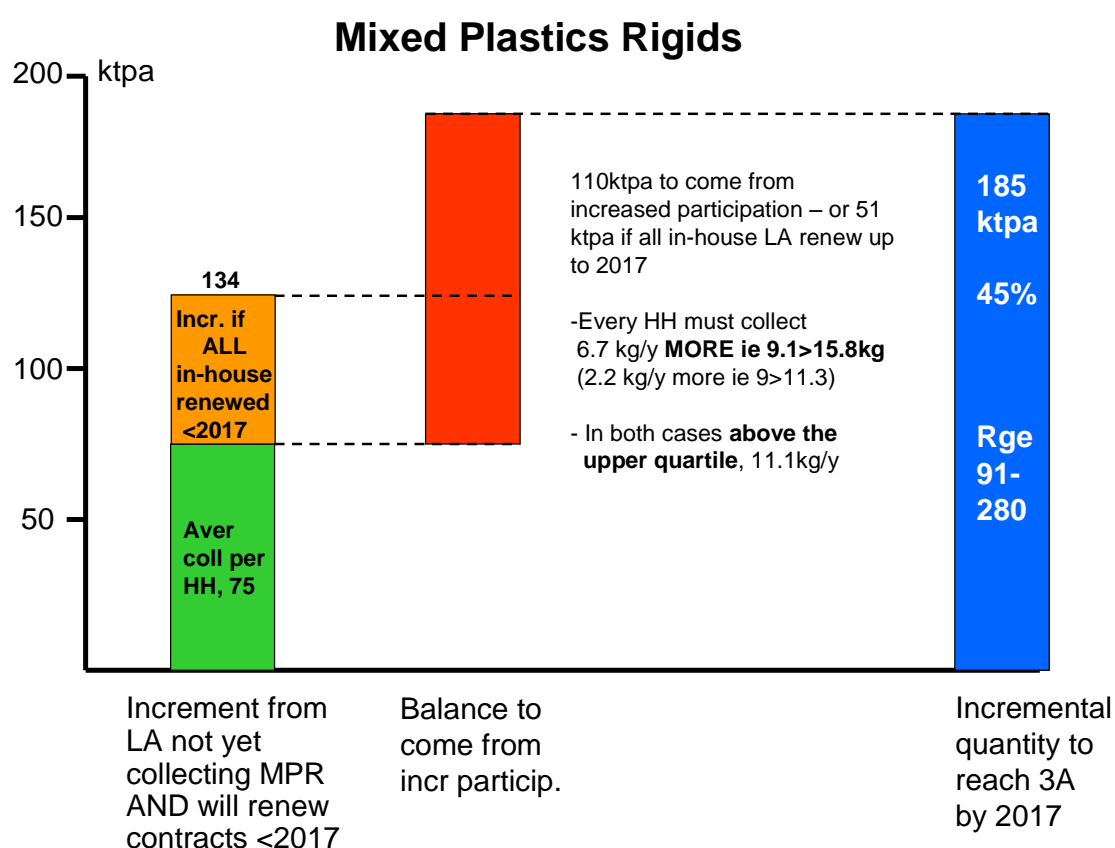
The way towards the targeted collection in 2017 of 185kTonne involves both attracting new LAs and moving the participation rate up through easier collection for citizens.

Unfortunately less than half of the 262 LAs who do not collect mixed rigid plastics are renewing their contracts up to 2017. Some have recently renewed their contracts without adding mixed rigid plastics and others are not due until after 2017.

Our estimate is that 75kTonne/y will be available if all councils who renew up to 2017 include mixed rigid plastics and achieve the average collection rate.

To reach the target the participation rate also needs a boost.

We estimate that rigid mixed plastics collection must increase to 16kg/hh/y i.e. 42% above the upper quartile for mixed plastics collection (or 74% above today's average).



In our work we have left **mixed flexible plastics** (films) to predominantly front of store solutions. The increase of 70kTonnes/y by 2017 will come from such Retail outlets and a little through MRFs with capability to handle flexible mixed plastics.

6. Infrastructure to manage the increased flow

MRFs require a relatively low level of capital investment, and can be developed in a relatively rapid timescale. The ESA estimates that for the Defra base case scenarios around

6.6m tonnes of additional MRF capacity will be built up to 2020. The group therefore concluded that there is sufficient MRF capacity underway under the waste industry's current plans. With a capacity of 6.6 million tonnes per year expected the additional 525k tonnes/year of plastic to be collected and sorted should be manageable within this incremental increase. Investment in MRFs is estimated to represent less than 10% of the total investment by the waste management industry in trucks, reception stations, MRFs, EfW, MBT plants etc. Hence should more capacity be required, it is likely to be deliverable. With a strong incentive in place to collect and recycle additional plastic packaging waste (i.e. the 57% target) the ESA are fairly confident that the sorting facilities will be in place to help deliver this, [though this is perhaps more certain for material from households than it is from the C&I sector].

The group noted that increasing the range and quantity of plastic materials collected will increase the technical challenge involved in subsequent sorting, and may require new systems or equipment at either the MRF or PRF. Given that plastics sorting infrastructure can be installed either at the MRF or at the PRF, the group agreed that the quality aspect should be left to the commercial parties to determine. The group noted that the MRF code of practice would help to improve transparency in the market so far as the composition of MRF output is concerned

7. Other considerations

Increasing participation implies education/information for the consumer and householder but also it is vital to make recycling as easy and understandable to the consumer. Co-mingled collection undisputedly leads to higher collection and it is partly because the consumer can leave the sorting to experts/technology. Such a dramatic increase in participation cannot happen without a massive information campaign

To move fast we must **use cross learning**. There are Local Authorities who collect much more than others. These need to be identified and their learning must be spread rapidly. This is especially important for such councils that are in the contract renewal stage.

Communication between councils and to the consumer must be supported and stimulated. How can this be achieved when council budgets are cut and they have no specific incentives or objectives?

Such a strong focus on tonnage growth will lead to **consequences on** quality. How will the **bottle recycling industry** cope with this?

Should we suggest a **midterm review** with opportunity to relax targets in case they have been too optimistic? If this is done in 2014 then UK can coordinate with the revision of the Packaging and Packaging Waste Directive.

Appendix six

Material Recovery Facilities (MRFs)

One of the key stages in the value chain for waste plastics is the sorting and baling of collected materials into single or multiple polymer types at material recovery facilities (MRFs). MRFs receive plastics from all types of collection systems, including kerbside sort (from which multiple polymer types, sometimes co-collected with metals, may require further sorting). Sorting and treatment infrastructure differ across the country, while companies compete to produce the most effective equipment and to operate it. Reprocessing capabilities and tolerances vary across the globe and different end markets each have their own requirements.

Due to uncertainties amongst householders as to which plastic polymers can be recycled and varying levels of non-target plastics and other materials in the collected material delivered to the MRFs, it is no easy matter for MRFs to produce outputs of a given composition. Prices for MRF output material vary widely, according to the specifications set by the buyers of the material. MRFs employ a range of technologies – and people – to sort co-mingled streams into their component parts, and these facilities are getting smarter all the time.

The Group debated whether MRFs are able to produce outputs which are capable of supporting “closed loop” recycling. The best UK MRFs can and do produce materials which match the specifications of UK and EU-based plastics re-processers, as well as those of export markets outside the EU. It is clearly important that re-processors, whether based in the UK, EU or elsewhere, can access material of sufficient quality to enable them to use their own technology to complete the recycling loop. There is a trend towards collecting more materials for recycling, including more mixed plastics and plastic films, and this poses a challenge for the whole supply chain, which will require new investment in both sorting and reprocessing infrastructure.

The waste and resource management sector has recognized the need for greater transparency and information regarding the composition of MRF output material, which is why the Environmental Services Association (ESA), which represents the sector, has led an initiative to develop a Code of Practice for facilities that sort mixed materials into sub-streams, typically MRFs. ESA’s code promotes three principles – quality management, transparency in the supply chain, and accountability, including for material that is exported. ESA is urging Defra and the devolved administrations to make compliance with the conditions in the MRF COP mandatory for all UK sorting facilities.

The ESA code requires companies to provide due diligence on where they plan to send waste and to secure evidence that the waste is being recycled. It sets robust guidelines for measuring what comes in and what goes out and overseeing material quality, which is vital in improving market efficiency as facilities see a growing diversity in material types. Supply chain dynamics are becoming ever more important – specialist equipment at one site may work very well for part of the waste stream, but sometimes greater efficiencies can be gained by processing some components of the waste stream at different sites. It can be challenging to know exactly where investments in systems, plant and equipment are most cost effective.

To drive up quality in the marketplace it is important to provide clear information and generate trust; implementing a system that ensures buyers and sellers know what they are buying and selling, with good and reliable visibility on composition. To meet the MRF code's standards, facilities must develop specifications for outputs with their counterparties to allow both parties to transact in materials with clarity and understanding. Under the ESA code proposals, an independent auditor will verify that the facilities have met those specifications. The information and trust will be there to reward those who make the additional investments to promote high quality recycling with higher prices for output, or lower costs for feedstock, depending on where they sit in the supply chain.

Some companies are already leading the industry with advanced quality management systems and proprietary intellectual property. The code sets guidelines on what constitutes "robust" and looks to raise the bar across the industry, but facilities would remain free to develop their own bespoke systems, fit for purpose and for site. It is also recognized that further investment in MRF and/or reprocessor technology may be needed in the future as the range of targeted plastics expands.

MRFs sit in the middle of a supply chain which employs a whole range of technologies and processes to upgrade material from a waste to a new product. The composition of MRF outputs is determined by a number of factors – the composition of the input waste, the capabilities of their equipment, and the tolerances of their reprocessor customers. What is 'non-target' material for one reprocessor might be 'target' material for another? The same is true of local authority collections. Process rejects – material that is rejected by either the MRF or the reprocessor along the way – have to be balanced against capture rates at the point of collection. Much of the attraction of co-mingled systems is their ease-of-use and the boost in participation amongst residents and businesses that generates. It's also one of the trade-offs associated adding new materials to collection streams – more is collected, but more may be rejected along the way. These issues need to be considered carefully by Government, by local authorities and by the waste management industry, working together, but those collection schemes that try to boost participation, or that lead the way in targeting new, more challenging, materials for collection, should not be ruled out, even if they require more work across the whole supply chain.

Appendix seven

Beverage cartons

90% of UK Local Authorities now offer carton collection (the definition of a carton being a used liquid packaging board including used PE-coated liquid packaging board (with or without aluminium content), containing a minimum of 50% by weight of fibres, and the balance being aluminium or coatings) either from the kerbside or through the industry's own bring-bank system. Often these are called after one well known brand name but the recovery route applies to all.

Research shows that when councils offer kerbside collection, there is a 62% collection rate compared to 10% for bring-bank. Kerbside collection of cartons continues to increase with the figure currently at 40% (162 councils) The ACP would thus **recommend** that councils offer kerbside collection and to do so via renewal of contracts for service and adopt the WRAP /IESE framework specifications

Once the cartons have been collected they are normally taken to a sorting or bulking facility. If the cartons have been collected alongside other packaging materials (as is normally the case with kerbside) they are separated before being baled and sent for reprocessing at a paper mill. For cartons collected purely with paper (more common with bring-bank) they are either be separated at the sorting facility or recycled as part of mixed fibre stream

Beverage cartons collected in the UK are usually sent to a European mill in Sweden, Spain or Italy until such a time as a new reprocessing plant is established here

Typically, total recovery on materials from cartons is 75% with work ongoing to establish how higher amounts may be achieved as in a mill in Barcelona, Spain which is able to recycle the complete carton) There are various ways of recycling or recovering the poly/aluminium mix left after the fibre has been recycled. It can either be granulated or extruded into new products.

APPENDIX eight

ACP WORK PLAN 2012 /13

ADVISORY COMMITTEE ON PACKAGING

PROPOSED WORK PROGRAMME FOR 2012/2013

The objective of this year's work programme will be to;

- Support the Departments work on the Producer Responsibility Review – assist in development of options, support, and challenge.
- Monitor progress towards the higher packaging targets and make recommendations to industry (and government) about the interventions that need to be made to achieve them.

The Committee will achieve this by informed papers to its meetings and by support from formal task groups and external advisory networks.

The concept of task groups has been effective in developing detailed proposals in areas of particular interest e.g. trends, plastics, market development and legislation. The concept was also that these would generally be task and finish groups. For the next year it is proposed that there be ONE task group focussing on the formal regulatory issues and to support the Department on producer responsibility work and preparation for the EU packaging directive review in 2014. There is also a need to continue with the close links developed with the plastics industry and its supply chain in respect of unfinished areas of policy development for the recovery of materials and associated means of delivery.

Committee objectives

1. To monitor progress towards the 2017 packaging targets including implementation of new systems and infrastructure to deliver
2. Facilitate a more effective material pull from end users to collectors and recyclers
- 3 To monitor trends in the sustainable supply chain and emerging issues for packaging including future markets, a circular economy, prevention, communications, and design
- 4 To consider detailed proposals regarding the future of plastics recovery especially in relation to the three core product areas; bottles, flexibles and rigids
- 5 Review the current data sets with a view to ensuring they are effective and widely used in a consistent way.
- 6 To consider areas of particular interest to the Department and devolved administrations

Legislation Task Group

The objectives for this group will be to;

- Develop advice and input for the Department's review of producer Responsibility
- Develop considerations for a range of options for the potential future debate about packaging within an EU context and present to the main Committee.

In the past two years the ACP has developed close links with the major industry groups who have provided information and support for its debates. This support is greatly appreciated and to continue it in an effective way it is suggested that there will be the opportunity at ACP meetings for individuals, representatives from industry or local government groups to present papers for consideration on issues of concern or emerging matters on which there may be a need to provide advice on future Government policy. This will ensure that the ACP is continually up to date with issues concerning packaging and besides the committee members it has the widest input of expert knowledge.

Because of the range of matters still to be determined within the plastics area it is considered that, whilst a formal task group is not now necessary, a formal group of industry representatives who could meet on an ad hoc basis would be able to provide the ACP with more specific and evaluated proposals during the year. This group could coordinate input from specialist areas as detailed above and also support the plastics industry 2020 challenge.