

Environmental Audit Committee

Oral evidence: [Disposable Packaging: Coffee Cups and Plastic Bottles](#), HC 339

Tuesday 24 October 2017

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[Watch the meeting](#)

Members present: Mary Creagh (Chair); Geraint Davies; Zac Goldsmith; Caroline Lucas; Kerry McCarthy; John McNally; Dr Matthew Offord; Alex Sobel.

Questions 260-396

Witnesses

I: James Lowman, Chief Executive, Association of Convenience Stores, Alice Ellison, Head of Environment, British Retail Consortium, Barry Turner, Director of Plastics and Flexible Packaging, British Plastics Federation, and Gavin Partington, Director General, British Soft Drinks Association.

II: Councillor David Simmonds CBE, Vice-Chairman, Local Government Association, Lee Marshall, Chief Executive Officer, Local Authority Recycling Advisory Committee, and Jakob Rindegren, Recycling Policy Adviser, Environmental Services Association.

Written evidence from witnesses:

- [Association of Convenience Stores](#)
- [British Retail Consortium](#)
- [British Plastics Federation](#)
- [British Soft Drinks Association](#)
- [Local Government Association](#)
- [Environmental Services Association](#)



Examination of witnesses

Witnesses: James Lowman, Alice Ellison, Barry Turner, and Gavin Partington.

Q260 **Chair:** Welcome to our witnesses this morning. Before we start, could I ask all guests and visitors to turn their mobile phones to silent, please? We are delighted to have with us today James Lowman, the Chief Executive of the Association of Convenience Stores; Alice Ellison, Head of Environment at the British Retail Consortium; Barry Turner, Director of Plastics and Flexible Packaging at the British Plastics Federation; and Gavin Partington, Director General of the British Soft Drinks Association. Welcome to you all.

I will begin by laying out the scale of the problem to you. Each year UK households use over 13 billion plastic bottles. Only two-thirds of them, 57%, are currently recycled. We think about half go to landfill and half go to waste, but we know—we heard last week—that 700,000 a day are littered. The first question is: with plastic use set to quadruple by 2050, can you tell us one thing that your association or industry has done to tackle this tide of plastic that is suffocating our landscape and our ocean and what two things you plan to do in the future?

James Lowman: Convenience stores are the ultimate local business. Most of our customers come from within a quarter of a mile of the shop, so the work our members have done is something very local to them. It is about local clear-up campaigns focused on litter close to their store. There are a lot of very good examples of some of that work.

I think the things we can do going forward surrounds on-the-go consumption. That is one of the big gaps in the equation at the moment between the plastic bottles that are currently recycled and those that are not. A chunk of that is people increasingly eating and drinking on the go. When they are at home, although it can be improved there is pretty good education and rates of recycling. It is better in Wales than in England but there are better rates of recycling from kerbside. When people are on the go the facilities are not there and we would like to engage in a conversation with everyone about the role we can play in that with the provision of bins or collections or education and information. There is a lot to go for there that we would like to do.

Q261 **Chair:** You want to be part of the conversation but you do not have any plans at the moment?

James Lowman: Correct.

Q262 **Chair:** Thank you. Ms Ellison?

Alice Ellison: To go back to the percentage of plastic bottles, I understand that evidence has recently been submitted to this Committee from Valpak that suggests that 74% of plastic drinks bottles are recycled and the 57% is all plastic bottles, which includes detergent and shampoo bottles and far fewer of those are currently recycled. We would prefer to



talk about how you close that gap from the 74%. If you are looking at low 90%, it is a 10%, 15% gap and how do you close that.

Retailers look at plastic packaging and their products in their entirety rather than singling out particular items. Plastic bottles are recyclable as long as they are designed in the correct way and the important thing is to make sure that they are recycled. Ten of our members have committed to switch from plastic cotton bud stems to paper cotton bud stems by the end of this year and that will remove over 2 billion plastic cotton bud stems from the environment. I know we have legislation coming up but they also voluntarily removed microbeads from personal care products. They are looking at the formulation of wipes to make sure that those meet water company requirements. In the future they are looking at how to simplify plastic packaging so that it is recyclable and then to work with others to ensure it is recycled. One of the examples of that is black plastic and a number of our members are part of a group that is committed to pilot a solution by next year to ensure that black plastic is identifiable in the recycling process and can be recycled. I have lots of other examples but I will let—

- Q263 **Chair:** What I have heard you say is that your members are complying with the legal ban although they are still selling their products, are they not, online and in store? I think that L'Oréal and—I would need to go back but definitely some other products that contain microbeads are still on sale online at least. You are saying stuff is happening with cotton buds, which is welcome, and that we are using the wrong numbers and it is a 75% recycling figure already.

Alice Ellison: For plastic beverage containers, yes.

Chair: You think that it is 75%?

Alice Ellison: I think about that. It might say 73% but it is somewhere in that area.

Very quickly on the microplastics, members have removed microbeads from their own brand products and L'Oréal are branded products and our members would not know exactly what was in there. Obviously the ban will come in and they will then be removed from shelves.

- Q264 **Chair:** From memory, I think it is Garnier Laboratoire. It is definitely French branded products. I have not heard two things though. I heard lots of things about other things but I did not hear two things about plastic bottles.

Alice Ellison: Our point would be that we want to go further. We want to look at how you move to a more circular economy. Instead of take, make, dispose, where do you want to be in 25 years' time; where is the Government's 25-year environment plan?

Chair: We are all asking that question.



Alice Ellison: Why are we just looking at plastic bottles? If you want to look at plastic bottles then we would go back and say, "Agree, but there is a gap around infrastructure for on-the-go consumption". That is not just plastic bottles. There is all sorts of packaging and product that is disposed of on the go. We would like to have a conversation with others about how we address that gap but have that conversation in the context of producer responsibility more broadly and the measures that are coming out of the European Union shortly.

Q265 **Chair:** Thank you. Mr Turner?

Barry Turner: Following up on some of the statistics, I think it is important to understand how the numbers break down. DRS schemes tend to relate to beverage containers and they represent 13 million out of the figure that you have mentioned. I think we all need to realise that there is segmentation within that. As an industry, we are keen to see improvements in recycling. We have something called PIRAP, Plastic Industry Recycling Action Plan. A wide range of initiatives fall under that, including consistency work. You may recall that we called for a more consistent approach to design and to also ensure consistent collection of materials from kerbside. Latterly we have been calling for some changes in producer responsibility as well.

Getting to the point of what we have been doing, we have had PIRAP running for a number of years and we intend to continue that initiative. On litter, we have been supporting a number of anti-litter initiatives. Bottles get into the environment because people litter, so we have been supporting the charity Hubbub with a number of initiatives, including here in London on the Thames and you might have seen some of the outputs of that.

In terms of the future, we are looking hard at PRN reform with a range of different stakeholders to see how we could better direct monies in the future to ensure the necessary support is given in all areas, whether it is communication, anti-littering initiatives or infrastructure. That could include on-the-go, which is where we see the biggest problem. Of the 13 million containers that I referred to, which mainly relates to beverage containers, including soft drinks, carbonates and water, over two-thirds are consumed in the home. Another percentage is consumed in offices and restaurants, and what is left is a figure that, depending on the sector and the product, ranges between 10% and 20% of the total. That 10% to 20% is where we see there is a need for more coherent infrastructure because I think we would all accept we have grown used to consuming food and drink on the go but what we have not seen is any real strategy to deal with that. That is where we are keen to work in the future.

Q266 **Chair:** Why do your members keep insisting on using unrecyclable packaging? You have talked a lot but I am asking for one thing you have done, which sounds like a charitable donation to a litter charity. Hubbub do not work in my constituency; I am not sure what they do in other people's constituencies. That is very nice for Hubbub but does not really



HOUSE OF COMMONS

affect global impact. I hear you talking about system reform further down the line. Why do your members produce products that cannot be recycled in British recycling facilities?

Barry Turner: Do you have an example that you would like me to address?

Chair: We have wrappings on plastic bottles of unrecyclable polymers, the Lucozade wrapping for example. Why do we need a plastic film wrapping around a plastic bottle?

Barry Turner: The industry does not really dictate what label a manufacturer puts on a bottle.

Q267 **Chair:** So it is not your problem?

Barry Turner: No, I am not saying it is not our problem. We advocate that they use the right material but we cannot—

Chair: Why aren't you?

Barry Turner: We cannot dictate to a brand what they choose to use.

Q268 **Chair:** You just give them anything they want and if it is unrecyclable that is fine?

Barry Turner: With all due respect, it is a commercial world. If we didn't someone else would.

Q269 **Chair:** It is just like the microbeads, so it needs to be regulated as well. If you told the consumers, "This is unrecyclable" they would not buy it, so if you keep them in the dark—

Barry Turner: With due respect, we try to educate and promote those factors. What we cannot do is dictate to people. We can point out where it is wrong.

Q270 **Chair:** Until the law changes, you will carry on making unrecyclable plastic polymers?

Barry Turner: I personally am not responsible for that.

Q271 **Chair:** I am not asking you personally. You are here to represent your organisation, so your members will carry on. In a dog-eat-dog world they will carry on doing that.

Barry Turner: With all due respect, let's come back to the world that we live in.

Chair: I am. We are talking about a tide of plastic polluting our landscape and our oceans.

Barry Turner: Where does the tide of plastic that you refer to come from? If we look at the tide of plastic that is polluting our world at the moment, it comes from two sources: a lack of infrastructure in some cases and individual behaviours.



HOUSE OF COMMONS

Q272 **Chair:** But it also comes from plastics that cannot be recycled, which your members are going to carry on making until the law changes and says they have to find alternatives.

Barry Turner: I am sure our members, with the focus on the circular economy, will make changes to the products but it needs to come from the—

Q273 **Chair:** But nothing is planned at the moment? I asked you for the two things you are doing and I heard PRN notice reform, which is all quite abstract. It is not abstract for us but for people watching this, who are looking at their plastic bottles, PRN notice reform is quite an abstract concept, isn't it?

Barry Turner: I do not think producer responsibility is an abstract concept. Producers—and you have got them all here today—pay into a scheme. They want to see a reform to direct those monies in a better way to make more effective recycling and recovery of waste in the future.

Q274 **Chair:** But at the moment quite a lot plastics are ending up in a hole in the ground as landfill, exported to China or being incinerated; am I right?

Barry Turner: Of the total, 78% of the plastic packaging placed on the market is recovered.

Q275 **Chair:** We will use our 57%. To come back to your figures, the 73% that you quoted from Valpak is only drinks bottles. As you rightly said, for milk bottles, shampoo bottles, which are all produced by your members, the recycling rate is 57%. Other countries include all bottles in their deposit return schemes, including milk bottles.

Barry Turner: No, that is not true.

Alice Ellison: No. The German scheme excludes fruit juice bottles and milk bottles. I think it also excludes wine. The reason for that is because it was set up to protect the refillables market initially, so it has some funny exclusions. My understanding is the figure from Germany is just the bottles that are eligible for the DRS scheme.

Q276 **Chair:** Okay, thank you. Let's move on to the Soft Drinks Association: one thing you have done and two things you are doing, Mr Partington.

Gavin Partington: I would like to address that very directly and also refer back, if I may, to a couple of points made by Barry in the previous answer. One of the things that we have been focusing on as an industry is to absolutely ensure that all our packaging is recyclable. You rightly pointed out that in some cases some of the wrappers for some of the plastic bottles put on the market are difficult to recycle. They can be recycled but they are difficult to recycle and our industry is absolutely committed to taking steps to ensure that they can be and to make changes where necessary so that we can achieve an ambition that all of our packaging is 100% recyclable and none of it ends up on roadsides, littered in rivers or certainly not in the oceans.



Q277 **Chair:** By when?

Gavin Partington: As soon as absolutely possible. We do not have a date set in mind but it is a very urgent ambition for us as a sector because we want to reuse as much of the materials that we have as possible. I appreciate there is not a headline-rallying storyline for PRN reform but one of the clear problems is that we have a deficiency in the system here. It cannot be right that according to compliance figures some two-thirds of plastic waste, PRN money is spent on exporting these materials overseas, as you indicated. We do not want to see that. What it does is deprive the system here of the sort of good grade, high quality materials that can then be reprocessed and turned into high quality recycled PET. It may not be fashionable but PRN reform is an absolute necessity in the UK.

The other thing that we would like to see and we want to be a part of is working with Government in getting some consistency in local authority collection. All the evidence from opinion surveys and polls suggest that there is considerable consumer confusion about what to recycle, where to recycle it, and there is inconsistency in approach. We know from close to home in Wales where they have had a consistency of approach and some rewards for councils who stick to the model that raises the level of recycling.

Keep more materials here, better recycling, more capacity for reprocessing, and I think we start to make a real change and difference in the levels of recyclable material available in the market here.

Q278 **Chair:** Can you give us one example of what your members have done?

Gavin Partington: In many cases they have invested in recycled PET. You will be familiar, I hope, with a commitment from one of the leading companies in the sector, Coca-Cola, to drive up to 50% recycled PET use by 2025. Other companies have ambitions in that department as well and our sector has also invested heavily in communication campaigns targeted at consumers to persuade them to do the right thing with litter. We are currently investing in a scheme with Keep Scotland Beautiful that is focused on roadside litter and many of the companies in our sector have regular partnerships with charities involved in communicating this effort.

Q279 **Chair:** How do you recycle a Lucozade bottle wrapped in that funny orange film?

Gavin Partington: I do not know precisely and I am not an expert in reprocessing but what I understand—

Chair: Or Ribena wrapped in a film?

Gavin Partington: —is the bottle itself is 100% recyclable. The film can be extracted and can be reprocessed but what—

Q280 **Chair:** But it isn't, is it, because if your members don't label it clearly



that is the polymer that pollutes the rest of the plastic stream?

Gavin Partington: I accept that that is a problem and our companies and our membership have been challenged with addressing that problem and are seeking to address it now. One of the reasons why it is challenging is that we do not have adequate reprocessing and recycling facilities in the UK. There is no transparency in the PRN system. That money is spent by companies, rightly, to fulfil their responsibilities for putting packaging on the market but in doing so that money disappears into the ether. There is no clear connection between that investment and, for example, increased recycling facilities, increased capacity at recycling centres. We would like to see that connection become much more transparent and hopefully solve that problem.

Q281 **Chair:** My understanding is there is only one recycling facility in the country that can recycle plastic film and it is not feasible or cost effective for 300 waste authorities to pick out every bit of cling-film and plastic polymer in the middle of sorting out black plastic waste, laminated PET, laminated PP, all of these things that are a shiny label, looks nice, have the grab factor feel but destroy the product's ability to be recycled and turned into the recycled PET that you say your members want. They are deliberately destroying their own circular economy by the product that they make. Isn't there an absurdity in that?

Gavin Partington: I think there is a challenge. I accept there is a challenge and it is something that needs addressing. I have looked at one of the companies that has a reprocessing plant here and also in Belin in France and I have looked at the quality of the bales that are returned for recycling and turning into feedstock. The quality in Belin in France is of a far higher grade than it is here. One of the points that people make is that if we can get a better grade of that plastic material we could have far more recycled PET and we have then reusable resources that should rightly be used by companies operating in the UK market.

Q282 **Chair:** When do you think your members will get to 100% recycled PET?

Gavin Partington: I think 100% recycled PET poses distinct challenges. 100% recycled PET would not survive for ever. It would break down and disintegrate. It has a limited shelf life.

Q283 **Chair:** What is desirable then?

Gavin Partington: What is desirable is the maximum possible.

Q284 **Chair:** What works so that it does not break down?

Gavin Partington: If the whole of industry was to try to get to 50% right now, it would be slightly challenging for companies, partly because of the lack of resources in the system to provide that material. That is precisely why we would like to see some of these reforms undertaken because if you can keep more materials in the UK and not export you increase the economic value and availability of that material in the UK



HOUSE OF COMMONS

marketplace. You then get money invested through the PRN system in creating more recycling facilities and reprocessing. It is a virtuous circle.

Q285 **Chair:** We understand that. We are trying to work out how to do it. France has legislated that plastic items must be made with only 50% virgin plastic by 2020. That is in disposable cups, cutlery and plates. Would that cause a problem for your members, Mr Turner?

Barry Turner: No, not at all. We are keen to see the highest level of recycling possible but we also recognise that when a product is termed recyclable that can be into a variety of different products. It can be back into a food grade product, where it needs special treatment to ensure that it is food safe, or it can be into a durable product where you do not have to hit the same threshold. For example, PET is recycled into a variety of different products, including bottles and food trays for the food grade products and into other more durable products as well.

Q286 **Chair:** We have some retailers, Ms Ellison, such as Selfridges stopping the sale of plastic bottles in their stores. Are any of your other members intending to take similar action?

Alice Ellison: Not that I am aware of. As I said, our members would be looking at their plastic packaging in its totality and what they would be looking at is plastic bottles, if they are designed appropriately, as you said, are recyclable but it is ensuring that they are actually recycled. They are working to rationalise their plastic packaging format so that as much as possible of their plastic packaging is recycled and recyclable. Several of our members have targets of reaching 80% to 100% of recyclable packaging in the next decade.

Q287 **Chair:** Do any of your members have on-the-go recycling facilities in their stores, any of the large retailers, large supermarkets?

Alice Ellison: I am not sure if they have them in store. I think some of them separate their waste in store, so they will have a general bin but that will get separated out. A lot of them have recycling facilities in car parks. But customer research by our members has shown that people's preferred method of recycling is kerbside, so that affects the facilities in the car parks, but for on-the-go we accept that there is a gap and we want to work with others to work out the best way of adjusting that gap.

In the meantime, about nine years ago the British Retail Consortium launched something called the on-pack recycling label. I do not know if you are all aware of it but on some bottles and packaging there is a swoosh and it will say "currently recycled", "not recyclable" and so on. That was industry's way of consistent communications about recyclability and that label is now owned by the Local Authority Recycling Officers Association, RECOUP, which is a plastics recycling organisation, ACE and another company. Retailers and brands are members of the scheme and we are looking at setting up a tool, that is currently in use in Australia, that when you are designing packaging you can see how recyclable or not it is. If you are designing a plastic bottle and it has a big PDC sleeve on



it, that will show up as not being recyclable and then it gives the manufacturer, retailer, designer the opportunity to redesign it right there and then. There is lots of work going on to ensure a more consistent approach to packaging and customer communications on recyclability.

Q288 Caroline Lucas: Mr Partington, going back to what you said earlier about the fact that 100% PET would not be sufficiently sustainable, it would disintegrate over a period of time, I don't think we have had evidence about that before. Could you clarify what is the maximum of recycled material that you can put into a bottle, let's say, in a way that you would deem safe?

Gavin Partington: I am not sure of the absolute maximum amount that can be put in for safety levels, although I can find out and share that with you. I was simply referring to I have been told that if you recycle PET 60 times it would disintegrate.

Chair: I think we are a long way from recycling it 60 times.

Gavin Partington: I am happy to follow up on that.

Q289 Caroline Lucas: I have not read anywhere that 100% PET is not a very sensible thing to be using.

Barry Turner: Could I answer that? In setting a threshold for the recycled content of a container, you do have to bear in mind a number of things. There are competing end markets, so it is not always going to be possible to direct it all to one particular market.

Caroline Lucas: If you are able to follow up in writing that would be really helpful, just so we know what we are asking for.

Q290 Chair: Did you want to say something else, Mr Turner?

Barry Turner: The other issue that you also have to consider is if you are going to put it back into food contact you are setting the very highest threshold for process. That is the reason some recycle goes to other markets as well and those markets are perfectly good in terms of the environmental benefit so we shouldn't—

Q291 Chair: We can argue about whether exporting waste to China is a perfectly good solution for our country's plastic—

Barry Turner: No, I was talking applications. I am not talking markets.

Q292 Chair: Applications not—yes. A lot of it goes to the Chinese market as well, doesn't it? I think that is inevitable.

Barry Turner: Like most things, we live in a world market and some products, particularly the more heavily contaminated products or the more difficult to recycled products, might end up going to overseas markets where labour costs are a lot lower. We live in a world market. We would like to see more happen in the UK.

Q293 Chair: The Chinese are about to change the regulations for the stuff that



we can ship them.

Barry Turner: They have and that could well—

Chair: That is the looming crisis for the waste industry, is it not, that we cannot just keep shoving this stuff on ships as ballast and leaving it to Chinese workers to sort out? They are not going to accept it.

Barry Turner: It is changing and that might create a favourable environment that will see more investment made in the UK and Europe.

Q294 **Chair:** That is coming in January. We are not talking six years away. We are talking months.

Barry Turner: I know we are not but new markets have already been found. It is already happening. People have known about this for a long time, so it is not a looming crisis.

Q295 **Geraint Davies:** Your job is not to save the world. It is to maximise profit subject to regulations. Therefore the problems we have identified here, whether it is caps, lids, barrier films or coloured pigmented—you mentioned black plastic—wouldn't it be better for us simply to ban certain inputs or at least place a penal tax on it to change the incentive structure for manufacturers away from using things that are destroying our environment? We are looking at deposit schemes here but there are issues about fines, taxes and banning products. From our perspective, don't you think the easiest thing would be to ban or penally tax some of these things that you will carry on using if it makes money?

Alice Ellison: That question is great because it looks at packaging and products as a whole and it goes back to the point that I was saying earlier, that we want to look at how we move to a more circular economy and what we need to do to get there. It may be that bans or levies or incentives have a role to play but let's look at it in the round. We have been talking about the PRN system. I think all of us would agree it is not perfect and there are lots of things we could do with it and we might have to look at it anyway because of what is coming out of Europe. But one of the things you could do is look at how you could incentivise responsible packaging and decisions about that.

Within that, once you are looking at everything then you can look at what you would do for what product and what packaging type. Just having a random approach to particular products is not helpful and can have unintended consequences. For example, if we said let's ban plastic bottles or plastic bottles made from oil, who can say that does not incentivise buying your plastic that then can have implications of where. It is really important to look at everything in the whole and work out where we want to get to. I think we all want to get to the same place. I think we all want to transition to a circular economy. We all want to reduce pollution but what is the best way of doing it and let's have a road map that gets us there but an actionable road map so we are doing the things.



Very quickly, on the export waste side I wanted to add that at the moment, going back to PRN reform, there is a perverse incentive in the PRN system to export waste abroad, which I don't completely understand but it means it is more cost effective if you export the waste rather than recycling it here. That is something that could be removed very quickly from the PRN system and has been raised with Government several times.

Q296 Geraint Davies: So I am clear, a differential tax system linked to incentivising the home capacity, as Mr Partington was saying, would be an approach that would be sensible if it was in conjunction with industry?

Alice Ellison: Yes. We would be very open to discussion about the PRN system and what you can do with it. One thing is you could have incentives or you might be able to have incentives, depending on how it is structured. Another thing is at the moment we have very little—apart from the on-pack recycling label—customer communication and customer awareness. What is great about all of this is that it is raising customer awareness about what potentially happens if you litter or don't recycle, but we need more of this. If we used the PRN system properly maybe we could have a ring-fenced communications fund, which could do a lot more. The other thing is maybe you could have the PRN system so that you ring-fence budgets to tackle difficult things like plastics or recycling on the go. I think there is a lot more that can be done.

Chair: We are going to come on to PRN now.

Q297 Kerry McCarthy: Before I launch into the complexities of PRN, Alice, you just said that we need a road map. Who do you think should be responsible for drawing up that road map? Where does the leadership come from on it?

Alice Ellison: We would say the leadership really needs to come from Government, which is why we are waiting for this 25-year environment plan. We need that vision and we need the certainty. Business has a key role to play but if business does it alone then not everyone is going to come with us and we need everyone to be doing it together. I think we need that vision and strategy from the Government, first of all, so that everyone is moving in the same direction and we know what we are aiming for.

Q298 Kerry McCarthy: I think the Government have just announced a waste strategy.

Alice Ellison: Did they?

Kerry McCarthy: I think they did in the last week or so, which was envisaged for quite a while so obviously you would have input into that. With packaging recovery notes, I think 95% of companies join a compliance scheme. Does that mean that they can avoid their responsibilities? Does it mean that some companies are doing more on recycling and that is covering up for companies that are not doing it as



HOUSE OF COMMONS

well? Gavin, you look like you are wanting to—

Gavin Partington: There is an essential point here. It does not mean that people are avoiding their responsibilities. They are paying absolutely in line with the amount of packaging that they put on to the market but there is a lack of clear transparency and connection between the payment for a packaging recycling note or a packaging export recycling note, to your point, Mr Davies, whereby two-thirds of plastic waste in the UK is being exported. It is not in the interests of companies here long term to have that situation where valuable material is being taken out of our own recycling system and exported, some of it, we fear, to parts of the world where perhaps it may not be recycled as effectively as all that.

To Alice's point, we do look to Government here to take a leadership role in reforming the system because it would be possible to stop the export of this material and surely that is a first step. Increase the amount here, improve recycling here and you have the first step towards driving up the recycling rate and reducing littering.

Q299 **Kerry McCarthy:** Is it pitched at a level where it acts as an incentive to companies to reduce their waste at the moment or do they accept that this is a cost attached to their business and just carry on with business as usual? Alice, you are very keen to come in.

Alice Ellison: At the moment it is a blunt instrument. Companies are not incentivised to do the right thing and they are not de incentivised for not making responsible packaging decisions. That is where I think there is a lot you can do by looking at the current system. If you look at how the current system can also influence the current waste collection infrastructure we have, which is kerbside—if you look at the two together—there is huge progress that can be made. There is no incentivisation currently in our producer responsibility.

Q300 **Kerry McCarthy:** How would you use the system to incentivise companies?

Alice Ellison: That is something that we would need to discuss with our members and with others. It is quite complicated because at the moment we have a producer responsibility system, which operates through competing compliance schemes so it is a competition. How you structure incentives into that competition is unclear, so there is quite a lot to unpick, but definitely it is something that we should be looking at and we do want to have the conversation.

Gavin Partington: There are one or two compliance scheme operators coming into the market now who are suggesting making a very clear connection between the money that they spend on the packaging note and what it delivers: does it deliver a couple of extra baling machines, for example; does it provide for investment in communications to consumers to recycle and not litter; does it increase the resources at a local recycling centre? That is a first attempt to try to unpick this somewhat unsatisfactory system and make it more transparent and clear what the



HOUSE OF COMMONS

right and proper financial obligation of the manufacturer or retailer is being spent on.

Q301 Kerry McCarthy: What do you think would be more effective, communications or investing in the infrastructure? Do you put the responsibility on the consumer to know what to do, which I think is probably the Government's preferred approach to a lot of environmental issues, or do you invest in the waste infrastructure so that we can do something—

Gavin Partington: We would say the two go hand in hand.

Barry Turner: We have been having some discussions across all packaging materials with a number of different stakeholders about the PRN system going forward. As Gavin has touched on, there is no one single area that you need to look at to solve recycling. Some parts of the UK are doing very well with kerbside collection and achieving very high recycling rates, and other areas not so well. Maybe some funding needs to be directed to those that are not doing very well to help them make some change, to communicate better with householders, perhaps expand the service that they have because perhaps they are not offering a comprehensive collection of all materials that are recyclable.

Q302 Kerry McCarthy: If money is directed at the poorly performing local authorities you are, in effect, penalising the better performing ones who may have chosen to prioritise it.

Barry Turner: I think it is about trying to raise everyone to similar levels. Where we have gone in in the past with funding to help local authorities, it is on a matched basis so that we do not just throw money at the problem. There has to be a willingness by the local authority to want to make the change in the first place, otherwise you are just throwing money at a situation and it will not bring about change. We have always gone for a matched funding approach, but equally we have touched on-the-go. We could be helping develop a more comprehensive infrastructure in that place. That could be another area. These discussions are taking place right across the stakeholder chain at the moment. There are meetings going on with WRAP, Defra and other stakeholders and it is too early to say what they will result in but we are not taking the view of just sitting back as an industry and saying, "Let them get on with it and see what they come up with". We are trying to offer up some helpful suggestions as to extra cash could be raised for, from, how it could be raised, how it could be directed, to achieve the result we all want to achieve, which is a more circular economy and less littering.

Q303 Kerry McCarthy: At the moment the UK has one of the lowest producer compliance fees in Europe and my understanding is that about 90% of the costs of recycling waste packaging fall on local taxpayers or on the taxpayer generally. Do you think that we ought to be raising it to the extended producer responsibility standards that you get in other



HOUSE OF COMMONS

European countries?

Barry Turner: I think that comes back to who manages and controls the situation at the moment. The system that we have operated in the UK has traditionally operated in the way that you describe. What we are saying is as industry we think there are areas where the producer responsibility scheme could be improved to give more strategic funding to those areas most in need. At the moment it is, as Alice mentioned, a very blunt instrument.

Alice Ellison: On the taxpayers, businesses are taxpayers so they are paying business rates that are going to local authorities for all sorts of things but some of that will be going to aid waste and recycling collection. It is not accurate to look at just what you pay through the PRN system in isolation. There are other taxes and we are also paying as council taxpayers. There was some research also carried out by Valpak earlier this year that looked at producer responsibility regimes in different EU member states and it showed that there was no correlation between the amount you pay into the producer responsibility scheme and the recycling rate, for whatever reason. At the moment we have one of the lowest compliance rates. If we paid more it is not necessarily a given that the recycling rate would increase. It is how you do it and what you want to do with it. But I think we must not forget what is going on in Europe at the moment and the circular economy package and there probably are changes that will affect the UK.

Q304 **Kerry McCarthy:** The UK Government, by which I mean the English end of Defra, seem quite reluctant to grasp the circular economy concept. Scotland and Wales are moving ahead on it. Given your enthusiasm, you all seem to think it is a very good thing and the industry is crying out for this to be taken up as an agenda, do you feel that—I don't know whether to say England or UK but do you think that Defra is doing enough?

Barry Turner: I think it is possibly a reflection of where we are at the moment, where the resources of central government are directed and how much resource Defra has to spend in this area. That is why we have decided as an industry we will try to proactively develop some proposals to fill that space because we think if we wait we will probably be waiting until post-Brexit and we want to move on now.

Chair: Industry has been talking about reform of PRN for about the last five or six years. I can remember when I was shadow Defra this was the discussion, so things don't seem to have moved forward very quickly from your end, or do you think that is because the proposals you put to Defra have not been listened to or acted upon? You talked about businesses being taxpayers. I don't know how many plastic bottles Amazon sells a year but it certainly does not pay its fair share of tax in this country, does it? Businesses are taxpayers is not a statement that applies equally to all businesses.

Q305 **Kerry McCarthy:** Business rates do not act to incentivise a movement on



HOUSE OF COMMONS

the issue that we are talking about today. They apply across the board to companies.

Alice Ellison: But for the majority of retailers business rates are a big cost and a big tax, so our members would have that in mind when we are talking about producer responsibility and contributors, but I accept it does not have that direct relationship like PRN.

Barry Turner: I would say that why there is more serious discussion going on now is a reflection of the circular economy. That has had some beneficial effects in that it has caused people to look at the system and say, "This is a likely future target, this is the likely direction that we are heading in", so I think that has been a positive change.

Q306 **Chair:** The impending European regulations have been a positive driver for your membership?

Barry Turner: I think in terms of moving those discussions forward I would say yes.

Q307 **Chair:** Would your members be anxious about divergence after Brexit, given that they would perhaps be selling bottles to a European company that might have one set of rules in France and Germany and then a different set of rules in the UK?

Barry Turner: We do not particularly want to see a divergence of rules across Europe when it relates to a variety of areas. We rely on Europe for a lot of legislation, which I believe has been beneficial by and large. There are areas that I am sure we could all pick up but by and large, with safety legislation in particular, when it is food contact and areas like that, the way the markets work with the dependency of the UK on the European market, there are not going to be many companies in the UK that are saying they can ignore what is likely to happen in Europe just because the UK has made a decision to come out.

Q308 **Chair:** Does the same go for your, Mr Partington?

Gavin Partington: I am sorry, could you repeat the question?

Chair: About compliance with EU legislation, you have global brands, you represent global brands. They do not want to be making one product for the UK market and then another product for French, German and Spanish markets.

Gavin Partington: Most of our major multinational companies operate factories in other countries and other markets, so in a way they face that challenge slightly less but there is a perception too that it is not desirable. It is better to have a parity on rules and regulations across this space. On the issue we are discussing today about trying to drive up recycling rates and reduce littering, it seems preferable that we can all take united action together that does that collectively. That seems like a sensible way to go and, as an industry, we would like to play our part in that.



Q309 John McNally: The industry bodies seem rather sceptical of the DRS scheme that is being proposed. As we know, in European countries they have a hugely successful recycling rate of between 80% and 98.5%. Would you expect a DRS scheme to achieve similar success in the UK? I am mindful of my time but I would really like to ask Mr Partington if he thinks that, focusing on the large companies who sell soft drinks, are there any measures to reduce plastic use or littering associated with companies in the supply chain, such as hauliers and plastic manufacturers, being pursued with these companies?

Gavin Partington: I think it is very important to have an approach that covers every part of the sector. We have said as a trade organisation that we recognise that DRS does operate effectively in some markets in Europe and elsewhere and we are willing to be part of a conversation about how a properly designed DRS system could play a part in dealing with the UK challenge. But based on the evidence we have seen we caution against thinking that DRS per se is a panacea for solving the problem of littering or the inadequate levels of recycling. We recognise there is a problem to be dealt with here because recycling rates seem to have stalled in the last few years and we need to take action to drive them up but a DRS for soft drinks containers, for example, would only represent addressing 2.1% of the overall litter in the UK marketplace, leaving a lot else to be handled.

A lot of the industry is focused on this because of the industry characteristics that have gone into light weighting of plastic bottles for many years to try to reduce the carbon footprint of their businesses. That was a driver for many years. The challenge we face now is how do we deal with a society where as a result of change in consumer habits we have seen a huge increase in the amount of food and drink consumed on the go and, comparably, the amount of packaging that there is in that space. We would like to talk about DRS, very happily, but we do not necessarily think that it is the only thing that is going to tackle this issue. We believe we do need to look at that rather unfashionable issue of PRN reform to try to address this at its heart in the UK.

James Lowman: I think the answer is it depends on what the DRS system is and how it impacts on kerbside collection that, as we have discussed, is already in place. Your next panel will be able to talk about the impact on local authorities and kerbside but that is currently the system that customers like. I would be concerned that the amount of additional waste that would be recovered would not compensate for the amount that local authorities were not going to be able to sell into recycling as recovered plastic.

The other impact on our members is that there will be an impact on small stores. The question is: which stores, which retailers of soft drinks or any other products that might be covered, would be obligated to provide return facilities? Would it be all stores? In our sector, there would be very significant costs to our small stores in terms of the proportion of space



HOUSE OF COMMONS

taken up by a reverse vending solution and manual returns. Every member I speak to says that the idea of taking back dirty containers over a counter where you are selling food is just not feasible.

Q310 John McNally: I think we will come to that a bit later on during the questions about the difficulty for convenience stores. What I am really interested in is the success of the recycling rate in the deposit return schemes. Between 80% and 100% success is a phenomenal achievement. Why are we so sceptical in this country? Why are we so different? I know that the soft drink and beverages have been leading on this, they are quite keen, but I am really keen to see behind that.

Alice Ellison: I think one of the reasons that retailers are questioning whether or not a DRS is the right approach is if we are talking about the success rate in other EU countries we do need to use that 74% figure. We are looking at maybe a 15% increased recycling rate of plastic bottles. A deposit return scheme, whoever fits the bill, is expensive, particularly if you are going to have to compete with your kerbside recycling. We don't know exactly how much it would cost because we don't know how it could be structured but let's say it would cost £0.5 billion. Is that really the best way to use that £0.5 billion? That is to set it up and probably similar costs for running it. Different organisations will say it is cheaper but if you look at Germany it costs about just as much to run it as it does to set it up. If we are really looking at increasing recycling, reducing litter, moving into a circular economy, is that the best way of using that resource? There is a finite amount of money there and we would question whether it is the best way.

We will hear more about the effects on the existing infrastructure in the next session. The way we shop has changed. The UK has a high online retail penetration. I buy my groceries online and having to then take bottles back to get a deposit back is really inconvenient for me. I think the UK is further ahead of other EU member states in its online penetration and it does not have any infrastructure at the moment for DRS whereas countries like Germany did have some infrastructure already. They had a refillable system that we do not have. The UK is very different and you cannot just make blanket comparisons with other states.

Q311 John McNally: Barry, you have said that, "Work should focus on engaging in initiatives aimed at capturing the most difficult waste streams and less recycled items such as on-the-go". Do you think a deposit return scheme would improve the on-the-go recycling?

Barry Turner: Of the bottle sector it could increase the bottle recycling rate. To what level is difficult to say without understanding how the scheme would work. If we go down that route of a DRS, where could it have best effect? It would be on the on-the-go sector, to focus on that particular market because that is where we need the most help. It could have beneficial effects in terms of quality as well, so there are some benefits that could come. I have a concern that it is focusing on just one



HOUSE OF COMMONS

part of the plastic waste that we want to get back for recycling and I have a concern that we are going to throw potentially quite a lot of money at it to achieve that 15%, or whatever it is, improvement. I am not saying that we should not look at it but I am just saying are there other alternatives that we could deliver that would have a more comprehensive benefit to driving up overall plastic recycling.

We were concerned to note that in some European countries where they went down the DRS route they did it decades ago before they had well established kerbside schemes. We have also noticed that when they focus on DRS what tends to happen is that despite the bottle recycling rate going up, the overall recycling rate goes down for a period of time because of the diversion of material from one place to another and the focus goes on making the DRS work and everyone forgets about the rest.

Our concerns are simply that if we go down that route let's design it where it can achieve maximum benefit and let's not fall into the trap that some other states have fall into when they have implemented it. We want to see the overall level of recycling of all plastics going up, not just one part of it.

Q312 Alex Sobel: I am going to follow up on that point. On-the-go, clearly there is a lot more, the fast food, takeaway sector, supermarkets and other stores, meal deals—there is a lot of plastic in those that are not plastic bottles. That is a big part of the street litter that people complain about. Do you have a suggestion for a way of dealing with non-plastic bottles on the go, moving that into the circular economy?

Barry Turner: I think there is a variety of different approaches that can be applied. When you walk around London often you are confronted with no place to actually recycle. You have got a general refuse bin but no recycling point. In other places you will find a recycling point next to a general waste bin, so maybe we need a more comprehensive rollout of recycling facilities. That could be one option. Encouraging different materials could be another option. It is a whole strategic approach that is required because it is not just bottles that get consumed on the go. There is a whole variety of material that we should be trying our best to get back and we are not doing a very good of it yet and we think we can do better.

Q313 Alex Sobel: Are you suggesting the burden should fall on local authorities, on the public sector to do that?

Barry Turner: No, I am saying possibly from PRN reform it is a potential area that we could be looking at as part of where new monies could be put into that space. It is very early days at the moment but across the packaging sector—and I am talking all materials now not just plastics—we have had early discussions and we all seem to be of the same view that it would be better if we focused more on that space because that is what is causing most of the problems of either litter or not getting the



material back at the moment. The kerbside system works; on-the-go doesn't.

- Q314 **Zac Goldsmith:** On the broader issue, how much of an issue is contamination of materials that are harder to recycle in keeping our numbers down? The aspiration for everyone presumably is that we get as close as we can to 100% recycling capacity. The question is how much of an issue is the fact that there are so many different types of plastics used and some of them are less amenable to recycling than others?

Barry Turner: As part of the work that is going on under our Plastic Industry Recycling Action Plan there is a group looking at whether or not we can reduce the range of polymers in use. We are also looking at new technologies to recapture the more difficult materials. There is a new business called Recycling Technologies, which has been set up with a pilot plant in the UK, that is looking at grabbing all those more difficult materials that we can't easily handle and recycling them back into polymer. There is a variety of different approaches that have been taken to make sure that we can move towards that 100% recycling goal.

- Q315 **Zac Goldsmith:** My understanding is that Japan has already taken a big step in that direction where they have reduced the variety of plastics that can be used. For example, soft plastics for children's toys have been reduced down to three, I believe.

Barry Turner: It is starting to happen here, I would say.

- Q316 **Zac Goldsmith:** But in Japan it happened as a consequence of legislation and, therefore, it has happened very quickly and the industry has responded. Would you support or oppose attempts to legislate to try to reduce the number of different types of plastic that can be used so that whatever is produced can inherently be recycled? Is that something that your industry would support?

Barry Turner: I think it depends which materials you are looking at.

Zac Goldsmith: But just in principle.

Barry Turner: In principle, I would like to see the voluntary efforts given the chance to work because all stakeholders are involved in those and the decision on what materials to use is not one made by us.

- Q317 **Zac Goldsmith:** It is not a new problem that has suddenly emerged. Plastic has been building up in the environment now for decades. It is not that we are suddenly aware of this problem. There are 200 million tonnes of plastic in the Pacific at the moment, which has been produced by companies and has found its way into the environment. This is not a new problem. In principle, I would agree giving the voluntary approach a chance makes sense, but the voluntary approach has had a chance now for many, many years and the problem is getting—



Barry Turner: I would argue not because this voluntary approach that I am referring to is a dialogue that has only been going on during the last 12 months.

Q318 **Zac Goldsmith:** But why? Why has it only just begun?

Barry Turner: If we go back in time and look at where we were in terms of an agenda, in terms of where all the initiatives were pushing, they were pushing towards resource efficiency, which was not always compatible with a circular economy. Where that has changed now is that people are now looking at how they close the loop. They want resource efficiency, but they also want to close the loop. That is where the industry has had to really step up and respond to that challenge.

Q319 **Zac Goldsmith:** Just as a reference point, when did the industry begin to care about the fact that plastic was building up and contaminating the environment? When did that start to become an issue for the industry?

Barry Turner: Well, for a long time it has been a concern. The fact of the matter is if you look at what industry has been doing across the globe, it has been involved in a wide range of initiatives to try to stop people polluting the environment.

Zac Goldsmith: Do you mind if I make a last point?

Chair: I just want to come back because we did have an exchange about this at the beginning.

Zac Goldsmith: Oh, I see, yes.

Chair: Some of the changes have come about because of the European circular economy package, but we also have had the exchange on why unrecyclable polymers are still wrapping round some of those bottles. So, we have covered some of it, but if you have a very quick follow-up, yes.

Q320 **Zac Goldsmith:** One last question: what would be the best example that you could give that would be proof that in terms of outcomes the industry is genuinely getting to grips with this and that the Government should hold back any attempts to legislate? What signs are there that things are properly improving?

Barry Turner: In what particular area?

Zac Goldsmith: I was talking about the broader issue that you were raising earlier, so beyond just bottles and plastic cups and so on, but generally in terms of the materials that you are producing, what hope can you give this panel that—

Barry Turner: The hope that I would give this panel is that if you look at what has been happening in terms of innovation there are new technologies coming on board right now that are operating, which can turn the more difficult plastics back into raw polymer for use again. That is one positive development.



HOUSE OF COMMONS

Another positive development is that the industry has an initiative that has been looking at laminated pouches as to how we can change the structures, still retain the barrier characteristics and not give away the resource efficiency benefits but also get the material back and recycle. That is another initiative.

Q321 **Chair:** When we talked to the Environmental Services Association, laminates, wrappings and the plastic pouches are one of the big problem areas that cannot be recycled. How is that an innovation and improvement?

Barry Turner: No, that is simply not true. There is technology available on the market now that can address that. There are new structures coming in.

Q322 **Chair:** Is there a single recycling facility in the UK using that technology?

Barry Turner: Yes.

Q323 **Chair:** How many?

Barry Turner: There is one.

Q324 **Chair:** Right. This is the problem with one recycling facility for the whole of the UK, isn't it?

Barry Turner: But as we touched on earlier, if you look at the cycle that we have gone through here and where the waste has gone, what we are doing now is starting to respond to that and put more investment in the UK, which is a positive thing. In terms of the volumes, this is a pilot. It is very exciting. Another plant is going to be built in Scotland. It is going to allow Scottish householders to put all their plastic waste out in the future for recycling. There are plants going to go in. It is early doors but it is there and it is working. So, there is technology available.

Chair: Okay. We are going to move on because I understand you are attending a waste roundtable. It will not be as exciting as this, I can tell you that.

Q325 **Caroline Lucas:** I have a question still to come back to on the DRS scheme but, just to reassure you, we are looking at a whole range of different interventions of which DRS is one. Mr Lowman, in your written evidence you were telling us that in many of the countries with DRS the decision to go down that road was building on the fact that people had already been used to the idea. It was basically an evolutionary rather than a revolutionary approach to recycling. When you say that, is the implication of your saying that that you just do not think that UK consumers would be receptive to using a DRS?

James Lowman: It remains to be seen. When we speak to consumers and survey them, they prefer kerbside collection. That is when we offer them the range of choice as to how they would like to recycle. I understand that because it is more convenient if they have things at home rather than having to take them back to a central point, whether



HOUSE OF COMMONS

that is a shop or somewhere else. Public attitudes do change over time. We would have to see how consumers respond. I suppose our main concern is, first, would a DRS actually work in terms of delivering more recycling? That would depend on consumers and existing programmes kerbside and the impacts on that. Any DRS we would expect to have some sort of impact on retail. That is not the whole of our point, but yes, we would have to think about how consumers would react to that and how they would balance that and kerbside.

Q326 Caroline Lucas: We have heard that 73% of people when they were polled said that they were very much in favour of a DRS.

James Lowman: What question were they asked? When we have asked questions about that, we asked, "Which of these methods do you prefer?" and that is where kerbside wins over.

Q327 Caroline Lucas: That is a very odd question to ask in a way because the whole point is that there are some things you might want to use a DRS for and some things you might want to use your kerbside for.

James Lowman: Sure, but it is reasonably odd to ask a question about the scheme that people cannot necessarily know: which products would be covered by DRS, would they be able to take it back to their local shop, would they have to drive to a supermarket? Equally, the DRS question in that raw form, and I suppose in our question as well, is quite abstract so it is hard to know what consumers would do. I guess to some extent consumers would adapt.

The on-the-go issue is really important because that, I think, is one of the crux issues here. Someone is buying a bottle of drink to consume on the go. They have bought that on the go usually from the most convenient place to get it. They might have bought it because it is the cheapest or it is a particular brand that they want or something like that, but they have probably bought that from a place because it is the most convenient. It therefore seems less likely to me they would place a high value on on-the-go and inconvenience to take it back to somewhere to get a deposit. I think that we should not assume that a DRS would deal with the issue of on-the-go consumption, while I fully agree that it is a really important area to consider more.

Q328 Caroline Lucas: I come back to the point that I was making earlier about a range of different tools to look at different problems. I do not think one silver bullet is going to solve all of this. If you were convinced that people were going to be enthusiastic about using a DRS and that if we had enough of your stores taking part so that they could buy in one store and further down the road take it back to another one, what is the position of your organisation?

James Lowman: We would still be concerned about the retail impact. The first question is: does it work for the overall objectives? If the conclusion of that was yes, we would then start to look very carefully at the retail impact. As I say, manual returns—which is not commonplace, it



HOUSE OF COMMONS

is not the main method of how DRSs work in other countries—every time I speak to a member they are very concerned about the impact of a manual scheme, having to essentially take back dirty bottles at the same counter from where they are serving food. They see that as incredibly problematic.

Q329 **Caroline Lucas:** But there are machines, though, and ways of doing that.

James Lowman: So then you move to an automated system and that becomes the alternative. Reverse vending machines are expensive and they are space hungry and they simply would not be appropriate for every type of outlet. Most independent stores in our sector are under 1,000 square feet, so very small.

Q330 **Caroline Lucas:** Let me just stop you there because I think the next question is going to be specifically honing down on that. I wanted to come to Alice Ellison and your written evidence, going back to the consumer. I think you were saying that a consumer panel found that 67% of people believe that DRS is going to increase the cost of living, which is odd to me. Can you explain a bit more about the methodology and the scale of that consumer panel?

Alice Ellison: That was a consumer panel from one of our members. I cannot talk about exactly how that was conducted, but our members have established consumer panels and they will put questions to them.

Q331 **Caroline Lucas:** Is that six people? Is it—

Alice Ellison: I would need to come back to you with detail on how many people, but it will be a significant panel. What we mean by that is that customers will have to pay an upfront cost.

Q332 **Caroline Lucas:** Once, and from then on it is basically recycled, isn't it? Then they get it back and then they use it again, so we are talking about an upfront cost of around 10 pence or 20 pence.

Alice Ellison: Well, that is what is interesting. Our members when they talk to their customers, customers are buying all sorts of different things. A lot of families, for example, might buy multipacks. They might buy a pack of 10 bottles of water or drink, for example, which will get split up between different members of the family. So you are not looking at 10 pence or 20 pence, you are looking at between £1 and £2, and that is a big upfront cost. You have to work hard to get that deposit back and the organisations who are promoting the deposit return scheme are also saying the scheme will be funded from unredeemed deposits. So, that is customers' money in the system somewhere and customers are going to be faced with upfront costs that they have to work hard to get back in a time when prices are already increasing ahead of wages and we do not know what the impact of Brexit is going to be.

Q333 **Caroline Lucas:** I think I would challenge you a little bit about this



HOUSE OF COMMONS

working hard to get back. We know that we have to have a culture. We all talk about recycling but reusing is the first bit of the waste hierarchy. We get people to understand that if as a parent you give your child one of the 10 bottles of water, they are meant to bring it back to you, not just ditch it when they go down the road. As a mother of kids, that is not impossible and there is a culture shift that we need to be moving to if we are going to be serious about solving the problem. I come back to say that I really do not think that calling that working hard to get the money back is something that I am—but anyway, time is short, so let me move on.

Alice Ellison: If I give myself as an example, I shop online and I would have to go back to a shop to get the money back.

- Q334 **Chair:** That was the same argument made by you about plastic bags, though, which was that the drivers would have to take the bags back. Do you know what? Good as gold they always do, so all of these problems can be overcome. I admit there might be more of a volume problem with taking back sacksful of bottles, but then maybe people would invest in these things, which you can use every day for free, forever, or until they break.

Alice Ellison: Yes, there are huge logistical issues. You are mixing food with waste there and then asking delivery drivers to have money.

Chair: Huge logistical issues from supermarkets that have 10,000 and 20,000 product lines and are used to dealing with logistics? I am sure the genius of the supermarkets will overcome those huge issues.

- Q335 **Caroline Lucas:** Just the one last question about jobs: we had evidence from the Campaign to Protect Rural England, CPRE. They told us that the introduction of a DRS would bring a net gain of jobs with up to 4,300 new jobs across both the public sector and private sector. Would that creation of jobs in the recycling sector, perhaps particularly also in high unemployment areas, suggest that a DRS would be a positive contribution for the general public?

Alice Ellison: There are other ways of achieving those jobs and growth. One is to remove the perverse incentive to export waste abroad and create more recycling infrastructure generally here and improve the rates of recycling generally, which could also create jobs. I am not exactly sure what basis those figures were arrived at, but I think there are other ways of creating jobs and growth.

- Q336 **Caroline Lucas:** On the issue of how figures are arrived at, could you supply us later with the information about the panel?

Alice Ellison: Yes.

Caroline Lucas: That would be fantastic. Thank you.

- Q337 **Geraint Davies:** I think James Lowman may have answered some of these questions. I was going to ask if the deposit return scheme comes in



whether there should be exemptions or exclusions for smaller retailers and on what basis and for what reason, but I think you may have already—

James Lowman: No, it would be a really important discussion. I represent 50,000 convenience stores. On top of that, at every pharmacy, every newsagent, there are over 100,000 small shops that will sell soft drinks. It does not seem feasible to have facilities available in all of those stores. Therefore, a decision would have to be made about which ones would have to offer those facilities. The problem for us is if we are selling a bottle of drink to someone and they can only take it back to one of our larger competitors, that represents a problem for us as well. It drives footfall back to larger outlets and the ones that offer those deposits. So, the exemption comes at a cost as well for us. Whether that is a voluntary thing or whether it is mandated, that will be a challenge for the system to work round.

Q338 **Geraint Davies:** There is various data, like the 38 Degrees petition that says something like a quarter of a million people are in favour of some sort of deposit scheme. I assume that is symptomatic of people saying, “We would pay a little bit more. We are aware that there is a problem. We are aware of the pollution in the seas”. We have discussed the deposit scheme at length. Do the panel think that the answer may be basically taxing plastic bottles and banning certain old unrecyclable bottles as the approach forward as opposed to a deposit scheme or a voluntary scheme?

Gavin Partington: I would point out that courtesy of the recent Chancellor our sector is about to face a tax in April anyway on some of its products, so that is going to see an increase in prices for consumers. It is worth bearing in mind, and I know you deferred about DRS, there is a recent experience of this. There was until 2015 a residual scheme operated by one of our member companies in Glasgow whereby people spent more on a bottle and then returned it. The reason that scheme came to an end was that rates of return declined gradually and they were down to 50%. One of the challenges we may be facing is that in terms of consumer behaviour having changed, shifted to on-the-go consumption more than it was, equally from days I remember when I was kid and there was a return scheme, patterns of behaviour by consumers have changed, too, and they were not inclined, even with I think a 30 pence charge on the bottle, to return the bottles to the same level that they once had.

Q339 **Geraint Davies:** Obviously, it is inconvenient returning bottles, as we have heard. Do you think the answer may be, first, putting up the price of bottles through taxation; secondly, providing water fountains much more generally so people can use their water bottles and refill them everywhere; finally, maybe encouraging consumers generally to go back to big stores in particular with all their packaging? You go to the supermarket, you come back with loads of packaging and food, and you end up just giving it to the local authority to do. If you actually took it



back and dumped it on the retailer, they would put pressure on the manufacturer to minimise packaging. What do you think about that? I know you are not very happy, Barry, but we have to do something.

Barry Turner: No, I was frowning partly because there is this myth that packaging has no purpose and that it is not minimised in the first place, which I would argue it has been very successfully.

Q340 **Geraint Davies:** So the example where you see these big plastic things with a little bit in the middle, it is all done by marketing men and women, isn't it, to maximise profit independent of environmental outcomes, to have a huge display for consumers to be seduced into buying things?

Barry Turner: There is existing legislation that I would point to that can be pursued that legislates around the use of packaging and how much packaging is used in a particular application. That already exists. In terms of what we have seen in the UK, one of the things I would say has been particularly successful over the year has been the Courtauld Commitment where the amount of product and packaging that is deployed has been successfully managed very productively in terms of reducing food waste and reducing the amount of packaging used in applications. If you take plastic bottles as a classic case in point, the amount of plastic that goes into a plastic bottle today compared to 10 years ago is about 30% less because it has been engineered over time, new improvements have been made, and they have been able through new investments to deploy less and less material.

Q341 **Geraint Davies:** It is not reusable then, is it? If we put the price up, perhaps we could just use the same bottles again and again rather than—

Barry Turner: You could go back to that. That option is still available, but in terms of how we can really make some progress in this area, I think it is about closing that loop and focusing in on that on-the-go issue that we have not really come fully to grips with as a nation. We want to play our part in that.

Q342 **Geraint Davies:** But higher prices and water fountains as a way forward?

Barry Turner: Water fountains is a way forward. You are always going to get consumers who will want to drink out of a container versus a water fountain. It is about choice at the end of the day, giving people a choice.

Q343 **Geraint Davies:** But if you are on the go and there is a water fountain, you are right, they have closed them all down so you have to buy all these plastic bottles and throw them around everywhere.

Barry Turner: Certainly, the industry did not close all the water fountains down. I think consumers moved away from them simply because of poor hygiene reasons. There are a variety of different tools in the box. We want to work in this space and sort some of these problems. When we talk about problems, we do need to bear in mind there has been a lot of focus on plastic in the oceans. In terms of the UK



HOUSE OF COMMONS

contribution to this issue, if you look at Europe and the USA we are not the major polluters here. The major polluters are in the Far East, developing countries, where the waste infrastructure is just not there yet.

Q344 Chair: But that is where we are sending our waste as we discussed earlier. We are exporting it to the Far East, so it is not an acceptable market. You say new markets have been found for when the Chinese reject our contaminated waste, our unacceptable waste, but what you are essentially saying is we are outsourcing the problem to other countries that do not have as good reprocessing facilities as us and as far as we are concerned it is out of sight, out of mind.

Barry Turner: I would not see it in those terms. At the end of the day, there is a world market. It is shifting. It is constantly changing. Our focus has been to try to encourage change within those nations so they manage their waste better as they develop.

Q345 Geraint Davies: Ms Ellison, because obviously you are representing the retail sector, do you think if people simply brought their rubbish or their packaging back to your shops, the big supermarkets, that retailers would put a lot of pressure on manufacturers to minimise packaging? Secondly, do you think that if we put some tax on plastics and some water fountains that may go a long way towards solving the problem we are looking at today?

Alice Ellison: I think that we need to decide where we want to get to and what we want to do and what is the best way of doing that. We would say let us look at the producer responsibility system currently and how we can use that. If you are talking about a tax on plastic packaging, what do you want to do with that tax? Are you looking for behaviour change? Are you looking to raise funds to deal with plastic bottles? What do you want to do with it?

Q346 Geraint Davies: Just so we are clear, I want manufacturers to minimise the amount of plastic in packaging, so maybe paper if they can, if it fits into food hygiene, and I want to basically disincentivise consumers from endlessly buying plastic bottles and get them to reuse them.

Alice Ellison: There are other ways. On the manufacturing side, I think you could probably use the producer responsibility regime. If you can put some incentives and disincentives in there, then you can use that. Industry is moving. They are looking at making packaging as recyclable as possible.

Going on to taking packaging back to retailers, that would be fine, but I think we need to think about what the implication would be on kerbside recycling. I do not think it would necessarily change retail behaviour because I think retailers are really looking at their packaging. As Barry said, they have been involved in voluntary agreements with Government for the last 12 years and that has achieved real reductions in packaging. If all packaging is taken to retailers, what is the impact—and we will hear about it in the next session—on kerbside collections and what is there left



for local authorities to collect that is of value? What is to stop them just stopping collecting altogether?

Q347 Geraint Davies: There is a lot of hybrid packaging, isn't there? You get a pizza with a plastic window and a paper outside and then polystyrene inside with a film inside. It is very expensive to recycle that. If the supermarkets had to bear that cost, as it were, they would get the manufacturers to do something simpler. When you have homogeneous recycling it is much cheaper and the incentive still is not there because you just dump it all on local authorities. It is not the supermarkets' problem, even though they are creating it and they can solve it.

Alice Ellison: I would accept that the current producer responsibility system does not have incentives in it, but that is not to say that retailers are not acting responsibly. If you look at major retailers and look at their pizza packaging and then look at what that was like 10 or 15 years ago, there are considerable changes. That plastic base quite often is not polystyrene anymore. It is recyclable and quite often there will be a logo on there telling you that that is recyclable. Yes, there need to be some incentives, but I think they can come through the producer responsibility scheme. Even without those incentives, retailers are acting responsibly.

Gavin Partington: I have made it very clear to the Committee hopefully today that I think reform of the PRN system and reform of the existing system can make this a better place and can drive up recycling rates. We want to see consumers do the right thing. It seems pretty clear to us that there is a shortfall. In terms of on the go, if you look at the stats from a YouGov poll, they are showing that people are recycling at home. Generally, 75% of British adults are recycling at home, whereas just 20% are always recycling on the go. That is a significant gap. We want to see action to address this and we want to work with Government and others to do it. We cannot do it alone as a sector. We cannot just, as the soft drinks sector, solve the problem alone, but I think we can make progress if we work together on it.

Geraint Davies: Do you think there should be more fines for people who drop bottles? If people just photograph them, maybe incentives for people who take photographs of someone so that the fine is paid half to the person who takes the photograph so we could stop them dropping things?

Chair: I think we are going slightly out of our remit. Okay, we are going to move on to Alex.

Q348 Alex Sobel: Just to conclude this, we had Coca-Cola in last week and Coca-Cola were quite clear in their view that they support a DRS scheme, but we have seen here today, particularly from Alice, some of the issues that you have had with DRS, the costs of DRS, how DRS has been implemented in other countries, the financial burdens and some of the logistical issues. Can you give me some examples of those from abroad where they have implemented DRS? I think the evidence from Coca-Cola



was quite compelling for us.

Alice Ellison: Your question is if it has worked abroad why won't it work here?

Alex Sobel: How hasn't it worked abroad? You tell us how it has not worked abroad to show us that we potentially maybe should consider not supporting a DRS scheme.

Alice Ellison: I would go back to the point that I made earlier to John McNally's question, which was I do not think you can necessarily make those blanket comparisons because the UK is different. Quite often abroad, particularly Germany, the DRS was not introduced for environmental reasons, which is why they have some weird exclusions. It was introduced to protect the refillable market and we do not have any infrastructure in the UK at the moment around a DRS. That is what I would go back to.

I also think the statistics around this are really unclear. There is no compelling evidence to suggest that if a scheme was transferred into the UK that it would work. A lot of the recycling rates are quite opaque from Germany. I do not know, for example, what their recycling rate for plastic pots, tubs and trays is and what implication it has for other packaging types. We need to be really careful of unintended consequences and the impact on kerbside recycling collections. If we are not careful, if there is any risk to local authorities and a DRS goes ahead and local authorities cannot make kerbside collections work because all the valuable materials have been taken out, then we risk losing the kerbside infrastructure, which has lots of taxpayers' money invested in it, and just going completely to a bring system. I think we need to be really, really aware of that potential.

Q349 **Alex Sobel:** We will hear from them in a minute so we will get those answers to see if they agree with you or not. Isn't it true that if people are bringing plastics back to stores, because we are talking mainly about plastic bottles—I will use the children example. I think if my children had a choice of earning 10 pence or 15 pence on a bottle, they would collect up bottles and go down the road to the shop and recycle them to top up their pocket money. Wouldn't it bring additional footfall into your stores if you had the facility?

James Lowman: It depends which stores were offering those facilities, but I do not think it would be generally people taking back two, three or four. It would be people taking back a large number of bottles and that is when you get, particularly with a manual system certainly, all those logistical problems and operational problems of handling that, the queues that would develop, the hygiene issues and everything else. Potentially, people would generally go to their shop when they want something and they would then take the bottles with them when they were going anyway. There will be examples where, yes, it was additional footfall, but I do not see it as being a compelling difference in the footfall in stores.



HOUSE OF COMMONS

Q350 **Chair:** You would be happy with it being an opt-in scheme rather than an opt-out scheme?

James Lowman: I am concerned about any exemption. It is not a case it would take people—rather than coming to our store it would give them a reason to go to a larger store, so that is our concern.

Q351 **Chair:** If it happened, you would like to opt in; you would like the option for your members to opt in?

James Lowman: It depends on what the system was. I think that working on a system where there are incentives for smaller stores to opt in might lead to some sort of network that we would need to make a scheme effective. I think there are some initial questions to answer about how it would sit alongside kerbside and would it be effective in increasing recycling anyway. If it were the case, then I think you have to look really carefully at those impacts on all retailers but obviously particularly from my point of view small convenience stores, pharmacies or other places that sell soft drinks and which of those should be compelled to make those services available.

Q352 **Alex Sobel:** I was going to say all my local pick-up points for Amazon, if you order from Amazon, are in convenience stores and that surely brings additional footfall. Why would it be different for this?

James Lowman: They get paid for doing that. They get paid for making that space available.

Q353 **Chair:** Maybe Amazon will pay them to collect all the plastics that they sell.

James Lowman: Well, maybe. Yes, it is noticeable that the operational issues I am talking about would not apply, as I understand it, to Amazon in a deposit return scheme. Unless we force delivery drivers to take back—and in some ways in wanting to get a win over them I quite like that as an idea—I do not think it is practical. It would not apply to online, but that is an additional purchase that someone has made, whether it is Amazon or it is through CollectPlus or whatever system. They have made that purchase and that is another reason for them to go to the store. I think it is unlikely that someone would make a special trip to a small store to return bottles. It will happen but I think in very small numbers.

Chair: Okay, fine. Thank you all very much indeed. It has been a very illuminating panel.

Examination of witnesses

Witnesses: Councillor David Simmonds CBE, Lee Marshall and Jakob Rindegren.

Q354 **Chair:** We welcome our second panel this morning. It is a bit of a battlefield commission for you there, but I am sure you will rise to the occasion. Councillor David Simmonds, Vice-Chair of the Environment



HOUSE OF COMMONS

Board at the Local Government Association; am I right?

Councillor Simmonds: I am Vice-Chairman of the LGA but not connected to the environment.

Chair: Vice-Chairman of the LGA—even more elevated. We understand you have to be away in half an hour.

Councillor Simmonds: I have an appointment with one of your colleagues, I apologise.

Chair: That is absolutely fine, not a problem. Lee Marshall, Chief Executive of LARAC, and Jakob Rindegren, Recycling Policy Advisor from the Environmental Services Association. I hope I have done justice to your name there.

I do not know if you have been sitting in on our previous session. We have heard all sorts of statements and assertions, but let us start with the numbers: 2% of plastic bottles are littered every day, 700,000 we heard a couple of weeks ago. How much does clearing up the streets cost local authorities globally, Councillor Simmonds?

Councillor Simmonds: I can give you some figures on what it costs to clear up litter. I just would mention, picking up where your last witness left off, it is probably helpful to recognise that there are broadly two sets of waste infrastructure that operate. We have kerbside recycling, which is run by local authorities, where we come and collect your rubbish and your recycling from your house and take it away for reprocessing, and then there is the on-the-go waste and recycling, which is I think what your last witness was referring to at the end of the session. That is run by a much more diverse patchwork of providers, including shopping centres, private businesses, rail network providers, bus companies and all that sort of thing, which have a patchwork of different provisions for the processing of that litter after it is collected. That is where I think there is a big challenge, particularly where things like DRS may be of a different value to how it would operate in the context of kerbside recycling.

We know it is a very large increase in spending, £3.28 billion that the UK is putting into the operation of kerbside recycling. That has brought about a very large increase in householders doing their recycling, but we are certainly in the billions for the money cost of collecting litter and other rubbish on the streets. I think the LGA would be happy to provide you with some detailed figures, including breakdowns for particular councils, if that would help.

Q355 **Chair:** Thank you. Mr Marshall, do you have any global figures for us on that?

Lee Marshall: It is similar sort of figures. We have a figure of around £800 million for street cleaning, but that is not just litter in itself, that may include some mechanical sweeping as well as the more traditional emptying of the litter bins and litter picking that we associate with litter.



Q356 **Chair:** Mr Rindegren, do you have any?

Jakob Rindegren: No, I think those are similar figures. I think it is in the litter strategy that you mentioned, £778 million for street cleaning, but again that includes all types of litter. I am aware that Keep Britain Tidy has provided figures of £850 million roughly, which includes disamenity costs. I think there is lots of uncertainty about how you calculate the disamenity costs, but I have seen those figures as well.

Q357 **Chair:** What more should central government or the soft drinks industry, the plastic industry, be doing to support the litter-clearing work of local authorities?

Councillor Simmonds: Perhaps I could begin an answer to that one. Where the UK is out of step with other countries is in the contribution that producers make to recycling the products that they manufacture. If we look at countries like Germany, Austria and Spain, we see a very, very much higher contribution per tonne of those recyclables that is funded by the producers that manufacture those goods. I do not think that will come as a surprise.

Q358 **Chair:** What do you mean by that?

Councillor Simmonds: If we look at the amount that producers pay towards the cost of recycling—I am doing this in euros because those are the figures that we have across Europe—it is €20 per tonne of material in the UK. In Austria it is €200 per tonne, in France it is €150, and in Spain it is €150. The contribution that the producer of that material is making towards the ultimate costs of recycling is very significantly larger.

When we see what local authorities have done, there has been roughly a 17-year campaign around kerbside recycling. Local authorities have developed their own solutions to that, but that has brought about a 400% increase in the amount of recyclables that householders are separating out so that it can be reused. That is where the figure of £3.28 billion comes from, which is the cost of producing that, which is again a very substantial increase. That contributes to a 78% reduction in the amount of landfill waste that is coming from each household in the UK.

The problem is that we have reached a bit of a plateau. That 57% of these products that is currently recycled has not shifted much. Having increased quite dramatically, it has now hit a plateau and that is where we need to look at doing something different in order to take that figure up to the next level. That is where some of the ideas, including greater contributions from producers so that the value that currently is quite elusive around some of these products can be unlocked, which makes it more viable for local authorities to implement some of the more specialist recycling, can be achieved, but also where, coming back to the difference between the kerbside and the on-the-go recycling, solutions like deposit schemes for products that are currently purchased by people in railway stations, bus stations, motorway services, where potentially the only available option is to throw that in a rubbish bin, the introduction of



HOUSE OF COMMONS

deposit return schemes in those types of environments has the ability to change consumer behaviour in the way that local authorities have already been able to change it when it comes to household recycling.

Q359 **Chair:** Thank you. That is very helpful. What level do you think the PRN per tonne should be set at? Is that something you have discussed with industry? Obviously, LARAC, you are all part of this network of people who have spent a long time, years, decades, talking about what needs to change, so what do we think the PRN per tonne should be on plastic?

Lee Marshall: We do not have a figure per tonne in terms of the PRN, but at the moment at a global figure, the PRNs in the UK equate to about £50 million to £60 million a year they generate. Because the system is not transparent we do not know exactly how much of that flows back through to local authorities.

Q360 **Chair:** Where does that money go?

Lee Marshall: This is the difficulty we have because the system is not transparent. We do not know exactly where it goes. Some does flow through to local authorities, we believe, in terms of price support of the materials. If the market for a particular material dips, that may be backfilled slightly or a portion of it may be backfilled by the PRN money.

Q361 **Chair:** Who collects it? Is it a Treasury-collected tax?

Lee Marshall: No, it is producers that deal with the PRN funding. To put that total in context, 22 Welsh local authorities last year spent about £250 million on waste collection and recycling in totality. Now, roughly speaking, packaging, which the PRN system deals with, makes up about 20% of waste, so 22 Welsh local authorities are spending as much on packaging as the whole producer responsibility scheme in the UK is. This is why producers will tell you that they have the lowest cost system in Europe, which they do to them, and they are meeting their targets with it. It is a strong argument from them in terms of the system is not broken, but this does not take account of the millions that the local authorities are then putting in, which when you add that in you then start to compare the UK more on an even keel with the European systems.

Councillor Simmonds: If it helps, the figures on that, it generated £111 million of compliance revenue in 2013, which is the packaging producer compliance scheme. £37 million of that was then provided towards collection and the cost of the collection and sorting of that material to local authorities was £550 million.

Q362 **Chair:** So not even 10% of the actual household?

Councillor Simmonds: No.

Q363 **Chair:** And almost nothing towards the on the go. That is helpful. Is the PERNs included in that 110 global figure, so when you just ship it off to China?



HOUSE OF COMMONS

Councillor Simmonds: I don't know, but we will find out.

Q364 **Chair:** Okay, that is very helpful because it is very complicated and it is a delicate system. There are external changes happening, but obviously any change to input or market demand or supply has impacts on the rest of the system and we would be interested to see.

Jakob Rindegren: Could I make a point? The system was set up to achieve the packaging recycling targets at the lowest cost to the producers and that is for the producers, but those packaging recycling targets have been achieved. I think our system is different in the sense that it is demand and supply and meeting the gap between the recycling rate and the recycling target, which is quite a specific UK system compared to a system where you pay on all packaging that you place on the market, which is the case often in Europe. I think that is two different types of systems, in a way.

Q365 **Chair:** Sorry, can you explain that again?

Jakob Rindegren: In the UK PRN system, the producers pay only the gap between the recycling rate and recycling target and to achieve that target, where in Germany, for example, you would pay on all packaging you place on the market regardless of targets.

Q366 **Chair:** It is a fundamental difference in approach?

Jakob Rindegren: A fundamental difference. So, the UK system is achieving the targets. Another difference is that it is not just based on household packaging, it is also commercial and industrial waste, which is helping to achieve those targets. The target does not necessarily automatically drive household recycling but packaging recycling regardless of where it is coming from.

Chair: Okay, thank you. That is very helpful.

Q367 **Geraint Davies:** I asked in the previous session about the idea of taxation on plastic bottles and so on, but I guess what you are describing is equivalent to that, namely a system whereby the producer has to pay a contribution towards the overall packaging, be it too low here and at a better level in Europe. That might be the way forward in general instead of taxing individual consumer items, to just have a bigger contribution from manufacturers towards their recycling costs? Is that your view?

Jakob Rindegren: I think it is hard to increase the PRN price given that we have a market-based system. If you want to fix the price, you almost have to go to a system where you pay for everything that is placed on the market rather than having this market system we have now. You can introduce things like modulated fees to encourage recycling, a better idea of recycled content. There are examples of that; for example, in France on recyclability and on recycled content. I think they introduced a new law in Germany recently. You can do some of these things perhaps, but with an existing system it is hard to increase the PRN price artificially because it is a market-based system.



Q368 **Geraint Davies:** The basic point is that, as Councillor Simmonds was saying, there is a case to be made that the producer should make a bigger contribution overall as well as a more targeted approach to individual plastics, is that right?

Councillor Simmonds: Yes, that is. I guess the challenge for Government is clearly a specific tax on plastic bottles. The risk is that producers increase the price and just blame the Government, but if we look across Europe it is clear that in other markets the same manufacturers are selling the same product in the same packaging and they are not increasing the price over the UK price to reflect the fact that they are making a higher contribution in those countries. I think the approach of saying it is a higher producer contribution rather than a tax on the specific item would be a more productive approach. It is stronger and it would then oblige those producers to simply accept the fact that the UK is bringing them into line with their existing practice in other markets.

Lee Marshall: I think at the moment in the UK the producer responsibility scheme fails the Ronseal test. Producers are not responsible in terms of a cost point of view, as I think you have heard and the panel have said themselves, perhaps only 10% and local authorities are funding the other 90%. At the moment, the producers are not responsible for full costs, which is where some of the European models differ from what is currently contained in the circular economy package coming out of the European Union. We would probably agree the PRN system probably would not funnel the funds down in the right way, but there needs to be a shift in the UK of how the funds are funnelled to support and expand the collection services from the producers.

Q369 **Dr Matthew Offord:** In my own local authority in the last 15 years recycling has changed significantly. I remember when I was first elected that about a fifth of all products were recycled as part of the waste stream and that has increased nowadays. Nationally, it is about two-thirds. With the advent of plastic recycling, I remember we did not recycle plastics but then we started it. It did increase the recycling rates, but why has it now plateaued at about 60%, just under?

Councillor Simmonds: There are two observations I would make about that. Plastic is not heavy and the way in which we measure recyclables is by doing it on tonnage. It does not make a huge difference if a person puts a lot more plastic bottles in their household waste or a lot less. That does feed into other issues to do with the recyclability of individual plastic products. For example, there has been huge progress in standardising HDPE milk cartons so they are pretty much common to all providers. Things like household cleaning products are often sold in plastic bottles and there is a huge variation. Some trigger sprays on kitchen cleaners are recyclable and others are not. Some are but only if they are separated. Some contain metal parts; some contain others. There is a bit of complexity about that.



The other big factor we are seeing is local authorities having, quite reasonably, realised that the weight of plastic was not going to have a significant impact and have then moved on to those areas that do have a bigger impact. You will see that a lot of local authorities' most recent recycling initiatives will be around things like food waste and textiles. My own local authority has had a big focus on those because those are areas where the weight, the tonnage that is going into the system is quite significant.

Where the producer contribution could add value to this is it would change the economic viability. If we want to see a big increase in the amount of plastic that is recycled because we think it is the right thing to do, then we need to attach a value to it that at least brings it into line with other elements in that overall package of waste that is being collected at the kerbside.

Q370 Dr Matthew Offord: You are correct about the weight. I remember using that explanation on many occasions when my opponents were criticising me for not including plastics within recycling. Coca-Cola have argued that the UK needs a different strategy. Do you think that kerbside recycling is enough or do we need more?

Councillor Simmonds: I come back to the point that there are two different parallel sets of waste infrastructure here. There are a lot of companies that are putting out public messages about their commitment to recycling but as long as we compare the figures of what they pay, what it does to the bottom line, it is pretty clear that most of that is just PR. If I were Coca-Cola I would think it was a brilliant strategy—Coca-Cola are based in my patch—to say, "We will have a machine that recycles Coca-Cola bottles and we will offer it to McDonald's and all the other places that sell them, and that is the reason why we should not pay any increased producer contribution towards the wider recycling of our products".

The reality is that most producers have a very large portfolio of products, some of which are sold in mainly recyclable packaging, some of which are not and some of which are mixed. Going back to a producer contribution that funds the more diverse range of responses that we need, including the ability of people like rail companies, bus companies and transport providers to offer better differentiated waste—recycling bins on trains, for example, or greater selection and greater availability of those—is a better way forward than saying you get 2 pence back if you put your Coca-Cola bottle in a machine in your local McDonald's. That would have an impact but it would not make the transformational change that will get us from the 57% that we have reached now to 75% or 80%.

Q371 Dr Matthew Offord: It is interesting, Councillor Simmonds, you mentioned that kind of activity and also in your previous comments you spoke about recycling on the go. Do you think there is enough infrastructure to recycle coffee cups, plastic bottles or whatever for people who are consuming on the go?



Councillor Simmonds: Definitely not, is the straight answer to that. A lot of public places are privately owned, for example shopping centres and railway stations, and they have a variety of different arrangements. I travel through Baker Street station every day. For security reasons, among others, bins have been removed in the past, but if you buy a product from one of the range of retailers that are there, essentially there is a clear plastic sack into which all the rubbish goes. It is then disposed of by a commercial waste contractor who just takes it all away and it goes to landfill.

It is possible to develop solutions. Having a producer-funded programme where you can introduce differentiated recycling in those settings, potentially backed up—this is why I say more research is required about what is going to be best for each setting—by the idea of a deposit return scheme, so that I know that if I buy my bottle of water I am going to drink now on the station platform I can get 2 pence, 5 pence or whatever it is if I return it to the shop, are the kinds of things that would change consumer behaviour. Most people are not going to put that rubbish in their bag, take it home, store it for a fortnight and then add it to a pile of other stuff that they can take to the supermarket. It needs to be absolutely focused on the pathway of that particular product, in the way that councils are focused on the pathway of the products that people buy perhaps in larger quantities from supermarkets, take home, consume and then put into the kerbside waste service.

Q372 **Dr Matthew Offord:** The LGA has said that there is a lot of confusion surrounding what can be recycled and what cannot be. I remember having a conversation with the former Mayor of London Ken Livingstone about this. It was an area that we both agreed on, that there needs to be some kind of regularity between all the different waste bins. In London I think we have 32 different recycling schemes. How can local authorities communicate to their residents about what can be recycled? Do you feel that central government can assist, either financially or perhaps in other ways, so that local councils can explain to their constituents?

Councillor Simmonds: Councils are extremely proactive in engaging with this. It is the one council service that pretty much everybody has experience of and in most councils it is also the one that gets the highest level of resident satisfaction. Regardless of the different structure of the schemes, it is generally the one that residents regard as the best.

The reason that they are different is because people's geography is different. If you are dealing with Westminster you have a large number of properties that are basically flats. People do not have storage space for wheelie bins. You need a different solution to a suburban area like Hillingdon where it is mostly semi and detached houses mixed in with lots of flats. That is different from Sedgemoor or Hambleton that are rural areas and the bin lorry may travel several miles for between the different properties in the rubbish collection. Local authorities will have their own solutions and are very active in promoting to their residents the existing



HOUSE OF COMMONS

structure of the scheme but also new things that come in. A good example of that is Tetra Paks. There was a period where there were contractors who were happy to recycle them. A number of those left the market, a new solution has been introduced and a number have come back to the market. Local authorities are very active in saying to residents, including printing it on the side of the bag, that you can now put these products in that you could not previously.

Could Government do more about that? Certainly. There is more that could be done. A lot of it would be around perhaps national campaigns to encourage people to take more interest in what they can do personally to be able to recycle more in their local environment. A good example of when things change is yoghurt pots and products that need to be clean in order to be recycled versus products that can be recycled without having to be cleaned. Encouraging people more generally to take an interest in what personal steps they can take in the context of their local scheme would be a helpful thing to happen.

Q373 Dr Matthew Offord: One of the issues with contaminated waste is that it is sent to landfill for incineration. Local authorities do not bother to sort it. Why not?

Councillor Simmonds: Each local authority will have a contract with a waste disposal company and those contracts do vary, not least because they would have been set up at different periods of time. The approach of those different companies—Grundon does a lot of the stuff in my own local authority—will vary as to how they handle that. Some of those companies will go through quite a detailed picking and sorting process. Others will take an approach that says, “Within the contract price, if this bag of waste or this lorry of waste arrives and it is contaminated we simply reject it and we expect the whole lot to go to landfill”. Partly it is do with targets to do with the price.

If we look at the way in which the price of recycled products generally has varied, the long-term drop in the oil price means that new material is now often cheaper than recycled material. Again, this is one of the things where the producer contribution could make the difference. A lot of those contractors have gone from a position where it was in their interest—that is they made a profit by making sure that they maximised the amount of recycling from that particular lorry because they were then going to turn that into something else that they would sell at a profit—to a situation where they are being paid to reprocess it and, therefore, it is in their interest just to say no to any activity that would cost them extra money.

In terms of how the producer contribution would make a difference to the long-term improvement of UK recycling, by beginning to iron out some of those peaks and troughs in the market and making it easier for those companies that are contracting to reprocess that waste to enter into those long-term arrangements, there would be a much greater incentive to ensure that we are taking a greater and greater percentage out of the general waste stream. Does that answer your question?



HOUSE OF COMMONS

Dr Matthew Offord: Yes, it does. I am happy with that.

Q374 **Chair:** Anything to add?

Jakob Rindegren: In terms of the producer responsibility system we call for reform as well, not least on the volatility of the system. What we would like to see is more investment in the infrastructure. It is quite hard to know exactly how much money you will get from the system because it is so volatile. It would be useful to look at ways you could have long-term targets and ensure that the reporting within the system is as accurate as possible, to eliminate fraud but also people playing the system to sell when the price is high, for example. Eliminating that or reducing the volatility would help to drive more funding towards infrastructure that is more long term, rather than price support, for example.

Lee Marshall: On the consistency front, the local authority collections are a function of the products that are placed on the market in the first place and then the treatment processes and the end markets that are available. We can only collect what is there and we can only take it to what is there. On consistency of the main materials—paper, card, glass, cans and plastic bottles—virtually all UK households have those at the kerbside. Where the differences start to come is the frequency, the type of container and things like food waste and other plastic packaging. When we talk about consistent collections it depends what we are trying to achieve. Is it just one system that is exactly the same or is it the opportunity to recycle the same materials as everybody else but perhaps in a slightly different frequency or container?

People nowadays are more aware than they used to be about recycling. It is not so much confusion as almost envy. We are a more mobile society so we say, "Hang about, I cannot recycle this here but my mum or my sister or my friend can do that there. Why can't I?" That is not confusion. I know what I can recycle in my area where I live. It is perhaps confusion about the end markets, not about what can and cannot be recycled in my house.

Q375 **Alex Sobel:** You talked a little about barriers of, say, the cost of producing new rather than recycled materials, and Matthew mentioned how many different recycling or waste management systems there were in London. Obviously that rises across the whole of England or across the UK and I understand there are 376 different waste management services. Are there any advantages to having so many different systems or should we be looking at rationalising what different authorities can recycle so there is more consistency across the piece?

Councillor Simmonds: There are probably a number of answers to that at both a technical level and a practical one. Are there advantages? There are huge advantages to having a large number of different systems because they enable you to design the system that will maximise the recycling rate for your local area.



HOUSE OF COMMONS

It comes back to that practical example. If you are dealing with an area that is dominated by rural farms, the challenge of recycling, the physical topography and geography of dealing with it is very different from an urban area where you are looking at small flats. Do people, for example, have space in their homes to store recycling bins, to store containers for recycling, or just to store the stuff to wait for it to be collected from the kerbside? What is the physical means by which they get it out of the house? Westminster City Council has large on-street bins that they empty every day or so. In Hillingdon we collect everything once a week: green waste, textiles, recyclables. Other people do it once a fortnight. The systems are designed to achieve the best in that particular local area.

The other big factor is about the way that the contracts operate. We know in the case of plastics, which you are particularly interested in, two of the reprocessors that have been quite active in this market have gone out of business in the last few years, largely because the shift in the oil price has made it uneconomic to do this. Of course as a local authority you do not want to be loading your waste on lorries and driving it to Scotland or something to try to find the nearest reprocessor because that has a knock-on impact as well. Being able to manage within the existing infrastructure that you have is helpful.

In London, although there are 33 local authorities, there are, I think, six waste disposal authorities. Although each local authority will operate its kerbside scheme in a way that is most appropriate for its residents, the infrastructure that lies behind that is a smaller number of organisations. You would find the same out in the counties. In Northamptonshire, for example, there is a countywide scheme that deals with the waste once it has been collected but each individual local authority, depending on whether it is a town or a rural area, will design the scheme that enables it to maximise the recycling for their residents.

Lee Marshall: The 376 schemes are permutations of three basic systems. For recycling you either put it all in one container, you maybe have three containers, which is called kerbside sort, or you put it in what is called twin-stream. Generally speaking, comingling, where you put it in all in one, is a bin, kerbside sort tends to be boxes and then the twin-stream can be boxes, bins or bags. You only have three basic systems across the UK. The 376 comes from that fact that some might do it fortnightly, some weekly, some three-weekly; some will have a blue bag, some a brown bag; some will have food waste and some will not.

The basic systems and what the average UK resident has the opportunity to recycle are fairly consistent across the main materials. Food waste coverage, especially in England—all Welsh authorities collect food waste—and the other types of plastic packaging, maybe Tetra Paks and things like that, is where the differences start to emerge and where we perhaps do not have the consistency yet. That is down to the economics.



HOUSE OF COMMONS

The UK has seen quite a period of growth and innovation in recycling over the last 10 or 15 years. That is why you will have these different collection systems emerging. What you are starting to see is an element of convergence and consistency anyway as the systems start to mature, we learn from each other and as the infrastructure behind that grows as well.

Q376 Alex Sobel: I completely understand that Westminster is very different to a rural local authority in how you deal with collection but with the actual materials, are there not advantages, as in Wales where they have rationalised the number of different plastics they collect, if the same were to be done here? Zac, who was here earlier, made a point that in Japan they legally reduced the number of plastics you can have. Would that not help local authorities if we could rationalise the number of plastics, if we collect only certain types of plastics, and the recycling industry then was also more rationalised? Would that not improve plastic recycling?

Councillor Simmonds: Lee is absolutely spot on in terms of the development of the market in this area and of course that is one of the big challenges. If you are tendering your contract as a local authority or as a waste reprocessing authority, if the market says, "We are just not interested in Tetra Paks" you cannot recycle Tetra Paks even if technically it is possible to do it. If there is nobody out there in your local area willing to do it for you at all, then you cannot. There is no point sticking it all on a ship and sending it to somewhere for them to chuck it in the sea, which is the risk of what might happen otherwise.

Broadly speaking, there are a number of different policy solutions. One is for Government to simply regulate and say, "You cannot use this type of packaging for meat", thereby taking something non-recyclable completely out of the market. I think Lee's point is that the market, by and large, is rising to the occasion. Again, going back to the producer contribution point, there are many of these things that can be recycled and can be reused but it is making that economically feasible. A greater producer contribution increases the proportion of these things that it is economically feasible to recycle. Going with people's natural inclinations as opposed to going straight for the harder edge of regulation is a direction that I think many local authorities would be very comfortable with.

Lee Marshall: On the plastics side of things in Wales, the Welsh Government produced a collections blueprint that stated the manner in which they thought waste should be collected. I am not even sure if half the authorities currently have adopted that yet. There are not consistent collections across Wales yet, from that point of view. Also, the cost of waste collection in Wales has gone from about £100 million to £250 million in that time. I have worked in a Welsh local authority, I am a Welsh resident and I am very proud of the recycling rate in Wales but it has come at a cost and there are a lot more policy instruments behind it. For example, the Welsh Government have been very clear about the



HOUSE OF COMMONS

direction they want to go with waste policy but they have put a lot of funding and support in behind it as well. Some of that support will then change the business case for going to the consistent collection, whereas perhaps without the funding the business case would not have stacked up. There are lots of different policy drivers as to why that is.

With rationalising, we are a function of what is on the market and what can be processed. If the number of types of plastics was minimised that would help us in our collection services but also our communications. I am a waste professional and I do not always know the difference between PET and APET and what have you, so how would the average person on the Clapham omnibus know that?

Jakob Rindegren: The two go hand in hand. One is trying to rationalise the polymers, the additives and how you make pottles and trays, and more consistency in terms of whether pottles and trays,, for example, are collected at the kerbside. If you are improving the recyclability of pottles and trays the appetite for including them will increase because they have a higher value in waste as a recyclable. Those go hand in hand, in a way.

Q377 **Geraint Davies:** I live in Wales, as you can imagine, and there is an instruction that you can recycle plastics but you cannot put plastic bags in. I am not quite sure of the rationale for that. Is that because that particular type of plastic is not recyclable? Is that an argument for banning certain types of plastics or is it just to encourage people to use their plastic bags again?

Lee Marshall: It is the definition of "recyclable". They are recyclable but are they economically recyclable? That is the issue. Can the sorting plants cope with them? Jakob probably has a better idea than I have but generally speaking plastic bags do not go well with the current set-up of the machinery that is in these sorting plants. They get hooked around all the conveyor belts in the sorting machines.

Q378 **Geraint Davies:** What happens to it? All these plastics bags just go to landfill? I appreciate we have a charge for them but is there anything else?

Lee Marshall: A lot of residual waste now does go to energy-from-waste. While that is worse than recycling, it is better than landfill. I am not trying to justify that but it is a step better than going to landfill. Yes, in an ideal world you would want them to be even reused before recycling.

Jakob Rindegren: Some local authorities are targeting plastic film in particular and they might find outlets for it. With the constraint on the export market that is becoming more difficult but it depends whether they are targeting it and whether the waste management company has an outlet for it. Generally it can be quite complicated, for the reasons mentioned, that they might get stuck in the equipment, for example, which could be one reason. It is also the value of the material.



Q379 **Alex Sobel:** What is coming across is that in the UK we have a problem with the market in that it is not economically viable to recycle certain things. Is part of that because we have lower producer fees than other places in Europe? Do you have any suggestions as to why PRS could be changed or reformed so that we move towards a circular economy and improve the recycling rate?

Lee Marshall: We do not have the producer responsibility funding that perhaps other European countries have and we are more susceptible and reliant on the market, and the prices of these materials will go up and down because they are globally traded. Local authorities tend to be risk averse as a general theme so if there is a material that is on the cusp of being economically viable to recycle they perhaps will shy away from it. Something like aluminium, for example, is a high value material so if that drops a bit it is still economically viable to do that. We do not have the other funding to change the business case so we are very susceptible to market changes.

Q380 **Alex Sobel:** If you levy your tax or whatever we are going to call it on virgin materials, surely that will raise it and help even out the flow that you experience?

Lee Marshall: It could do, yes.

Jakob Rindegren: The other things in other countries that contribute to higher recycling rates are things like pay as you throw. You might have more focus on food waste collection, for example. There are other things in addition to the PRS.

Alex Sobel: Pay as you throw? I have not heard that.

Jakob Rindegren: You tend to pay for your residual waste. It is done slightly differently in different countries. At the moment in the UK, or in England at least, local authorities are not even allowed to trial a "pay as you throw" scheme. There are different reasons why other countries might have a higher recycling rate. They also measure things slightly differently as well so it is hard to compare those figures.

Q381 **Chair:** We know that the recycle tonnage for plastic milk bottles is about £147 per tonne and for PET bottles about £127. How concerned would you be about a deposit return scheme diverting money away from local authorities' income streams on recycling?

Lee Marshall: Very, in a simple word. At the moment there is not a lot of evidence to show what the true impact of a DRS scheme would be in the UK. Perhaps what has been lost a little bit in the conversations about DRS is that in most European countries the DRS system came first and the kerbside system came second. We are not saying a DRS system cannot work, because it has been shown in other European countries that it can work. If you set the levy at the right rate and you have the infrastructure, people will take the bottles back and they will get recycled. In the UK it is the impact of layering that on top of the existing



infrastructure. The trouble you have with this is that it will vary local authority to local authority depending on their circumstances. If you have a local authority that has low disposal costs and access to good recycling then the impact on them will be far greater than if you have a local authority that has very high disposal costs. It is difficult to draw a conclusion by aggregating a model over, say for argument's sake, 10 local authorities and saying, "This is what would happen in the UK".

Q382 Chair: What about the research that shows that a deposit return scheme would save local authorities about £1.47 per household, so £35 million across England, in litter picking alone and reduced landfill tax?

Lee Marshall: There are likely to be savings on the litter-picking side. We would say that is more evident than on the kerbside side but you cannot separate the two out. If you have brought a DRS scheme in, there could be savings on the litter-picking side but there are likely to be increased costs on the kerbside side. Whether one evens the other out—

Q383 Chair: Why would the costs on kerbside increase?

Lee Marshall: It is the loss of income from the material that would then go through the DRS infrastructure. You realise very few efficiencies from that material going. For argument's sake, where you have the kerbside sort you are putting material into a vehicle that has five or six different compartments to keep the material separate. If your rounds are in such a way that your food waste compartment fills up first, it does not matter if you are taking quite a few plastic bottles and cans out because you will still have to go back to tip off halfway through the day at the same time. You will not be able to take two, three or four vehicles off the road because you are not collecting as much material.

Q384 Chair: What about the reductions in landfill tax, potentially, although you say it is a lightweight material?

Lee Marshall: It is a light weight. That is a cost that is harder to estimate. It is based on what we assume is the waste composition of the amount of plastic bottles still in there. Again, while the landfill tax element is the same across the UK, if you are in a low disposal charge part of the country where the other component of that, which is the operator's fee, is lower, the saving from your residual waste that is now going through the DRS structure is going to be a lot lower than it would be in an area with a high disposal cost. One of the authorities in that study is in a very high disposal cost area.

Q385 Chair: How do you think a deposit return scheme would impact the workload of collection and sorting? Marginal?

Lee Marshall: We believe at the moment it is marginal. We do not have evidence to say that is definite but equally the evidence has not shown it is not. We would say at the moment the evidence is incomplete. Until it shows that there are very real savings that can be made, we are concerned about a DRS system being introduced in the UK.



Q386 Chair: If it was, you would want either the markets for your other residuals to be underpinned and supported through the PRN note or an attack on the volatility so that you have consistency in pricing on those other residual materials?

Lee Marshall: That would certainly help. Like I said earlier on about the Welsh Government, you are changing the business model by introducing funding, taxes, whatever new funding streams come in. If there is an offset that recognises that local authorities are disadvantaged economically from a DRS system. If that can be balanced up, that removes potentially our objections to it.

It is then taking a step back, though. We do not know what a DRS system would cost in the UK. For argument's sake, if it was £500 million, what increase do you get for that in the recycling? If you spent the £500 million on the kerbside infrastructure and on-the-go infrastructure would you get less or more of an uptake? That would be an interesting study and figures to have done to see, "What are we trying to achieve?" We want to see better future responsibility but ultimately more recycling. How can we do that in the most cost-effective way? Is it DRS? Is it kerbside expansion? Is it on-the-go expansion?

Jakob Rindegren: In this study, you have the collection side where the idea is that you can remove vehicles or make that more efficient and the other side is the disposal. I discussed it with one of the members who was peer-reviewing this report and I think they felt they had overestimated the current use of vehicles at the moment. It is more efficient than they had assumed, so the savings might be slightly smaller. Also you probably have to visit all properties. You might go back less often but you still have to service all properties. It is also the time saving, whether having slightly less material or even half the material in the same container would be a big time saving or not.

On the disposal side, I think they assumed £100 per tonne. That raises the question of what future split between the amount of waste going to landfill versus energy-from-waste they assume. The gate fee for energy-from-waste is £83 per tonne in WRAP's latest gate fee report and we expect that over the next five to 10 years lots of landfills will close. It is looking at that side as well. That is showing another aspect.

You base a study on the best available data but it is also a question of whether some of the initiatives like the circular economy package, the waste resource strategy and other things will increase recycling going forward. Are we comparing recycling as it is now or what we think it could be if some of these other things happen in, say, 10 years' time? That is obviously quite hard to do but we would like to see what is in some of these initiatives and whether the circular economy package comes in before. That would help us assess the impact better because we would then know what we think we can achieve in the future with the existing system.



HOUSE OF COMMONS

Q387 Geraint Davies: What do you feel local authorities could do to encourage people to reuse bottles? Is there scope to provide more water fountains publicly, possibly alongside localised fines for people dropping litter, to move people towards using existing bottles and not dropping them everywhere?

Lee Marshall: It is definitely feasible. As with a lot of these things, and even the current kerbside schemes, the key is going to be communications. You are trying to get people to unlearn their current habits and then instil new habits in them. The provision of water fountains, if the infrastructure is there, would be good. It is then instilling in people that they then need to take the bottles with them to use them in the first place and that being seen as a good habit to have.

In the past, local authorities have had powers to fine people if they have been doing behaviour that is deemed inappropriate from a recycling point of view. Some of those powers have been weakened. We always said it was the threat of the fine rather than the fine itself that we wanted to instil because if you fine someone you are fining them because they have not changed their behaviour, and what you actually want is for the behaviour to change. If you have a big stick then hopefully the threat of it is better and you do not need to use it.

Q388 Geraint Davies: Presumably nothing more to add? Is provision of water fountains quite a costly thing to be doing? If you did fines and fountains, and, who knows, perhaps the price of bottles went up, as a combination, do you think that is a way forward?

Lee Marshall: It could be. I do not have any details on the cost of putting in the infrastructure of water fountains and what have you. I suppose in an ideal world what you would want is people to be filling up their bottles at home before they go out, though I appreciate if you are out all day you may need to top it up somewhere. Again, that is getting those communications out there, at a national level and at a level that local authorities can tap into, to say whatever the catchy strapline is, "Fill your bottle at home and take it out".

Q389 Geraint Davies: We have been talking about on-the-go problems. People buy bottles, they are running around and they just throw them on the floor or whatever they do with them. Presumably if there were water fountains around and they had a bottle with them, they could go around filling it up. There simply are not those water fountains, are there?

Lee Marshall: No, there are not. Like I say, unfortunately I do not have the level of detail of what that sort of infrastructure would cost.

Q390 Geraint Davies: Councillor David Simmonds—maybe I misheard him—seemed to be reasonably amenable to a deposit return scheme for the on-the-go problem. Obviously you have made the point that it would be a big income loss for your recycling. Is there a more nuanced position from local authorities on what they think about a deposit return scheme?



Lee Marshall: At the moment, we are not aware the evidence is there to say there will not be a negative impact. Our feelings and our estimates are that there is likely to be one. That is looking at packaging as a whole, the things we would normally expect to be in our current kerbside schemes like plastic bottles and cans. If you are starting to move into areas like coffee cups, that could be different. They rarely make their way back into the home so we do not see a lot of those in the kerbside scheme at the moment. They are an on-the-go item. Do you then look at something that is not currently in the kerbside scheme or not? Do you then start to say to residents, "We want that piece of packaging there, that piece there, that piece there"? Are we adding to the perceived confusion by doing that or not?

Q391 **Dr Matthew Offord:** I will try to pick up on some of those issues because it covers the area that I was going to discuss as well. Are you saying that you do not feel the best way to encourage recycling of particularly coffee cups, as you mentioned in your previous answer, would be to change the system? Do you feel that would encourage more people?

Lee Marshall: Coffee cups are different from some of the other on-the-go containers because the recycling infrastructure for coffee cups is relatively immature in the UK. I know in the last 18 months the industry has done and is doing quite a lot to try to address that, but because the infrastructure is immature it could be that that is an area you could more readily explore for DRS because you are not overlaying it on existing collection schemes.

On-the-go recycling is difficult generally. There are not many local authorities that have on-the-go recycling schemes and in the ones that do, the quality of material they get is very poor. People are interested in recycling and have got recycling to a point but not necessarily enough that they are prepared to take the time and effort, on the go when we are all busy and rushing, to put the things in the right places, which then causes problems down the line at the sorting facilities and reprocessors.

Q392 **Dr Matthew Offord:** The Alliance for Beverage Cartons and the Environment UK group said recently that it would work with local authorities to ensure the kerbside collections include coffee cups. Are you aware of how many local authorities have been involved in that work and how successful their discussions have been?

Lee Marshall: I am not aware of how many local authorities have taken it up yet. As an organisation we have liaised and engaged with the industry and the discussions we have had are very quickly that it is the on-the-go areas that need the attention, not the kerbside side at the moment because the coffee cups are not finding their way, generally, back into the house and are not in any of the kerbside schemes. There are probably bigger, better wins that can be had in terms of coffee cups before we start looking at the kerbside arena.



HOUSE OF COMMONS

Q393 Dr Matthew Offord: A representative from Frugalpac told us that the Frugal Cup is easily recyclable within the current recycling system. Given your experience of waste disposal and recycling, how easy is that to recycle and could coffee cup wastage be solved through the use of these recyclable cups?

Jakob Rindegren: I am not familiar with exactly the design of the Frugal Cup but the complexity is to do with the plastic in a layer in the cup and also the contamination which comes from coffee or whatever else you have in the container. It depends on whether it is disposed in a black bag or residual waste bin, or whether it is in the recycling bin as well. There are going to be a range of reasons why it might be difficult to recycle it. Then if it ends up in members' facilities, the value of that material, because they have the plastic, is relatively low, and the cost of separating the plastic and paper is in some cases prohibitive. That is the challenge. You also then have the contamination of the coffee, in addition.

Lee Marshall: Ultimately, a local authority will only advise its residents to put something in the collection scheme that it knows the reprocessor it serves can accept. It depends where you are in the country as to which sorting plant or reprocessor you provide your material to. If a reprocessor came back and said, "Yes, we can take those coffee cups, we can deal with those in your paper or card container" then local authorities could update their information to say probably something like dry, clean coffee cups can now go in your paper. It will depend on whether that particular mill can take it. We are in the middle a little bit in terms of only being able to collect what is put on the market and only being able to collect it if someone has a route and end market for it.

Q394 Dr Matthew Offord: Hubbub has said that it has been trialling specific bins for coffee cups and found that it cost the local authority an additional £30,000 a year to do so. It obviously found someone who was able to take that waste product. What other cost would you associate with any local authority that chose to have a dedicated coffee cup recycling point?

Lee Marshall: Communications tends to be the obvious one. Even with standard collection systems for your paper, glass and cans, if you do not provide ongoing, consistent and regular communications the use of it typically slowly seeps off because people get out of the habit or are not reminded. You need regular, consistent communications and that will need to change to keep the message live. There will be ongoing communication costs within that, and that is not just materials but potentially staffing costs and so on as well.

This has been one of the issues with some of the materials communications campaigns like Pledge 4 Plastics, Metal Matters and things like that. They often require match funding from local authorities. I can understand why that is but if you look at the concept of producer responsibility, should it be match funding? Should we be using public funds to try to up the amount of producer responsibility material that is recycled?



Jakob Rindegren: A number of our members are in conversation with coffee shops and paper cup manufacturers to try to find solutions. At least one of our members has launched a service they offer to coffee shops and other businesses for dedicated bins for paper cups and a courier scheme for offices. Some of these solutions are coming but it is a relatively new area.

Q395 **Geraint Davies:** Do you think there is a case for banning children from bringing bottled drinks into schools? The reason I say that, other than the issue of recycling, is, as you may know, 45% of sugar consumption for children is soft drinks. The idea is that they would not bring in bottles that have sugary drinks. In addition, there is a problem in London with a very limited number of children carrying around acid in bottles that has been thrown on people. There have been about 400 incidents in the last year. Do you think there is a case to say, "You cannot bring in bottles. We will provide water fountains and water in schools"?

Lee Marshall: There could be, obviously, but my focus would be on the waste management aspects of it. In some respects there is an opportunity, if they are bringing in plastic bottles, to engage them in the recycling message. Schools can be what I would call a closed environment. You have the opportunity, potentially, to set recycling services up there but, as you know, a school's main function is to educate children not to be waste management facilities. We know that getting recycling messages into schools can be difficult with all the competing messages that are going in there.

Q396 **Geraint Davies:** You could stop the bottles in the first place, could you not, arriving in the schools? Then you would not have to manage them.

Lee Marshall: You could do. Obviously reducing waste is even better than reuse and recycling in the first place. I appreciate producers and manufacturers of plastic may not necessarily agree but if we are using fewer resources in the first place by not producing as many of these things then ultimately from an environmental point of view that is the best standard we can achieve.

Chair: Thank you very much indeed. It has been a fascinating panel. I am sure you look forward to our report. Thank you.