

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO COMMUNITY SERVICES COMMITTEE

meeting date: TUESDAY, 25th MAY 2021
title: DRS, EPR AND COLLECTION CONSISTENCY CONSULTATIONS
submitted by: JOHN HEAP – DIRECTOR OF COMMUNITY SERVICES
principal author: ADRIAN HARPER – HEAD OF ENGINEERING SERVICES

1 PURPOSE

1.1 To provide Members with a briefing on the above and the possible resulting changes.

To seek delegated authority to respond to the consultations.

1.2 Relevance to the Council's ambitions and priorities:

- Community Objectives – To sustain a strong and prosperous Ribble Valley.
- Corporate Priorities – To protect and enhance the existing environmental quality of our area.

2 BACKGROUND

2.1 Consultations were launched for Extended Producer Responsibility (EPR) and Deposit Return Scheme (DRS) by DEFRA on the 24th of March 2021 with a closing date of the 24th of June.

2.2 A second consultation was launched for Consistency of Collections by DEFRA on 7th May with a closing date of the 4th of July 2021.

3 ISSUES

3.1 **Summary of Packaging EPR Consultation:**

3.1a The proposals being covered in this consultation are concerned with reforms to the packaging waste regulations. The current system of producer responsibility for packaging has been in place since 1997 but needs reform. Initial reforms were outlined in the first consultation, where governments signalled their intent to introduce EPR for packaging so that producers pay for the cost of packaging from cradle to grave.

3.1b The governments' estimate that producers' costs will be in the region of £2.7bn in the first year of implementation. £1bn of this related to packaging waste collected from households, £1.5bn for packaging waste collected from businesses, and £200m for the management of bin and ground packaging litter.

The topics covered are:

Targets - under Package Waste Regulations 2007 producers are required to meet annual recycling targets.

Full Net Costs – Government intends to progress with the broad scope of full net costs of managing packaging. This includes –

- The collecting, sorting and recycling of packaging waste from households and businesses
- The collecting and disposal of packaging in the residual waste stream of households only
- Litter and refuse management costs, including bin and ground litter.

Obligated Producers- in an effort to increase the recyclability of a piece of packaging used the Government proposes making the producer responsible for their own packaging.

Disposable Cups – seeking to make mandatory the takeback and recycling be placed on businesses selling filled disposable cups.

Modulated Fees – It is proposed that the fees producers pay should cover the disposal of their packaging and this to vary depending on its recyclability.

Labelling – Mandatory recyclability labelling to be introduced on packaging as soon as it feasible and by the end of 2026/27

Plastic Film and Flexible Packaging – Proposed that plastic films and flexibles should be collected for recycling by local authorities as soon as is practical but by end of financial year 2026/27

Bio- degradable Packaging – This will not fall under EPR proposals until such time as the collection and infrastructure can be improved.

Payments to Local Authorities – Sets broad principles underpinning the implementation of payment mechanisms. These include for the scope of “necessary costs” and that costs paid by producers should be for the delivery of “efficient and effective” services. It proposes that payments should be based on both the tonnages and quality of the packaging waste collected and recycled, with these requirements being phased in and a Scheme Administrator encouraged to support local authorities to improve and meet performance benchmarks, to obtain full payments.

Only local authorities which operate efficient and effective systems will have their full net costs recovered via a modelled approach based on tonnages collected.

Payments for Business Waste – There are 3 different approaches to facilitate payments from packaging producers to businesses generating packaging waste. Two of these approaches foresee a clear role for compliance schemes, whilst one foresees full responsibility for payment, and therefore achievement of targets, placed on a Scheme Administrator.

It is proposed that producers pay according to the tonnage of packaging that they place on the market in the previous calendar year as they currently do, and that local authorities are paid on a financial year basis, based on previous years tonnage data, quarterly in arrears. In effect this means that local authorities will receive payments a year in arrears.

Payment for Littered Waste – The consultation proposes that producers of commonly littered packaging items be made responsible for the costs that are directly attributable to their management, both as bin and ground litter.

Scheme Administration and Governance – Government is of the view that those aspects of the scheme that interface with local authorities are best managed by a single organisation as Scheme Administrator and both options in the consultation allow for this.

Monitoring and Enforcement – It proposes that the environmental regulators in England will be the primary regulators and have the powers to monitor, audit and use civil and criminal penalties to drive compliance and address non-compliance. There are no proposals for local authority involvement in aspects of regulation relating to the EPR system.

Implementation Timetable – First phase of EPR established in 2023 which would enable payments to local authorities to be made in October 2023. Full cost recovery is anticipated to be achievable in Phase 2 from April 2024.

3.2 **Summary of DRS Consultation:**

3.2a The consultation seeks views on proposals to introduce a DRS for drinks containers in England, Wales and Northern Ireland. It refers solely to deposit return schemes (for drinks containers explicitly) and not reward and return schemes. So, a system where you pay an upfront deposit which you must return the container to redeem.

The topics covered are:

Scope- who will take part in the scheme. Producers, retailers, and the scheme administrator (Deposit Management Organisation or DMO)

Targets- legislation will set out targets for a proportion of drinks containers placed on the market to be collected for recycling.

Scheme Governance - outlines the role of the DMO and how the DMO is selected.

Financial Flows – sets out the proposals for the DMO to be funded by 3 revenue streams: material revenue, producer registration fees, and unredeemed deposits.

Return Points – details the retailer options in the deposit return scheme.

Labelling – proposes mandatory labelling be legislated for as part of a DRS.

Local Authorities and Local Councils – explores the impact a deposit return scheme will have on local authorities and the way in which containers, in scope of the scheme, will be treated when these containers end up in local authority waste streams. It seeks views on three options for reimbursing local authorities for any DRS items they must deal with, in recycling, residual or litter.

Compliance, Monitoring and Enforcement – Provides an overview of how the deposit return scheme will be monitored and enforced.

Implementation timetable –

2021- Second consultation, analysing the responses and publishing a Government response

2022 – Securing the secondary legislation required

2023 – Appoint the DMO

2023-2024 Rollout of infrastructure and other mobilisation activities.

3.3 **Summary of Consistent Collections Consultation:**

3.3a The consultation is concerned with having consistent recycling collections to improve the quantity and quality of municipal waste recycled in England and achieve a national recycling rate of 65% by 2035. It directly impacts on local authority waste services and is looking for proposals for all waste collection authorities to:

- Collect the same core set of dry recyclable materials from households.
- Have separate weekly food waste collections from households.
- Have separate minimum fortnightly collection of green waste (possible free)

The topics covered are:

Collection of dry recyclable materials from households – Section seeks views on the materials to be included in each of the dry recyclable waste streams. This section also covers the interaction of recycling consistency reforms with the consultations on EPR for packaging and DRS for drinks containers.

The proposed core set of materials required to be collected for recycling are:

- Glass bottles and containers - including drinks bottles, condiment bottles and jars.
- Paper and card - including newspaper, cardboard packaging, writing paper.
- Plastic bottles – including clear drinks containers, HDPE milk containers, detergent, shampoo and cleaning product containers.
- Plastic pots, tubs and trays
- Steel and aluminium tins and cans

In addition, the proposal is to include the following waste streams:

- Aluminium foil
- Aluminium food trays
- Steel and Aluminium aerosols
- Aluminium tubes, e.g., tomato puree tubes
- Metal jar/ bottle lids
- Food and drink cartons e.g., Tetra Pak
- Plastic films, e.g., bread bags, carrier bags

Defra expect all local authorities to be able to collect the core materials from 2023, aligning with the date they expect EPR for packaging to commence. The exception being plastic film where they expect it to be in place by the financial year 2026/27.

Collection of food waste from households:

Defra expect all Waste Collection Authorities (WCAs) to arrange for the collection of food waste, separately and at least once per week for recycling or composting. The section covers timelines for the requirements to be implemented. Defra intend to introduce this requirement in 2023/24 and want all local authorities to have collections in place by 2024/25 at the latest.

Collection of garden waste from households:

The Environment Bill requires all WCAs in England to arrange for the separate collection of garden waste for recycling or composting. The proposal is for a limited free service, with local authorities retaining the provision to charge beyond this (e.g., increased collection frequency or increased capacity)

Collection of non-household municipal waste:

The Environment Bill requires all businesses and non-domestic premises to arrange for the collection of glass, metal, plastic paper and card and food waste for recycling or composting. A section discusses possible exemptions for micro-firms, phasing them in later than larger firms. Also, to try to address barriers to recycling for non-household municipal waste producers and on-site food waste treatment technologies.

Other areas for consultation:

- The future role for recycling credits, taking into account the forthcoming introduction of the EPR for packaging.
- Possible changes to sampling requirements for Materials Facilities
- Implementation arrangements, including transitional arrangements for collection of different materials.

New burdens:

Defra have committed to fund the net additional cost to local authorities of the new statutory duties placed upon them. This would be in line with Government guidance on new burdens. These being defined as any change in a central Government policy or initiative that imposes a net cost on local government and could lead to an increase in council tax. As a result, Defra have promised to 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 RISK ASSESSMENT

4.1 The approval of this report may have the following implications:

- **Resources** – As there are some large changes required to comply with the proposed schemes and the fact that they are still at consultation stages there are many too many unknowns to be definitive about what resources will be required. However, it is reasonable to assume- given the level of efficiency of the current collection arrangements – that there will be, in due course, significant resource implications for the service.

EPR and DRS-

The governments are suggesting a modelled approach to assessing local authority costs. This would be done by looking at the detailed characteristics of a local authority, such as housing number and type, cost, and performance data, and using statistically significant associations with key variables and cost drivers such as geography, rurality, and levels of deprivation.

The payment mechanism seems to be based on quality of recycling. This is generally how good the public are at recycling but would require regular publicity to keep this as a high priority.

The scheme seems to require more staff for administration, checking quality of the recycling at the waste transfer station and dealing/negotiating with the Scheme Administrator.

It is unclear how the council will be paid for the DRS products going through the recycling or the residual waste.

Also, trade waste payments to the council are likely to change as some of the costs for recycling are being met by the producers but there is a lack of detail with this.

Consistency -

There is mention of the Government funding some of the capital costs for vehicles that will be needed for the collection consistency scheme but there is no mention of the revenue costs.

WRAP have carried out a broad-brush estimating exercise for the cost of the implementation of collecting food waste separately. These are estimated, for RVBC, at YR1 £794,217 and YR2 £699708.

This is to include -

Y1 costs include for each household -

- Provision of kitchen and kerbside caddy
- 3 x bin tags with scheme info
- Supply of 3 x caddy liners/week
- Collection costs

Y2 costs include -

- 1 x bin tag with scheme info
- Supply of 3 x caddy liners/week
- Collection costs

Previously the council collected food waste with green waste and the MRF at Farington dealt with the product turning it into compost. Defra seem to be saying that the food should be separate but there is a mechanism known as TEEP, Technically, Environmentally, Economically, Practicable, which might be able to be used by the council to say that such a system would be unsuitable for Ribble Valley. We may argue that the food would again be better to be collected with green waste. However, this would require a MRF that would be equipped to deal with this combination and LCC appear, at this stage, not to be amenable to the idea.

- Technical, Environmental and Legal – The implications of these consultations are far reaching. It appears that the government are determined to drive through a significant change in the way that both retail and the packaging industry engage with our obligations to reduce the amount of waste that is still landfilled.

It appears that legislation will be introduced sooner rather than later, and the implementation timetables proposed are very challenging.
From a technical point of view, all the ideas under discussion could be delivered- at least in theory- but the resource implications could be substantial.

- Political – The outcome of this proposal may indeed require the residual waste from Ribble Valley households to be collected every 2 weeks which would be a departure from the present and politically desirable situation.
- Reputation – The Council has provided a gold level refuse service for a number of years and these changes might have a knock-on effect.
- Equality & Diversity – None arising as a result of this report.

5 RECOMMENDED THAT COMMITTEE

- 5.1 Delegate authority to the Director of Community Services to respond the consultations on behalf of RVBC.

ADRIAN HARPER
HEAD OF ENGINEERING SERVICES

JOHN HEAP
DIRECTOR OF COMMUNITY SERVICES

For further information please ask for Adrian Harper on 01200 414523.

REF: AH/COMMUNITY 250521