

LARAC

Local Authority Recycling
Advisory Committee

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**Extended Producer Responsibility a Local
Authority Perspective**



National Resource & Waste Strategy

- Announced by Government in 2018 after many years of a policy vacuum
- Four main areas of focus –
 - Greater Consistency in Household Recycling
 - Extended Producer Responsibility (EPR)
 - Deposit Return Schemes (DRS)
 - Plastic Tax

Environment Bill

- Environment Bill that was published on 15 October 2019 and forms part of a suite of bills introduced in the Queens Speech.
- Covers a wide range of environmental issues including water, air pollution, biodiversity and conservation as well as resource and waste management.
- Chapter three, Part three, sections 44 to 66 contain the parts of the Bill covering Waste and Resource Efficiency.

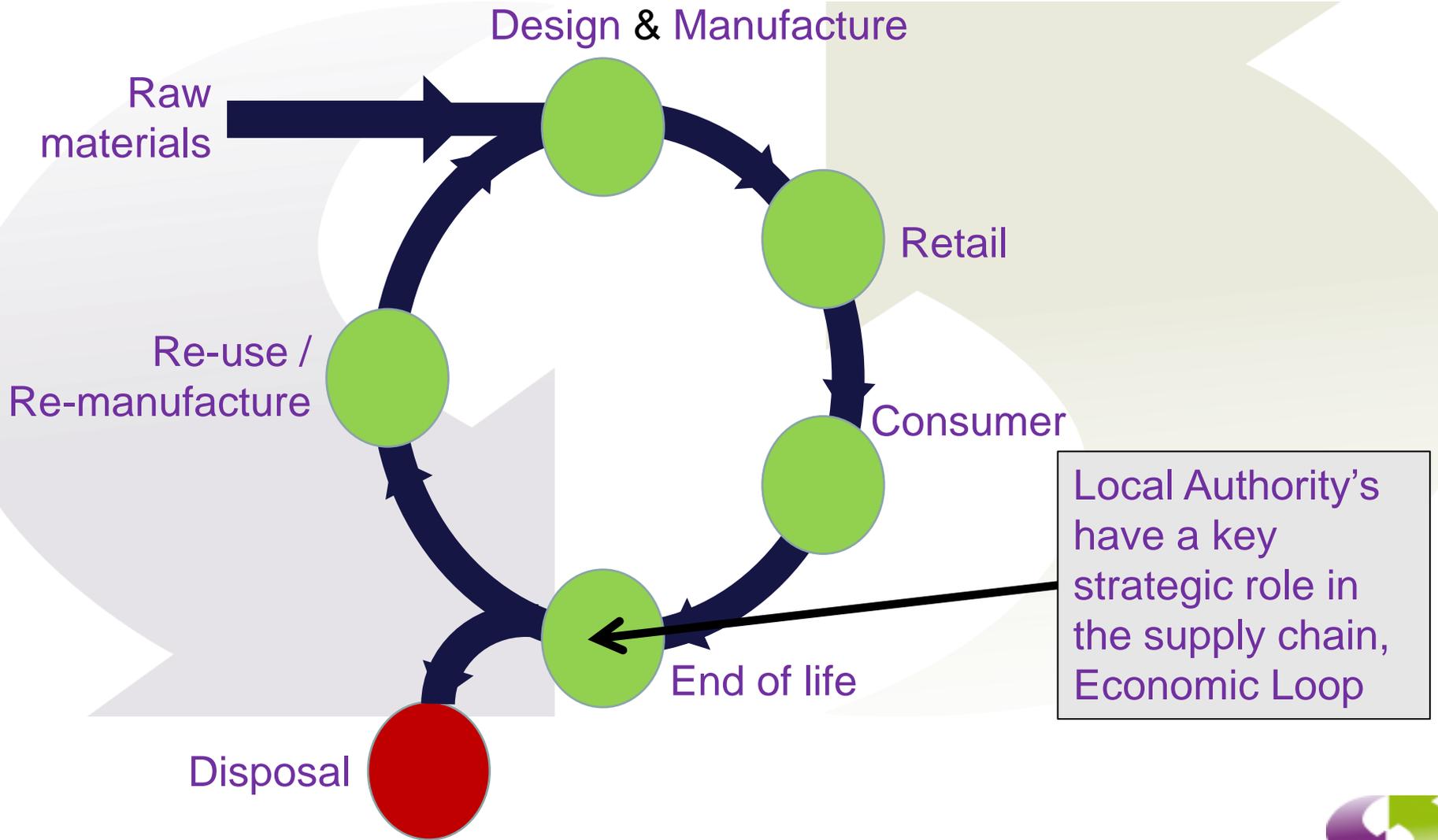
Environment Bill - Extended Producer Responsibility Powers

Powers are enabling powers that will enable Government through regulations to...

- Recover costs of managing products at end of life from 'producers'
- Establish extended producer responsibility schemes using the new Environment Bill powers and EA95 PRO powers
- Implement UK-wide regulations where agreed by the Ministers of each nation

They also address loss of ECA 2(2) – under which the Batteries, ELV and WEEE producer responsibility regulations are made

The Economic Loop



Current system of Producer Responsibility

- Introduced in the late 1990's with a market driven system involving packaging recovery notes (PRN's)
- Lowest cost system in Europe, and one of the highest performing – targets met for packaging recovery
- Why, - tax payers are footing the bill through Local Authority kerbside collections.
- Intended to build UK re-processing infrastructure, failed to do so.
- Too much reliance on Export markets – 'The China Crisis'
- Market volatility, shouldn't happen but does, dents confidence.
- Not transparent, where does the money go?

Price volatility – risk to circular economy principles

Plastic Income Per Tonne for over a 15 month period

May 18	£75
June 18	£63
July & August 18	£47
Sept 18	£53
Oct 18	£5
Nov 18	£ - 5
Dec 18	£20
Jan, Feb, March, April 19	£80
May 19	£120
June 19	£180
July 19	£200
August 19	£200
Sept 19	£240
Oct 19	£240



Impact of Extended Producer Responsibility

- Producers will be paying 100% of the full net cost for collection and treatment of packaging materials.
- Extended Producer Responsibility
 - Burden or opportunity?
- Material design
 - Technology is moving faster than treatment

LA Payments

- Compliance scheme administration – single scheme administrator or managed competition administration?
- First set of consultations, LA preference was for a single scheme, producers also seemed to favour this model. Not a government led scheme but a not for profit, value chain led organisation
- Easy to see why LA's preferred this option, but need to ensure we don't end up with an over bureaucratic organisation.
- There is a case for a managed competition model to deal with Household Like material in the commercial stream, LARAC would support this.

LA Payments

- Will every LA get 100% of its net costs for collection paid?
- Potentially not. Likely payments will be made according to a 'family group approach' for LA's
- How do you incentivise high quality and increased performance?
- Who owns the material as moves through the supply chain? LA reprehensive groups agree it should be Producers.
- What happens to those who do very little, i.e. not collecting the core set of materials?
- EPR payments will cover packaging in residual waste and litter.



LA Payments Challenges

- Payments in two tier authorities, likely to go to WCA's as they are the collectors, but not necessarily have the processing contracts
- What happens to Recycling Credits in two tier authorities?
- News and Pams will not qualify for EPR payments, yet is collected with other materials. Will producers see this as 'Free Riding'?
- Will EPR be extended to other goods, such as bulky waste, i.e., mattresses and carpets?

EPR and Greater Consistency to Improve Household Recycling

- Cost efficiency
 - Cross boundary opportunities
 - Procurement
- Recycling
 - Food waste is critical
 - Increasing the range of materials collected – pressure for cartons and film to be added
 - Improving capture
- Material quality
 - Safeguard and develop the UK recycling industry
 - assessment of impact on quality
- Householders
 - Confusion
 - Householders want to recycle
 - Products packaged in materials that are easy to recycle and where there are reliable markets
 - Consistent messages & labelling
- Environmental and economic outcomes
 - Carbon
 - High level economic outcomes

EPR - supporting circular economy principles

- Will EPR be a game changer? It needs to be if we are serious about closed loop sustainable principles.
- If producers are paying more into the system, will they want more say in how its collected, and quality of materials? – highly likely
- Create Demand in the Market for Recyclable Materials
- Standardise what we Collect & Ensure we have the right Infrastructure in the Right Place
- Extended, Effective & Transparent Producer Responsibility will help achieve this

Thoughts on DRS

LARAC feels an 'all-in' DRS could work against an effective EPR scheme, as it will remove valuable materials from existing kerbside collection systems.

Staffordshire Waste Partnership (SWP) has calculated recycling rates would fall by approximately 7% across Staffordshire's WCA's

Using the Resource and Waste Policy Impact Calculator developed by Suez and Anthesis, SWP has calculated an 'All in' DRS would cost between £100k to £150k, 3 LAs modelled, **one source separate =£ 149,581 (Newcastle-under-Lyme BC), one twin stream £140,861 (Staffordshire Moorlands DC) and one fully comingled £100,361 (South Staffordshire Council).**

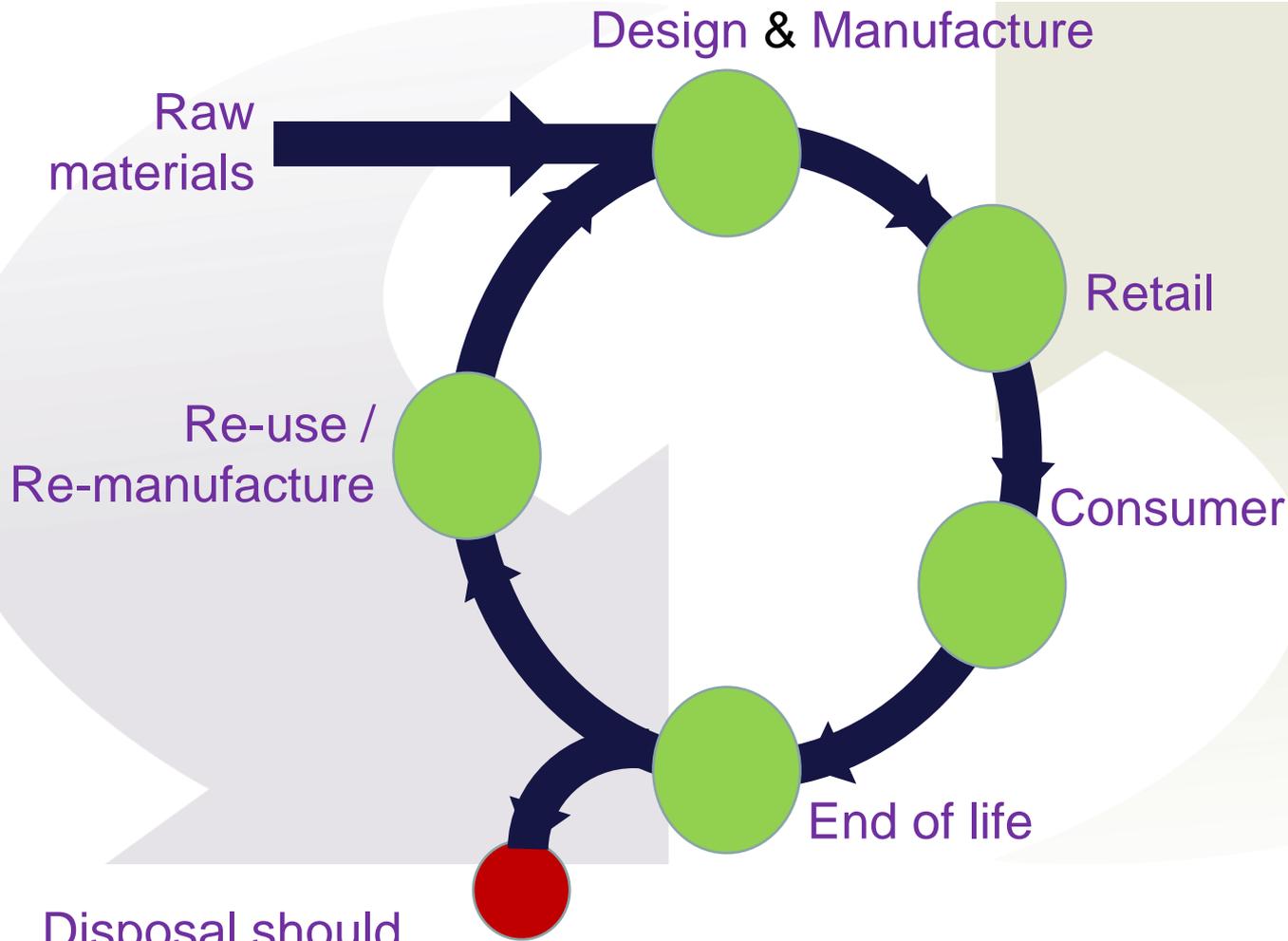
SWP feels EPR will obligate (and fund) 3-4 times more material than DRS. SWP has modelled that an 'All in' DRS will reduce weight of kerbside recycle by ~29%, residual waste by 3%.

That said an on the go DRS could have benefits especially around litter.

Final Thoughts (1)

- LA's need to engage and work effectively across the supply chain – we all have similar goals, we all need to take RESPONSIBILITY !
- Extended Producer Responsibility is an Opportunity
- Drive demand for materials
- Improve quality
- Speak with one voice across the supply chain
- **STOP using the word WASTE**

The Responsibility Loop



Disposal should be a last resort

Final Thoughts (2)





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