

CONSULTATION ON CHANGES TO PACKAGING RECYCLING BUSINESS TARGETS FOR PAPER, STEEL, ALUMINIUM, WOOD AND OVERALL RECOVERY AND RECYCLING FOR 2018-2020	20th DECEMBER 2016
TO: COUNCIL MEETING	
FOR DECISION	

Linkage to Council Strategy (2015-19)	
Strategic Theme	Innovation and Transformation
Outcome	Providing services in a more accessible and efficient way
Lead Officer	Aidan McPeake
Cost: (If applicable)	N/A

1.1 Introduction

This consultation seeks views on proposals by the Department for Environment, Food and Rural Affairs, the Scottish Government, the Welsh Government and the Department of Agriculture, Environment and Rural Affairs in Northern Ireland, to amend the business targets for paper, aluminium, steel and wood and for overall recovery and recycling in the Producer Responsibility Obligations (Packaging Waste) (Amendment) Regulations 2007 (as amended)¹ and the Producer Responsibility Obligations (Packaging Waste) (Amendment) Regulations (Northern Ireland) 2007 (as amended)².

These Regulations are referred to as “the Packaging Regulations” in the rest of this document. The UK has had since 1997 a statutory producer responsibility scheme for packaging recycling, which implements the Packaging and Packaging Waste Directive (94/62/EC, as amended – hereafter referred to as ‘the Packaging Directive’). This scheme internalises some of the externalities of dealing with packaging at the end of its life. This reduces the amount of packaging waste going to landfill and reduces the environmental impacts in a way that is better for the environment and natural resources than landfill. It does so by setting minimum recycling and recovery targets on UK businesses in the packaging supply chain.

The current targets run until 2017. The existing business targets for 2013-17 were consulted on in 2011 and final targets announced at Budget in March 2012³. The targets were set using the best evidence available from business at the time. Glass targets were revised in 2014⁴ following the publication of the Glass Flow report. In 2015, following the publication of the Plastic Flow report the plastics targets were also amended for 2016-7, along with the establishment of new targets for plastic and glass for 2018-20. The Statutory Instrument will come into effect by the end of 2016.

The targets for the other materials (paper, steel, aluminium and wood), as well as the overall recovery and recycling targets, expire in 2017. The Packaging Directive requires member states to deliver a specified recycling rate by 2008 and maintain that rate each year thereafter. Therefore, without targets beyond 2017 we would be in breach of our Packaging Directive requirements and would not deliver our domestic policy.

This consultation proposes options for new material specific recycling targets for paper, steel, aluminium and wood and new overall recovery and recycling targets from 2018-20.

The proposals in this consultation are expected to be of greatest interest to:

- Packaging ‘producers’, as defined in the Packaging Regulations
- Packaging compliance schemes
- Reprocessors and exporters of waste packaging
- Waste management companies and local authorities involved in the collection of packaging
- Any research institutions, groups or individuals with a particular interest in packaging waste.

The Government is considering 3 options for setting packaging recycling business targets for paper, aluminium, steel, wood, overall recovery and overall recycling for 2018-2020. The potential targets are presented in the table below. Full details of the costs and benefits of the different options are described in the Impact Assessment that accompanies this consultation document.

1.2 Options Table

Option 1			
	2018 Business Target	2019 Business Target	2020 Business Target
Paper	69.5%	69.5%	69.5%
Aluminium	55.0%	55.0%	55.0%
Steel	76.0%	76.0%	76.0%
Wood	22.0%	22.0%	22.0%
Total Recovery	79.0%	79.0%	79.0%
Total Recycling	72.7%	72.7%	72.7%
Option 2			
	2018 Business Target	2019 Business Target	2020 Business Target
Paper	71.0%	73.0%	75.0%
Aluminium	57.0%	59.0%	61.0%
Steel	79.0%	82.0%	85.0%
Wood	38.0%	43.0%	48.0%
Total Recovery	80.0%	82.0%	85.0%

Total Recycling	73.6%	75.4%	78.2%
Option 3			
	2018 Business Target	2019 Business Target	2020 Business Target
Paper	70.0%	71.0%	72.0%
Aluminium	58.0%	61.0%	64.0%
Steel	78.0%	80.0%	82.0%
Wood	25.0%	28.0%	31.0%
Total Recovery	80.0%	81.0%	82.0%
Total Recycling	73.6%	74.5%	75.4%

1.3 Summary of Options

Option 1 – Extend the 2017 targets until 2020

Option 1 would then flat-line those targets out to 2020 thereby maintaining the same level of recycling from 2018-2020. This would mean no increase in the overall rate of recycling, but also no additional cost to business.

Option 2 – Set targets in order to achieve the Circular Economy Package recycling targets for 2025.

Option 2 sets ambitious targets that would put the UK on a trajectory to hit the material specific and general recovery and recycling targets proposed for 2025 and 2030 in the draft EU Circular Economy Package⁷.

This will mean increases of 2% per year for paper and aluminium, 3% for steel and 5% for wood, plus an increase to 85% overall recovery by 2020.

Option 3 – Optimal targets based on cost-benefit analysis for each material: high ambition targets for aluminium and steel; increasing but less ambitious targets for paper, wood, and overall recycling and recovery.

Option 3 attempts to assess the ‘optimum’ level of recycling for each material and the general recycling and recovery targets, based on analysis for each material of the costs and benefits associated with diverting additional tonnes from landfill to either energy recovery or reprocessing.

This option has large increases in the targets for aluminium, and to a lesser extent steel, due to their high material value and the large carbon savings that occur if these materials are diverted from landfill to reprocessing. Paper and wood, which are relatively less valuable in secondary markets and in carbon saved from diverting from landfill, would see smaller increases. Overall recovery and recycling would also see relatively smaller increases as these targets tend to drive up recycling rates of paper and wood only.

Further details can be found at

<https://consult.defra.gov.uk/waste/packagingtargets2018-20/>

1.2 Recommendation

For members to assess the information within the Consultation document and to submit comments individually or by party by 12pm on 06 January 2017.