



## Environmental Audit Committee

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

Tuesday 31 October 2017

Ordered by the House of Commons to be published on 31 October 2017.

[Hear the meeting](#)

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

Questions 397 - 544

#### Witnesses

[I:](#) Dr Thérèse Coffey MP, Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs, and Chris Preston, Deputy Director, Waste and Recycling, Department for Environment, Food and Rural Affairs.

Written evidence from witnesses:

- [Department for Environment, Food and Rural Affairs](#)



## Examination of witnesses

Witness: Dr Thérèse Coffey MP and Chris Preston.

Q397 **Chair:** I declare the meeting open and I welcome our guests this morning, Dr Thérèse Coffey, Parliamentary Under-Secretary of State at DEFRA and Chris Preston, Deputy Director, Waste and Recycling, DEFRA. You are both very welcome.

**Dr Thérèse Coffey:** Thank you.

**Chair:** Can I ask people to turn off their mobile phones or switch them to silent, please? Thank you very much. We have heard throughout this inquiry about the huge problem of plastic waste, of litter and the feeling has come through that we live in a throwaway society. My question to you, Minister, is: why has your Government not done anything to tackle it?

**Dr Thérèse Coffey:** The UK has got the highest on-the-go consumption pattern. It is a thing that has evolved in relatively recent years. I remember my time at Mars; that was a key part of how the market was shifting. One of the things that we are trying to address through the litter strategy is about increasing the prevalence of suitable bins for people to do that. I think more can be done. We can do more in our transportation hubs, which is a key element and a key finding of where people want to dispose of some of their packaging on the go, as well as in the workplace.

It is not all just in the park; people will be aware, quite rightly, of the amount of litter that gets deposited on our shorelines. Again, it is about working, potentially, with councils through our litter strategy, on increasing and making it as easy as possible for people to deal with their products. There is also an argument about increasing this and I expect we will get more readily into how we encourage people, potentially, not just to use disposable items, but to look at how they choose to manage their own consumption while they are on the go or in different scenarios.

Q398 **Chair:** We have 2.5 billion coffee cups being littered, landfilled or incinerated every year. If you wanted to design the perfect non-recyclable product, the disposable coffee cup is it. There are certain recyclable coffee cups; I was at Brimham Rocks on Sunday in Yorkshire National Trust, with a fully compostable cup. Why has your Government not taken steps to stimulate the market for more compostable materials in these cups and to stop the proliferation, with 2.5 billion entering the waste stream and not being recycled every year? Why have you not done anything on that?

**Dr Thérèse Coffey:** We have been in discussion with the industry at different stages. It was good news—I think it was made just before Costa came and gave evidence—that a wider group of coffee outlets are expanding the way that certain products can be recycled, whether at



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home or indeed continuing to do that through their stores. There have been other trials; we are getting advice from different bodies on this and the group set up by Government to look at this are focusing initially on plastic bottles, and in the new year they will move on to coffee cups.

But we are already seeing in the market quite a lot of innovation; there is a small company in my constituency who, I think, came and gave evidence to you. When I held the roundtable of a mixture of coffee outlets, paper mills, processers, designers, it brought out some good useful challenges with each other about what can be recycled. What is the amount of post-consumer waste—I think that was the phrase—allowed to be reused? The market is moving and innovation is going to be key to part of that. I think the coffee producers themselves will say that when they have tried to offer discounts for things like this—carrying around a hot drink—it just hasn't moved the market. We want to encourage more and I do believe that things are shifting.

Q399 **Chair:** Will regulation not play a part in that? You have not regulated for seven years on things around coffee cups and plastic bottles. Is it not your responsibility as the Minister to set the market signals that allow them to invest in recycling and allow them to move towards more sustainable packaging?

**Dr Thérèse Coffey:** I have taken on this role on litter in the last few months since the election and my predecessor set up the litter strategy. We have had our first ministerial review of it. In terms of those kinds of—

Q400 **Chair:** Are you saying that waste has not been your responsibility?

**Dr Thérèse Coffey:** No, I'm talking about litter, about on-the-go.

Q401 **Chair:** No, I am talking about waste.

**Dr Thérèse Coffey:** Okay.

**Chair:** Litter is just one part of the waste stream, is it not? You stop people dropping litter by giving them incentives to either put it in a bin that is easy and clear to use, taking it back or giving them a discount or, in extremis, taxing them on their consumption of it. You have not used any of those strategies. You have talked a lot about talking to people about it but there is no real sense of direction on this.

**Dr Thérèse Coffey:** We are seeing innovation coming through and I think it matters that the Government has indicated that it wants to see the proportion of recycling in dealing with this. The market consumers are not using—

Q402 **Chair:** What do you think? What would like to see? Fewer than one in 400 coffee cups are currently recycled. What do you think is a reasonable target for the industry?

**Dr Thérèse Coffey:** I don't know the answer to that off the top of my head, but I will have a think.



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Q403 **Chair:** But if you don't know, how are they are supposed to know how to work towards it—5%, 50%?

**Dr Thérèse Coffey:** One of the things is about contamination, so a lot of coffee cups could be recycled today. It is about educating more consumers, so that is what I am seeing the coffee chains doing about people emptying their cups, so a lot more can be done. A lot of packaging is already recyclable; some of them are difficult with different liners. I recognise that, but we are starting to see the companies moving. They have set up this new scheme, which allows more recycling to be done, so it is about informing.

Q404 **Chair:** Does that scheme cover your constituency?

**Dr Thérèse Coffey:** My constituency does recycle Tetra Pak. I know that they are putting in some funding, so it is the same scheme as Tetra Pak.

Q405 **Chair:** That covers London and Manchester but it doesn't cover any local authority in Yorkshire and it involves you bringing your cup home to recycle it, which is not true of most consumer behaviour, is it? Most consumer behaviour is to drink it and throw it. Do you agree that most people will not bring their used coffee cups home in their bags?

**Dr Thérèse Coffey:** I would agree that people who have on-the-go consumption may well have this in their cars. I would agree that the majority of people will consume it on their way to—there are different elements about to and from work. We are seeing facilities management at different companies starting to collect and then dispose in a recyclable way. We are seeing that practice starting to spread. I don't know that regulation is necessarily the way to achieve it, but I accept that you believe it is.

One of the things that I want to do more on is our transportation hubs, because that is another key area about disposal of these kinds of on-the-go consumption. Whether you call it waste or an opportunity to reduce littering, they both have the same outcome. If we can provide places and inform people more regularly to empty your coffee cup, to not put an apple core in it and put it in this bin, then the chances that it will be recycled are high.

Q406 **Chair:** Let us turn to plastic bottles. We have 15 million plastic bottles a day being littered, landfilled or incinerated. That is mind-boggling, isn't it?

**Dr Thérèse Coffey:** I have asked for more data on this because I know the RECOUP survey figure of 57%—that is for kerbside recycling and bring sites in the area and it covers all sorts of plastic. It is not just a plastic bottle, like one over there.

**Chair:** No, it is shampoo.

**Dr Thérèse Coffey:** It is bleach, it is shampoo, it is everything. Trying to compare that, it is quite challenging to get to the bottom of what the



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recycling rates are in other countries, so to see how out of step we are. The essay question is we still need to make improvements. How do we make more improvements to, in particular, on-the-go and what more can we do to increase the amount of kerbside recycling at home?

Fortunately, there are only three councils left in England that do not collect plastic bottles at the moment. I believe two of them will be doing so very shortly; the other one at the moment I just don't think that they will. They are a very small authority and they have made this assessment, but I will still encourage them to do so.

Q407 **Chair:** But you are the Minister: do you not have the powers to compel local authorities to act by the fact that you control the tools and levers of Government?

**Dr Thérèse Coffey:** I don't believe I do have the powers to be able to force them to do that on this occasion but we work with them to encourage them.

Q408 **Chair:** Waste is a market and you are able to use policy levers and regulatory levers to change and to make that market. Why are you not doing so?

**Dr Thérèse Coffey:** I don't believe I can force the Isles of Scilly Council to provide collection of that particular waste; they are expected to collect different types of waste. Chris, if you can remind me, I don't know if you can remember off the top of your head the regulation. We are working with Rotherham and Copeland to accelerate their move to recycling plastic bottles as quickly as possible. Rotherham used to do it but stopped doing it. We are trying to work with them to get them to start doing it again.

Q409 **Chair:** Okay. I can see that the Isles of Scilly would present challenges but it is also a marine area, is it not, and does not want, presumably, a load of plastic bottles littering its shoreline?

**Dr Thérèse Coffey:** I agree entirely.

Q410 **Chair:** You talked about the litter strategy: 81% of people are angry, frustrated about the amount of litter lying all over the country. We have heard that this costs local authorities tens of millions of pounds. At a time when local authority budgets have been cut so severely over the last seven years, is it fair that those costs are externalised on to council tax payers, rather than on the producers of the plastic and the sellers of the coffee cups?

**Dr Thérèse Coffey:** I guess the producers would say we already pay through the PRN system for how it is supposed to be responsibly disposed of. We have launched our Litter Innovation Fund; it is £500,000 and we are asking for projects to come forward on some new innovative ideas or indeed using existing technology to see what we can do better. We are hoping to make those awards before the end of the year because we do



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want to reduce the amount of littering. That is true and the challenge is also about—I think that that we estimate the cost to councils of littering and fly-tipping to be £800 million a year.

We have recently, I think last week, announced that as of 1 April, if councils choose to do so, they can increase the fines that they issue and, indeed, invoke the powers to be able to fine the keepers of motor vehicles, where at the moment they have to prove who is driving the car or has thrown out the litter. We are giving councils the powers they are asking for in order to pursue offenders and allow more targeted enforcement. But, overall, it sends a very strong message from the Government that we do not believe that littering is in any way acceptable and we are giving councils the powers they ask for.

Q411 **Chair:** Can you tell us about you Litter Fund. How much is that?

**Dr Thérèse Coffey:** It is £500,000.

Q412 **Chair:** So, £500,000 to deal with a problem that costs local authorities £800 million a year. That is a drop in the ocean, is it not?

**Dr Thérèse Coffey:** It is to bring forward potential ideas about how we can make different improvements. There are different organisations already who suggest that different types of bins are a way to attract attention. Apps or sensors could be used to signal when a bin is full and send a message to the council that it needs collecting. We do know from other evidence that when people see a bin that is full and if other people have started putting litter next to it, they will also do the same. In some ways, it is again about making sure that we work with councils and that they have the tools they need to be alert to when they have these challenges.

Q413 **Chair:** Who is going to enforce these fines, given that councils have cut back on their park staff, their neighbourhood patrollers and their city centre managers? All of those things are pretty much gone. We are pretty much down to statutory services in local authorities now. You say they can fine; who enforces those fines?

**Dr Thérèse Coffey:** Councils have a statutory duty to clear public land for which they are responsible, but I am not going to dictate to councils; they asked for these powers and they have them. I know that Southend-on-Sea had a blitz a few years ago on tackling that. That had a lasting impact on the behaviour of people in that particular town. It is up to councils. We have given them the powers. It is for them to decide how they want to use them. That is what they asked for and that is what they have.

Q414 **Chair:** You talked about producer responsibility. We have the cheapest producer responsibility system in Europe and we are going to come on to that, but do you think that needs to change?



**Dr Thérèse Coffey:** It was my Suffolk Coastal predecessor, John Gummer, who introduced this with the original regulation and wanted the market-based system to be the most efficient. It is fair to say we are looking at it. When we again met bottlers—I think it was just last week—they were very united in their view that they would like to see some changes, so we are exploring what could be done. Do you want to add a bit more on that, Chris?

**Chris Preston:** The Clean Growth Strategy the Government undertook has committed to review the current producer responsibility regimes across a range of areas. We will obviously be taking that work forward to feed into the waste and resources strategy, which will be published some time next year, so that is something we are looking at already.

Q415 **Caroline Lucas:** The UK has committed to substantially reducing waste generation through better recycling by 2030 through Sustainable Development Goal 12. As you know, the Government does not yet publish progress on the SDGs but, according to the national wellbeing survey, household recycling is deteriorating. My question is a broad one: with household recycling declining, how are you going to make sure the UK meets SDG 12, particularly since, in all of your answers so far, it feels as if you will do anything except regulate or bring in economic tools to guide behaviour?

**Dr Thérèse Coffey:** There have been some things—and you may get on to this—like the levy that was put on plastic bags; that has seen over an 80% reduction in the use of those. It particularly has been successful because instead of having something free, you have something where there is a readily available alternative, so we are exploring some elements like that.

Q416 **Chair:** Which elements are you exploring?

**Dr Thérèse Coffey:** We have done a call for evidence about a reward-and-return scheme, including a deposit return scheme, so that is an example of potentially another levy that may lead to that. But the call for evidence is ongoing—we extended it. Coming back to the Clean Growth Strategy, we said that we wanted a zero avoidable waste ambition; we need to work towards that.

I have been particularly focused on trying to get our cities to see what we can do to explore what the issues and barriers are, because you have neighbouring councils where their recycling rates are drastically different: Southwark is about 34% or 35%, and Lewisham 18%. WRAP is doing some work with them, but I have also engaged the Peabody Trust to work with us—they are now working with Resource London—in order to try some different things about how they improve recycling rates in the properties that they manage.

I know that Wales is making great progress and Scotland is increasing. Their combined populations are smaller than that of Greater London and





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we have a much higher proportion of people in densely populated properties, so we need to tackle this. Yes, there are great examples from Milan; housing operates quite differently there, with smaller blocks, caretakers and so on. There is also San Francisco. I don't think we have been able to justify sending civil servants to San Francisco, but they have been to Milan.

We are trying to get to the bottom of how we can shift the needle on densely populated housing, because if we can crack that, then other elements that we are doing—we are exploring potential ways of bringing in food waste for every household in the country. We are looking at potential ways to achieve that.

Q417 **Caroline Lucas:** Does that include resources for councils? I know from my own experience in Brighton and Hove that one of the big things there is the huge numbers of multiple-occupation properties, which is a real challenge for recycling, but we have had to scrimp and save because there are so many other cuts coming down to local authorities. Will you also give local authorities the resources that they are asking for to enable them to do some of these extra services like food waste, green waste and so forth?

**Dr Thérèse Coffey:** You may not be aware of this, but it used to be the case that DEFRA had already given resources, effectively, into local government finance. Now Government financing has been consolidated and we are moving to this new way of the business rates retention being the predominant thing. We need to understand that and explore that with our friends across Government.

Q418 **Caroline Lucas:** I do understand that, yes, but I also know that for a city like Brighton it is a nightmare because we do not have big companies that are going to give us big business rates. We have lots of little companies that do not give us so much business rates. The fact remains that—

**Dr Thérèse Coffey:** I am not going to sort out local government—

Q419 **Caroline Lucas:** But the point is that councils are telling us—they are certainly telling me in my local council—that they need more resources to be able to do better recycling and I can't believe that we are the only ones. Will you look at other streams—

**Dr Thérèse Coffey:** We are looking at exploring these different elements. I know there is an anxiety from councils about even things like the DRS proposals that are coming forward because they see that as, potentially, losing revenue from one of the products that they market through recycling. I know that is causing anxiety, even though there was a report based on a handful of councils that came up recently—

Q420 **Caroline Lucas:** We will come to councils in a second, because I do not want to stray into someone else's area. But what I do want to come back to is—





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**Dr Thérèse Coffey:** Okay, so overall we are preparing a waste and resources strategy for next year. I have been particularly focused on trying to improve urban recycling. Meanwhile, the WRAP has been working with a variety of councils and south-east London is gaining fruit. But, so far, there are a number of different councils and I will name them this time. I am fed up—

**Caroline Lucas:** We will come back to councils in a second, because—

**Dr Thérèse Coffey:** I was just going to say that we have been working with Hampshire, for example, to try to improve their waste and their consistency and, yet again, they have re-signed a contract that limits what can be recycled. It is frustrating that they have chosen deliberately to limit what can be collected for recycling.

Q421 **Chair:** Why have they done that? Is it a serious contract?

**Dr Thérèse Coffey:** They have just recently extended their contract. I assume it is probably to do with the choice on financial investment. Other councils have managed to do it. I don't know why Hampshire have made the choice they have. Again, that is a decision locally, I think it is local—

Q422 **Caroline Lucas:** Would you have councils try to get out of very long PFI contracts that they ill-advisedly went into some years back? They now mean—as in the case that I know very well in Brighton—that it is incredibly difficult to up the recycling rate because there is a perverse incentive because we are locked into a PFI agreement with an incinerator that requires a certain amount of feeding each year. It is a practical issue that is stopping progress.

**Dr Thérèse Coffey:** I recognise that, which is why we have been approaching councils through WRAP a year or so ahead of their contract renegotiations.

Q423 **Caroline Lucas:** But do you think something can be done in those situations?

**Dr Thérèse Coffey:** I can't quite recall off the top of my head, but there is a PFI—I forget what the phrase is—a covenant signed in 2013 right across Government when Jesse Norman did his big campaign in the first Parliament we were in together, Caroline, and then Francis Maude took it on and it was there about opportunities to renegotiate. We know that we got savings then. I don't know the story for Brighton specifically and what they have done.

Q424 **Caroline Lucas:** Okay, I will write to you. Moving on, you just talked about the zero avoidable waste aspiration and the Clean Growth Strategy, which is fantastic, but do you think you have a chance of meeting that without using things like taxation and other economic instruments? We know that the Commission's leaked report on plastics in a circular economy is advising national authorities to make better use of taxation and economic instruments in order to promote the uptake of



recycled plastics and favour recycling over landfilling and incineration. Do you think that, on leaving the EU, you are going to duplicate those kinds of incentives to encourage sustainable consumption in the UK?

**Dr Thérèse Coffey:** I think it is too early to say. We are in the process of, as I say, going through policy formation. For example, some of the ideas already coming through on PRN—which I don't think are dissimilar to what some other countries in Europe are doing—are about having differential things on what can be recycled from a particular product, so that would reward perhaps people who use a polymer that is recycled widely.

I am not saying that is the definite policy; I am just saying these are some of the ideas that could come through. Then if you have manufacturers that are the only people using a polymer and they have not created a scheme for it readily to be recycled, you might choose to have a higher charge, in effect, to deal with that. These are some of the ideas we are looking at now. I am afraid it is just a little bit too early for me to be able to say definitively what we're doing.

Q425 **Caroline Lucas:** You heard from the Chair that there are cups that are 100% compostable. I think that is what was said. If that technology exists, why would you not try to speed up its take-up by economic incentives or indeed by regulation? Why are we still having cups that are not recyclable when it is possible to do that and the technology exists?

**Dr Thérèse Coffey:** Almost all packaging is technically recyclable; it is about whether it is readily recyclable, so polystyrene is recyclable.

Q426 **Caroline Lucas:** Yes, but if you have coffee cups, as we know, where the plastic part inside is what makes it very difficult to recycle—there are only three plants nationwide where you can do that—why are we still allowing that technology when it would be pretty simple? We have been given plenty of evidence that it is possible to produce cups that are easily recyclable.

**Dr Thérèse Coffey:** There is only one plant that does recycling of Tetra Paks.

**Caroline Lucas:** Because of demand.

**Dr Thérèse Coffey:** Are you suggesting that we regulate so we don't have Tetra Paks anymore or other—sorry, I am not allowed to use that phrase, am I? What is the phrase? Tetra Pak-style carton.

Q427 **Caroline Lucas:** What I am suggesting is that if there is a technology out there that we know is far less damaging, why would you not incentivise its use, particularly since you are just about to adopt a zero avoidable waste objective?

**Dr Thérèse Coffey:** Without being too presumptuous about what we are planning to say, I suggest that we are looking at different policy options for our waste and resources strategy.



Q428 **Caroline Lucas:** Can I take you to China?

**Dr Thérèse Coffey:** You may.

**Caroline Lucas:** It has recently announced that it will ban imported impure waste, you have described this before as both a headache and an opportunity, and I wondered if you would like to expand on what you meant by that.

**Dr Thérèse Coffey:** Sure. The first thing to say is that not only has the Government raised this through the EU in terms of market access; we have directly approached the Chinese Government through our Embassy. We are seeking clarity on exactly what their proposals are, because the technical side of it is still somewhat unclear. Chris, could you explain a bit more on that?

**Chris Preston:** There is a series of about 28 different products—potential recycled products—that could be affected by the China ban, ranging from paper to plastics, right across the field of different recycled materials. We are working to understand what the impact of that will be on our industry. We are also talking to and working with industry—

Q429 **Caroline Lucas:** It is about to start, is it not, on 1 January?

**Chris Preston:** Yes, and, again, that is part of the issue. There was very little warning and notice and that is part of the—

**Dr Thérèse Coffey:** That is part of the technical challenges through WTO about the timing of China's issuing of this change in policy. I can understand why it is a headache, but the overall direction that China are taking is to say, "We want to have higher quality of waste that we are going to process." It was a good challenge to us, to our industry, to us as a country, on how we improve the quality of the waste that we have. There are opportunities to reprocess more here, rather than exporting just to the other side of the world because it is a bit cheaper to do so.

Q430 **Caroline Lucas:** If this is going to come into effect in January and if it might affect us, I suppose, a year after that once Brexit has happened, can you reassure us that we will have the infrastructure necessary in this country to be able to recycle what is currently being sent off to China, or will you send it somewhere else? Can you give us some reassurance that it will actually get recycled—

**Dr Thérèse Coffey:** To be fair, the Government doesn't send it anywhere, but—

Q431 **Caroline Lucas:** But you will have to after Brexit. What are you going to do with it?

**Dr Thérèse Coffey:** I am not sure what you mean by that, sorry.

Q432 **Caroline Lucas:** I mean that at the moment if waste is going to China and China is no longer accepting it, where is it going to go? What are



your options?

**Dr Thérèse Coffey:** China will accept waste but they will accept waste of a certain quality and that is what we are seeking to clarify.

**Caroline Lucas:** Okay, some of it, so we are clarifying—

**Dr Thérèse Coffey:** I understand why it is a headache. We believe it is happening very soon. I can understand why certain companies are concerned. As I say, the challenge—and the opportunity—for us is to improve the quality of waste that we do have. It will take a different number of prongs to achieve that, but the industry is also saying that we need more capacity. I have already encouraged them to provide the capacity that they believe that we need.

Q433 **Caroline Lucas:** This is happening in eight weeks; it just sounds incredibly lackadaisical. It does not sound like the issue is being treated with the urgency that presumably it deserves. I am surprised we are not in some kind of emergency discussions about how to put this infrastructure in place or whatever the extra strategy will be, as the EU is looking at at the moment. I just want to be reassured that the UK has plans to match—

**Dr Thérèse Coffey:** We are not the only country in the EU affected by this potential change in China.

Q434 **Caroline Lucas:** But we are the ones who are going to be, potentially, leaving the EU, so we are going to be on our own sorting it out.

**Dr Thérèse Coffey:** I know. I genuinely don't think Brexit is a factor in this particular situation.

Q435 **Caroline Lucas:** Sorry, I just want to press that, because surely it will be. Being serious, when the UK is no longer part of the EU we are going to have to deal with our waste in our own domestic channels or make our own domestic arrangements for it, because we will not be with the EU doing whatever they do. If we are going to have to make up new rules and new infrastructure, what reassurance can you give us that your Department is well on the case for identifying what those measures will be?

**Dr Thérèse Coffey:** Again, I restate my assertion: I do not believe that leaving the EU has an impact on this situation with China. The situation exists and we are currently working through the EU with the WTO, but we are also doing our direct clarifications. But I think it is a red herring to try to suggest that Brexit has got something to do with this. There is another waste issue connected with Brexit, but it is not on our side. It is where the UK processes waste for some other member states and we need to sort that out and just to clarify that that will continue in a seamless fashion.

Q436 **Chair:** Can I just press you on China? You have described it as a headache and an opportunity, and you have encouraged the industry to



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create more processing facilities here, but these are big, capital-intensive plants that stick around for 20 or 40 years. Your warm words of encouragement are not going to be enough to encourage businesses, many of them multinationals, to invest in reprocessing here, unless there is a guarantee that there will be an income stream, like there is with PFI, and that this money is not going to be chopped, especially with Brexit on the horizon. Do you not agree? Do you not need to do more than just encourage?

**Dr Thérèse Coffey:** One of the things that we have said that we are doing and will be continuing to do is working with BEIS on stimulating more of a secondary market for materials, so that is undoubtedly key. I recognise that entirely. There are so many different dynamics going on at the moment about what we do with plastic recycling and what the consequences are of microplastics entering different environments. It is not as straightforward as one might initially imagine.

Q437 **Chair:** But do you not agree that the PERN system, which incentivises exporting it to the Far East, which is the originator of much of the marine plastic problem, now looks like it is coming to an end and that we should seize that opportunity?

**Dr Thérèse Coffey:** As I have already said to the Committee, we are looking at a review of the PERN system. We intend to develop that, leading in towards our strategy. It is my understanding that some things will obviously be more straightforward once we leave the EU. Some other things we want to continue exactly the same, but we are looking at this policy carefully.

Q438 **Chair:** What will our recycling target be after 2020?

**Dr Thérèse Coffey:** That is still subject to ongoing negotiation within the European Union.

Q439 **Chair:** So there is no market signal for these reprocessors to know how much the volume of the recycle will be in England once we leave the EU.

**Dr Thérèse Coffey:** It will be higher than it is today.

Q440 **Chair:** But you are not going to spend £80 million on a new reprocessing plant just because it could be 51% rather than 50%.

**Dr Thérèse Coffey:** I say it is an ongoing negotiation. It will be higher than it is today.

**Chair:** This is a two-year timeline. Okay, Caroline, do you want to carry on?

Q441 **Caroline Lucas:** I seem to have a lot of questions. The last one is about landfill tax and whether you have plans to reform landfill tax in order to increase plastic recycling.



**Dr Thérèse Coffey:** The landfill tax will be increasing with inflation until 2019. It has been one of the most successful levers in reducing landfill and we are exploring how we incentivise recycling and recovery over other uses. Frankly, incineration of plastic waste is not good for the environment. It is not good for greenhouse gases. There is a working group at the moment trying to see what more we can do with the polymers and moving to fewer kinds of plastics for certain kinds of packaging so that it becomes easier to recycle on a wider scale. It is not only about dealing with the treatment of waste; tackling the sources of waste is also key to our ongoing preparation for strategy.

Q442 **Caroline Lucas:** So it is true to say that your Department is considering increasing landfill tax.

**Dr Thérèse Coffey:** It will automatically go up with inflation.

Q443 **Caroline Lucas:** Okay, so significantly increasing landfill tax, given that we have established the fact that it is not doing what it was meant to do anymore, is it? As you say, it was very successful—

**Dr Thérèse Coffey:** Landfill is still coming down.

Q444 **Caroline Lucas:** But not in the same way that it was—

**Dr Thérèse Coffey:** It is below 20% and it has headed quite dramatically. You will appreciate that the Treasury deals with taxation matters, but I have asked publicly, and also privately, if it is still as effective as it once was. At the moment, we are seeing, with different councils, that it is not proving quite as effective as it once was. That is one of the reasons I have written to all the councils that had a recycling rate of 30% or less to try to understand, because it is not all just about—dare I say it?—London boroughs, where the problem is. There are some very leafy parts of the country that have shockingly low recycling rates and it is about stimulating them and what they are doing in order to tackle that.

Q445 **Caroline Lucas:** So it would be true to say that you are lobbying your Treasury colleagues to increase the landfill tax beyond the rate of inflation.

**Dr Thérèse Coffey:** I don't think you can put those words into my mouth in that way. It is fair to say that taxation policy has been set for landfill tax until 2019. I don't anticipate any changes in that but, again, we are working on resources and strategy and the question, which I have raised, is valid: is landfill tax still proving to be the same driver that it once was and what do we need to do about those remaining councils that are still sending a lot to landfill? I don't know if significantly changing the landfill tax on them is really going to have the behaviour outcome that we had originally. It is really about what works rather than necessarily definitively doubling the landfill tax, which would make sure nobody sent anything to landfill. I don't think that would be the case.





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Q446 **Chair:** You say it is set out until 2019. Was that set out in a Budget or the Autumn Statement?

**Dr Thérèse Coffey:** I cannot remember when it was done, but it is in line with inflation until 2019.

**Chair:** Okay. Thank you, Minister.

Q447 **Kerry McCarthy:** Have you done any modelling as to what impact various rates of increase in landfill tax would have on the amount going to landfill?

**Dr Thérèse Coffey:** I am not aware that that has been done, but that does not mean to say it has not.

Q448 **Kerry McCarthy:** There are two drivers, aren't there? One is the Treasury side of things, looking at revenues from landfill tax, but then there is also the public policy, as far as DEFRA is concerned. It seems to me that it would be useful to do that exercise.

**Dr Thérèse Coffey:** It may well be. I don't quite know exactly what work has already been done on some of these options, because the Treasury is the guardian of the modelling on taxation.

Q449 **Alex Sobel:** Moving on to producer revenue, we had Lee Marshall, chief executive of the Local Authority Recycling Advisory Committee, come in and he told us that the UK producer responsibility scheme fails the Ronseal test. Can you offer some clarity on what the revenue from the scheme is funding?

**Dr Thérèse Coffey:** The market-based mechanism was supposed to be a cheap and efficient way—which helps keep consumer prices down—to the most effective, responsible disposal of the packaging that comes into waste processors.

I am aware of the calls about greater transparency and about funding for councils, and that is part of our wider review of the whole PRN system. As I keep reminding councils, my officials and waste companies that the consumer pays one way or another. They either pay in the price of the product or they pay through taxation, whether that is at a local level or through national elements of it. The original system, I believe, was done by my Suffolk Coastal predecessor, John Gummer, in a market-based way, so it is about one third of the price of Germany, for example, which has a different way of tackling some of these systems. But we are looking at this, Alex.

Chris, would you like to add a bit more on that?

**Chris Preston:** I think you have covered it. The kinds of issues that people have with the system are well known: lack of transparency about where the money goes; people only asked to report for expenditure under broad categories; and the question whether sufficient money is getting to local authorities to help them put in place the kind of collection





infrastructure necessary to recycle more. As part of the waste and resources strategy, we will look at the EPR system to see what kind of system would work best for the UK.

**Dr Thérèse Coffey:** We do set overall targets for recycling of different materials—paper is going up, I think, to 75% by 2020, and plastics are again increasing from where we are today to reach a certain figure by 2020. So we do put targets within the system to stimulate that and the market adjusts accordingly. However, we are looking at whether it is still the most effective way of achieving it.

Q450 **Alex Sobel:** Moving on to compliance fees, Deloitte did a study for the EU on compliance fees and, looking at the graph, we are the very lowest, at less than €20 per tonne average. Even Romania had a higher charge. Austria managed a €200 average. What are you planning in terms of looking at raising compliance fees to match those of other European countries?

**Dr Thérèse Coffey:** Do remember, Alex, that raising these fees automatically feeds into the price of the products that your constituents pay. That is why, traditionally, the UK has been very proud of the fact that we have had a decent recycling rate, with less going to landfill, while recognising that we are looking at this again. That is very helpful. We will have another look at that.

**Alex Sobel:** I am sure Deloitte will supply you with their study.

**Dr Thérèse Coffey:** I am sure they will. Had you seen that report from Deloitte?

**Chris Preston:** Probably.

**Dr Thérèse Coffey:** It reflects, as you are aware, that we have the lowest market rate and there are some that are very high, but all these changes do impact on prices.

Q451 **Alex Sobel:** Do Producer Responsibility Obligations apply to disposable coffee cups?

**Dr Thérèse Coffey:** Yes, they do. This is where it gets slightly more technical because it depends on volume. I will hand over to the expert, if that is okay.

**Chris Preston:** Coffee cups and plastic bottles are all classed as packaging, so they are captured in the packaging regulations. Coffee cup producers and plastic bottle makers, who put things on the market, are required to show that they have recycled, through purchasing a PRN, a percentage of the packaging that they have put on the market. It will not necessarily be their plastic bottles, because it is not an individual thing, or their coffee cups, but in terms of the totality of packaging, they will have to show that they have contributed financially, through the PRN system, for some of that to be recovered. So yes is the answer.



Q452 **Alex Sobel:** Given that less than 1% of coffee cups are recycled, does that not show that the system does not incentivise design for the recycling of coffee cups?

**Dr Thérèse Coffey:** That is why we have been meeting this industry. We know there have been changes. There was a great contract, which you will be aware of, and I am sure Costa went on about it at some length, but other coffee outlets are also doing more to try to recycle or to provide recycling facilities for any coffee cup. You are aware of the scheme for recycling at home. Our focus is turning to facilities management and how we get more provision in the workplace, and I am also keen to do the same on transportation hubs in relation to how we step up the action of companies that run Manchester Airport and so on. At the end of the day, they are owned by a group of councils, so they would be good candidates to take this forward and show that it can be beneficial.

**Chair:** Also pension funds—but, no, it is local authorities in Manchester, yes.

**Dr Thérèse Coffey:** I think it is owned by the 10 mini councils, isn't it?

**Alex Sobel:** AGMA.

**Dr Thérèse Coffey:** That is not the only one that is owned by a council, but we should not restrict it to council-owned airports.

Q453 **Alex Sobel:** You touched on the fact that you are looking at modulated fee structures. We did have Nick Brown from Coca-Cola come in and he was supportive of having a modulated fee structure so that the more easily recycled packages have a different fee from the more difficult kinds. You touched on this.

**Dr Thérèse Coffey:** We are looking at that. I know that the industry is coming forward with some proposals on it, to inform some of our thinking. Even within the whole plastic bottle scenario, what proportion of PET is used, the rigidity of the bottle, how that fits in the consumer experience—last week at the roundtable, we were discussing the fact that Coke is a dark liquid, so there is a belief that they can have a slightly not-quite-as-superior bottle, whereas people who sell water are saying they need an absolutely clear bottle. I challenge that as well, but there are elements there. Something like Ribena is created in a different way, so you cannot use the same bottle, like a Coke bottle, for Ribena, because the whole method of production is quite different. It is quite challenging to get us to one absolute composite way of doing bottles because of the different nature of the products that they hold. Nevertheless, there is potential, with innovation, to continue to keep challenging it. Mary talked about the sleeve, and Clean Tech will take just about anything and recycle it, so there are facilities there that will do it and they are very keen to Hoover up as much plastic waste as possible.

Q454 **Alex Sobel:** Producer Responsibility Obligations also mandate producers to clearly inform their customers how to correctly dispose of packaging



for recycling, but we have heard a lot of evidence from right across the industry and from local authorities that consumers are confused about the messaging around coffee cups. How can the Producer Responsibility Obligations be reformed to encourage clearer messaging around the recycling of cups?

**Dr Thérèse Coffey:** The group that is looking at plastic bottles first is then moving on to coffee cups and that should be part of our clear terms of reference about how we enhance consumer understanding of what can be recycled, and how, including on-pack labelling.

You, I think, have pointed out—I cannot remember the name of the company you referred to—the compostables. I have that in my constituency, too. I have another company that believes that it can all just be put into a more straightforward recycling process. I will hold off giving Government views until we have had this call for evidence.

Q455 **Alex Sobel:** You have partly covered this answering Mary's question, but we had very compelling testimony from the British Plastics Federation, who said that the trading of PRNs by the plastic recycling industry has stagnated in the UK and caused more incentive for companies to seek to export the PERNs where plastic is exported overseas for recycling. I want to press you a bit more around what plans you have to incentivise businesses to recycle here and whether you are planning on reforming the Export Recovery Note system.

**Dr Thérèse Coffey:** Depending on the outcome of China, that might stimulate the market anyway. I am not aware that we are looking at any proposals to try to restrict exports that are not in compliance with the law.

Sorry; the first part of your question was about PRN and PRFs.

**Alex Sobel:** Yes. They are not using PRN; they are using PERN instead, throughout the industry.

**Dr Thérèse Coffey:** Yes. I do not believe we are looking at trying to change the rules on exports. What I do know is that, looking at the whole microplastics industry, we need to be constantly careful and thinking about here is another new product that could be made. I have already said to the Committee that we are working with BEIS; we recognise the need and we need to stimulate more secondary markets for these materials and that is part of our action plan with BEIS.

Q456 **Alex Sobel:** We have spent quite a lot of time in the Committee looking at deposit returns and I know there will be further questions about that. In Norway, they have an environmental levy on packaging, which has meant the industry itself has created a deposit return scheme rather than the Government introducing one. Would you consider introducing a levy or significantly reducing increasing recycling targets to encourage a voluntary scheme?



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**Dr Thérèse Coffey:** Part of the call for evidence was to get views from the industry. We recently extended that.

Q457 **Chair:** Why has it been extended?

**Dr Thérèse Coffey:** Quite straightforwardly, we have had the industry saying, "We don't want to give you data if we think our competitors can see it or if it is going to be publicly available". We have now been able to reassure them and make a process so that their information cannot be reviewed. We have worked out a way to deal with that, so we have added a few more weeks.

By the way, they also said they had been very busy preparing the evidence for your inquiry. So at the same time there were demands on them in that regard and, not surprisingly, they put Parliament first. Therefore, I think it is fair enough that we extend it by a few weeks. We have managed to assuage their concerns and it does not derail the timetable for the review by the group. It really matters that we get their information and their data. I have to say that wading through all these different things, getting data on what the actual recycling rate in Norway is, or Estonia, or other things, is pretty challenging because there are different ways of doing it, people report types of plastics, and there are different methods that you can use, so we are not really comparing apples with apples. We are trying to find something where we could get better comparisons in what we are doing and what would be effective in taking forward our recycling rate.

Q458 **Chair:** We are not clear, as a Committee, where the packaging producer compliance scheme money goes. It generated £110 million of compliance revenue in 2013, only £37 million of which went towards collection. Where does the money go, Chris?

**Chris Preston:** In a nutshell, it goes from obligated producers to those who are doing the recycling.

Q459 **Chair:** Via the Environment Agency, who is the collector?

**Chris Preston:** People purchase a PRN. The Environment Agency authorises Kerry to be a PRN issuer, so that is through the EA, the register for that, as a process. Then I come along as processor and I pay Kerry money to get a PRN note, which discharges my obligation. It is kind of like a credit note to say, "You have recycled X amount of—" whatever it is that your obligated packaging is, so glass, plastic, paper, metal. That is how the process works.

Q460 **Chair:** So, what does Kerry do with the money?

**Chris Preston:** You invest that in your business.

**Chair:** You then process the waste.

**Chris Preston:** Yes, you then process the waste.



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Q461 **Chair:** Only £37 million out of £110 million—that is about 35%—is invested in reprocessing. Where does the rest go?

**Chris Preston:** Some money will go to administrative fees in terms of those businesses; some will go to—

**Chair:** Not more than 5%.

**Chris Preston:** Some will go to local authorities

Q462 **Chair:** Hold on. Some goes to admin but surely not more than 5%.

**Chris Preston:** In terms of reporting about the broad areas where money is supposed to be spent, it will cover things like development of capacity and deflection processes. If I am a reprocessor, I might have worked with a local authority to say I would like more of this particular material to come through, so there may be an individual exchange of money there. Some companies are working with environmental charities—Hubbub, for example—to advertise to collect more batteries as a kind of consumer campaign. So, it will go into a range of different areas, but I accept that one of the issues with the current PRN system is that transparency that business is looking for about exactly where the money goes.

Q463 **Chair:** Consumers are looking for it as well, aren't they? If Kerry decides to just have a bigger profit margin in her business and to sit on her bottom and not work with Hampshire Council to create a waste stream, then she is making a profit out of the waste system and I, as a taxpayer, am still paying for that collection and revenue. Sorry to pick on you, Kerry.

**Dr Thérèse Coffey:** She is a member of the Committee who isn't here.

**Chris Preston:** It is a market-based system. The price of PRNs can go up and down over time, depending on how close or how far away producer compliance schemes are from hitting their particular target.

Q464 **Chair:** You control the market; the Minister controls the market.

**Chris Preston:** It is a market, so—

**Dr Thérèse Coffey:** What makes you think I control the market?

**Chair:** Because you set the target in terms of compliance. You regulate to create the market and, coming back to the market, why has the recycling rate for wood remained at 22% for the last 10 years? Is wood not a valuable commodity? It takes years to grow. It has been at 22%—I had a look last night—since 2007, since this schedule was first set up and it is at 22% still in 2017.

**Chris Preston:** I guess that is the target that has been set at EU level for different products.

Q465 **Chair:** So you are saying these are EU targets, not UK targets.



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**Chris Preston:** We go a little bit further, in terms of the overall targets that we set, to make sure that we hit the overall EU target, but yes, these are derived from the European Packaging Directive that sets a trajectory of targets to achieve by 2020 and possibly beyond.

Q466 **Chair:** But we have no target set for post-2020, do we?

**Dr Thérèse Coffey:** Not yet.

Q467 **Chair:** When do you think those targets will be set?

**Dr Thérèse Coffey:** I am expecting probably not until the middle of next year.

Q468 **Chair:** So in terms of these reprocessors looking to invest large amounts of capital—

**Dr Thérèse Coffey:** The trajectory is increasing, as it has been, but perhaps not for wood. Wood, from memory, brings its own complications in terms of contamination. That is undoubtedly a challenge on wood recycling, but also people use it in all sorts of different ways, for burning, for different elements.

Q469 **Chair:** Okay. Do you have the more up-to-date figures on this PRN stuff? We only have the 2013 figures.

**Dr Thérèse Coffey:** Not off the top of my head, but we can write to the Committee.

Q470 **Chair:** Do you, Mr Preston?

**Dr Thérèse Coffey:** He is bound to have the right page somewhere.

**Chris Preston:** I am just looking to see.

**Dr Thérèse Coffey:** Rather than rush through the folder, I think it is easier—

Q471 **Chair:** Yes. Following the money is where we have tried to get to as a Committee, and I think consumers and councils deserve clarity about where these environment levies are going. If they are just going into a market-based system, where the market is not really delivering what we want it to deliver—

**Dr Thérèse Coffey:** The market is achieving the targets that we are setting. Then there will be different dynamics happening in order to make sure that, as we get close to the reporting process, people get that in.

Q472 **Chair:** But what the market is doing is favouring the export of plastics to China and Vietnam, where we have no idea what happens to them. It is basically out of sight, out of mind, and we know that the Far East is one of the big sources of plastic pollution, so essentially our system is saying to producers, "Here you go, £20 a tonne; don't worry about it; export it on a big ship; it's ballast; everybody is happy", and then it is potentially entering the oceans, the Pacific Ocean, and coming back.





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**Dr Thérèse Coffey:** I believe there is a responsibility on the producers, even when they export, to ensure that is the case, and I think I am right in saying the Environment Agency, from time to time, assesses that. I cannot recall specifically the detail in my mind but that is one of the roles of the Environment Agency.

**Chris Preston:** That is exactly right. When somebody exports something, in effect they are giving a commitment that that material will be recycled in the same way as if it were here, otherwise they would be breaking the law.

Q473 **Chair:** Have the prices of PRNs gone up since China announced its ban?

**Dr Thérèse Coffey:** I don't know the answer to that.

**Chris Preston:** You will see some fluctuation in the market, I guess. We have not analysed what the impact of that is right now, because it is not a dynamic dataset, but we can certainly find out and provide some information on that.

**Chair:** Okay. That would be helpful. Thank you.

Q474 **Alex Sobel:** I was going to ask about audit of the system. Clearly, we have talked about transparency. What is the process of auditing this to ensure that the monies are flowing and that there is some public accountability?

**Chris Preston:** The Environment Agency would be the regulator, overall, to make sure that the PRN/PERN system is working properly, so they would keep an eye out for fraud in the system.

**Chair:** Thank you very much indeed. That has cleared that up for us.

Q475 **Dr Matthew Offord:** In the last couple of years, the recycling rate for plastic bottles has plateaued to just under 60%. What is the Department proposing to do to increase that?

**Dr Thérèse Coffey:** As in my remarks in answering the earlier questions, the RECOUP survey is based on household recycling and domestic bring sites, so it gives a snapshot, I would suggest, and it is across all sorts of bottles, whether it is shampoo, bleach or, indeed, drinks.

You may well have had evidence given by, I think, Valpak; they believe that the recycling rate of drinks bottles is 75%. We need to validate that. Again, these are all sources of evidence that the group will be considering as they consider what more we can do to improve reward-and-return incentives, whether that is deposit schemes or whatever, in order to increase the amount of recycling of plastic bottles. At the moment, they need to go through that different evidence to see what will really shift the dial.

If you look at other countries across the European Union, the extent of kerbside recycling really varies, and possibly the only comparable





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market, I think, genuinely is Germany. They have had a DRS scheme in place for a long time. It was very pricey to install. Meanwhile, as Alex pointed out, Norway had the scheme led by industry and that has been part of my challenge to industry. So, the essay question is how do we make a DRS work—if you wait for Government to impose it you may not get the effective scheme that you want, so come up with something. That is why we have encouraged them to make sure they put into our call for evidence.

**Q476 Dr Matthew Offord:** You mentioned the DRS scheme. Would you be in favour of the Government introducing one?

**Dr Thérèse Coffey:** We are awaiting the evidence on it. It does seem to work in other countries, we know, beyond Europe. South Australia has just introduced it; California has had one for a long time but their recycling is going backwards and they do not have kerbside recycling. I do not want to be dogmatic one way or another, but the essay question that I keep giving to the industry is, we know it works in some other countries, how can we make it work here?

**Q477 Dr Matthew Offord:** What is their resistance to introducing an industry-wide DRS scheme?

**Dr Thérèse Coffey:** I think it is the complexity. We have the highest proportion of on-the-go consumption of these kinds of products and the number of different outlets across the country is quite stretching. If Tesco has not already told you, I think they tried a reverse vending scheme in the 1990s; it did not work for them. They had a lot of contamination; they had a lot of actual fraud. It was not a deposit scheme and I do not want to dismiss that entirely, but I think it is important that we understand what attempts have been made before and how we could do it differently this time.

I am also keen to point out that we need to understand whether it is really going to shift the dial on recycling the numbers of these kinds of bottles and make an evidence-based choice on understanding what we would expect a DRS scheme to do in the future.

**Q478 Dr Matthew Offord:** Your Department submitted written evidence to this Committee to say that the Department has made great strides in recycling to get it up to the 60-odd%. What would you attribute that to? What initiatives did your Department promote?

**Dr Thérèse Coffey:** In recycling of bottles specifically?

**Dr Matthew Offord:** Yes.

**Dr Thérèse Coffey:** We now have a situation where all but three councils are collecting plastic bottles. There are things, working with industry—the market is driving the whole change about ensuring that they can use more recyclable materials in their products and I think there is a greater consciousness in people about recycling. People do want to



be able to recycle anywhere and everywhere. So that is where some of the litter strategy comes in. I recognise it is not that but it is about working with councils and businesses on improving “binrastructure” in order to make it as easy as possible for people to do these things.

**Q479 Dr Matthew Offord:** You mentioned earlier in your remarks that a lot of the charging schemes—taxation schemes—are the responsibility of the Treasury, which I understand and acknowledge, but local authorities are often sending contaminated recycling materials to landfill because it is cheaper for them. What initiatives or plans do you have, particularly to influence Treasury to make it financially more viable for them to go through their waste and recycling so that they can compost or recycle more?

**Dr Thérèse Coffey:** That is part of looking at some of this evidence for our waste and resources strategy. One of the things we have to be careful about is the evidence from the Nordic countries that bring schemes usually lead to higher levels of contamination than your kerbside recycling. There are different activities going on, as was mentioned, when I wrote to the councils—I am trying to remember, it was Newham that was working with I can’t remember which organisation—to do more about improving reduction in contamination of waste; Sunderland Council had done exactly the same. We are working through some of this information that we are getting back from councils in order to see what we can do to help to do that. We have asked WRAP to continue to work with councils, not only the ones with the lowest recycling rates, but some who could be a bit more ambitious. If we can tackle that urban recycling, whether it is about on-the-street collections or whether it is on the home side, as well, there will be advantages to making that better for recycling, recapturing and re-using the materials.

**Q480 Dr Matthew Offord:** I was horrified when you said a few minutes ago that the London boroughs’ recycling rates were not good. When I was Cabinet member for the environment in Barnet, I strove to increase recycling and we did. We engaged with the Treasury in terms of increasing our recycling rate, and we did it. I am concerned by what you said about that.

One of the issues about recycling in London, I remember the former Mayor of London, Ken Livingstone, said to me, was that we had all these different collection methods, whether they be commingled, or kerbside, or separated, or whatever. What do you feel about localised collection services? Particularly Wales have recently imposed statutory targets upon local authorities and the idea would be that different local authorities collect in the same way.

**Dr Thérèse Coffey:** We are looking carefully at that. There are some different dynamics in Wales. They have clearly made it a great focus and I applaud them on their rates. The majority, I think, of their collection services are in-house, so it is quicker to be able to make changes in those regards. They also have a somewhat different housing stock from



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England and our cities, but that is no reason for us just to wring our hands. My challenge has also been about this.

When I arrived in the role, over a year ago now, I was effectively being asked to endorse a system that would mean everybody would have to have six bins inside and six bins outside their house, and I just did not think—that was really Whitehall dictating how many bins in that way. Local councils do know their communities; they even have differential collections within their own council areas, recognising that. What I would like to see—and the Ellen MacArthur Foundation has some interesting views on this; they believe we should have a universal one—is to go back and reduce the number of bins that are optimal. One of the challenges with China is about the people who collect glass at the kerbside commingling that with paper. That is a huge potential quality problem in the future. I do not want to be dictatorial from Whitehall. It is about recognising that local communities have not just different characteristics but different housing characteristics. For example, why is it that Bassetlaw's rate is 20%? It is not particularly densely populated. Gosport is quite densely populated but is 22%. Lewes, 21.5%. They are really low rates and that is why I have been asking councils about what are their barriers are to making progress on this and that is what we are working through with them.

Off the top of my head, I could find Barnet nowadays, but I won't dwell—

Q481 **Dr Matthew Offord:** I am sure a written question will be coming your way.

Two quick observations: I don't buy this—

**Dr Thérèse Coffey:** I have found it: 36.8%. That is for 2015-2016.

**Dr Matthew Offord:** Appalling. I was seeking to achieve a target of 30% almost 10 years ago.

**Dr Thérèse Coffey:** Well, they have exceeded your target, Matthew.

**Dr Matthew Offord:** No, Minister, I exceeded my target.

**Dr Thérèse Coffey:** There we go. But there are different parts of the country where, frankly, I am quite shocked at how low some of the rates are.

**Dr Matthew Offord:** I certainly share your shock in that as well.

But two observations, very quickly. I don't buy this difference between people living in flats and people living in houses. I lived in a flat in Barnet and I recycled more avidly than many other people who lived in houses and who had external bins. Secondly, I believe the great barrier to recycling at a local level is political will. It is as simple as that. Some people are just not interested in doing it and are not going to expend any political capital, or financial capital, on doing it.



**Dr Thérèse Coffey:** To be fair to the Mayor of London, he has set an ambition for a 40% recycling rate across London. That is not high enough for us to be able to achieve the outcomes we would like, but it would be a significant step in the right direction, so I am not going to criticise the Mayor for that. He has the powers to require councils to come up with strategies to try to enhance that, and if we can go further and faster than the 40% ambition he has set out, great. I know that Resource London is working with him, and LWARB. Again, I go back to some of the work that I initiated with Peabody Trust to try to tackle highly densely populated blocks of flats, and so on.

**Dr Matthew Offord:** I will leave the Mayor and his targets.

**Dr Thérèse Coffey:** I understand.

Q482 **Dr Matthew Offord:** Moving on, we have spoken about coffee cups—they are difficult to recycle and we have heard evidence in front of this Committee. There are currently only three facilities in the United Kingdom that are able to take them. Again, what financial incentives are the Government able to use to encourage the industry to invest in greater facilities, which are able to cope with plastic?

**Dr Thérèse Coffey:** I have to be slightly careful about what I can say, because I am not sure what is commercially confidential and what is public knowledge. I know that there are players in the market who are actively trialling cups that can be recycled a lot more straightforwardly. When we had our roundtable two or three weeks ago there was quite a conversation going on. There were challengers saying, “I didn’t think your paper mill could take that.” So even just by convening a group, a roundtable, of different kinds of people, we are starting to get that conversation and clarity, which at the moment may be lacking. If I can do more on that, then I will, but we do have those conversations happening now, directly with each other. It often does help to have multiple sides of a story in one roundtable, so that I can say, “The other week, you said this; why is it not possible?” and you can have those conversations, a bit like you do, with your questioning of witnesses.

Q483 **Dr Matthew Offord:** We have heard evidence from Frugal Cup, which has been useful. They make a case that recycling could be a lot easier than it currently is.

One of the issues we also have is the Paper Cup Recovery and Recycling Group have announced a recycling system that uses bring banks and can take kerbside recycling as well. Given that coffee cups, as we all know, are consumed by people drinking them in the street or in other areas outside of the home, how much do you think these initiatives will improve recycling rates?

**Dr Thérèse Coffey:** I think I am right in saying that the new initiative from the coffee cup retailers will also give a direct financial incentive to councils to take up the ACE scheme, which also deals with those other generic cartons for beverages. I am pretty sure they have set aside some



investment in that, so that is good news. However, I come back to some of the things where I want to push further, which is on some of our transportation hubs and what we are doing with that. We know that facilities management of companies is starting to do a lot more and a lot more corporate responsibility is happening in that regard.

**Q484 Kerry McCarthy:** Can I ask about some of the more difficult-to-recycle plastics—for example the mixed polymers, the plastic film that often goes round bottles? Lids can also be quite difficult. What is your approach to that?

At the moment there is only one recovery facility in the UK with the ability to recycle mixed polymer plastics and the shrink wrap that is used around plastic bottles. Only one manufacturer has committed to halting their production. Do you think the approach should be to invest more in the infrastructure so they can be recycled? Or do you think it should be to stop producers of these products using them in the first place?

**Dr Thérèse Coffey:** There is an increasing awareness that these can be recycled and some slight design changes could make it even easier because there is an element, I believe, of the proportion of the bottle and the sleeve itself, how they interplay. So we are seeing manufacturers changing their products. I would encourage the particular facility, which I have visited. It would not surprise me, if they start to significantly increase their capacity in that regard. Should we just ban the other stuff? If the market is providing a solution, and we are seeing people switching to it, I am a strong supporter of that. That said, the industry has also commissioned work—I think it is the Co-op leading it—on other kinds of packaging in order to move to more single polymers, aren't we?

**Chris Preston:** Yes, and greater consistency, so that more can be recycled across local authorities, because that is part of the issue with recycling more broadly.

**Q485 Kerry McCarthy:** The EU is moving towards legislating against these harder-to-recycle plastics, but you do not share the EU view? Do they think that would be more effective than waiting for the industry to respond?

**Dr Thérèse Coffey:** We do have this working group, which is proactively working on it now. I would prefer to ask them to innovate and get that agreement, rather than resorting to regulation. That is my default way. If we can get the market moving, that tends to happen more quickly than necessarily the effects of regulation, when you have to do all sorts of consultations and all sorts of different things, and we are seeing movement happening.

**Q486 Kerry McCarthy:** Where is your evidence for suggesting that a market response gets things moving more quickly than regulation? We are going to come on to talking about the charge on plastic bags, for example, later, but I don't think you could argue that in that case the market response worked.



**Dr Thérèse Coffey:** It is where you have a readily available alternative. That is the difference. Where the plastic bag has really worked, you had something for free, and it was just provided free of charge at use, and it is quite straightforward to have a bag that is recycled, or bring another bag for your shopping.

Q487 **Kerry McCarthy:** There are clearly plenty of other products that these people produce, rather than using the mixed polymers.

**Dr Thérèse Coffey:** That is part of trying to understand better the different types of packaging and how they get used. There is different, at times, processing of the products themselves, which lends itself to one plastic packaging more than another. I am not sure I can say it—I don't have the technical knowledge to go into it, in the aseptic production of a particular drink, what proportion that precisely requires and I would be concerned that we would end up effectively banning products from sale, which in themselves are not harmful, or indeed malevolent, but I do see that the market is moving to explore that further.

Q488 **Kerry McCarthy:** Have you considered legislating for the minimum use of recycled PET to incentivise producers to stop making so many different types of plastic, that if you said that they had to have a certain proportion of PET in their production, it would encourage them to use recyclable materials in the first place?

**Dr Thérèse Coffey:** PET would not be suitable for every use where plastic bottles are used today. They might be for drinks. I understand what you might be saying with that but I am not convinced they would be the best kind of plastic necessarily for things like bleach, those kinds of bottles.

Q489 **Kerry McCarthy:** For soft drinks at the moment, Coca-Cola bottles contain 25% recycled PET; Innocent use it for 50% of their packaging; Ribena only uses recycled PET, so clearly some people are using it more than others.

**Dr Thérèse Coffey:** Yes. This comes back to assertions made by companies, which I do push back on, about dark liquids versus clear liquids, and what that brings with it. I have to admit that I have encouraged them to go back to their marketing people and perhaps do some trials on whether the consumer really notices the difference in the product that they purchase, because the different proportions will give you different kinds of feel and experiences of plastic, and also a different look.

Q490 **Kerry McCarthy:** But if you push for a mandated minimum use of PET, that would encourage the industry to respond, to make it available.

**Dr Thérèse Coffey:** It may well do. I am not—

**Kerry McCarthy:** I will encourage you to work on that.





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**Dr Thérèse Coffey:** But then you go to the other extreme of milk bottles. They are not PET. Would you need to move to PET for that? They are HDPE. You do not need to have the qualities of PET, necessarily, for all kinds of bottles of drinks.

Q491 **Chair:** Coming in on milk bottles, we have heard anecdotal evidence about the white ones being harder to recycle and potentially reducing the value.

**Dr Thérèse Coffey:** In themselves or due to contamination?

**Chair:** The dye in them. Transparent bottles, £147 a tonne; the white ones, much more difficult to reprocess and reduce, just the same as if you have blue plastic cups rather than clear ones. These are simple changes that the consumer would not even know, because obviously milk is a white liquid; it does not need to come in a white bottle. So this is a pure marketing thing. I think Arla use it, I saw in the supermarket at the weekend, for their lactose free or their more filtered milks, their speciality milks. It is definitely a marketing thing. I suppose what we are asking is if you stimulate the market for recycled HDPE—we are not experts in the types of plastic—but if you stimulate the market, then you change behaviour.

**Dr Thérèse Coffey:** What is accurate to say is that you cannot—a bottle like the gentleman has over there, if that was green—

**Chair:** Which gentleman?

**Dr Thérèse Coffey:** The gentleman who has the plastic bottle.

**Chair:** Oh, right. No pressure there.

**Dr Thérèse Coffey:** Fortunately, I don't think he is on camera. That could go back into a process that could then be used to recreate another plastic bottle. You are absolutely right to point out that things, say, for example—I do not want to pick on a particular manufacturer, but there are other people who sell products in green and orange and all that and it is absolutely right to say, which I have raised with the Commission informally, they cannot be reused to recreate a bottle. They are then used in things like plastic road cones, traffic cones, quite a lot of strapping, so they do get used in different ways. Is there an argument to say we do not allow anything that is not clear or blue? I think there may be an argument for that, but that would have significant impact on the product design of products from right around the world, and even parts of the European Union, which we certainly would not be able to do now. Whether that would be desirable in the future, to not allow—I can think of certain famous bottled-water names, and indeed other soft drinks, that market their products in green and other colours at the moment, when we know that that product can be used to create something else but it cannot be used to recreate a bottle.

Q492 **Chair:** But it goes further down the waste hierarchy. Using it in road





cones is not as good as using it for plastic bottles, is it?

**Dr Thérèse Coffey:** Well, it gets used in road cones; it can get used in strapping; it can get used in T-shirts; it can get used in football shirts; it can get used in different things. I recognise what you say—

Q493 **Chair:** In terms of the waste hierarchy, it is going down. We are not creating a circular economy if we are just going to use it once in a road cone and then off it goes to landfill or incineration at the end of its life.

**Dr Thérèse Coffey:** I suppose you are right, but I would not want to mislead anybody by suggesting that the bottle of Coca-Cola just gets re-used as it is; it gets reprocessed.

**Chair:** No. We understand the reprocessing.

Q494 **Kerry McCarthy:** There has been a leaked European Commission document entitled “European Strategy on Plastics in a Circular Economy”. I know you are not very keen on the circular economy—

**Dr Thérèse Coffey:** It is all right, I have learned to live with it, Kerry.

**Kerry McCarthy:** And they are looking at a revision of packaging requirements with a view to ensuring that by 2030 all plastic packaging placed on the EU market is reusable or easily recyclable, and obviously Brexit is looming. Is that something that you have had any involvement in, to date? Is that something you would continue? If we are looking to still sell products in the EU market, that is something that needs to be on our radar.

**Dr Thérèse Coffey:** The strategy to which you refer has not, that I am aware of, been shared with member states, so the Commission is working up this policy. We have certainly not been formally presented with it and I don't know the extent of how we have been asked to be involved in it.

**Chris Preston:** The Commission have set out some kind of high-level ambitions for a new plastics strategy for Europe, all of which, I think, are quite sensible: how do you reduce the use of fossil fuels to make plastics; how do you make plastics more recyclable; how do you help consumers understand the impact of plastics? It is very sensible, the approach, I think, and it is certainly something that we are thinking about in terms of our approach, more broadly, to the waste and resource strategy that we are developing.

**Dr Thérèse Coffey:** There is a slight risk of demonising plastic packaging in its entirety and I do not think anybody wants to do that; it is about reducing the amount of what is necessary and, as you point out, what could be reused or recycled.

Q495 **John McNally:** Earlier on we touched on the DRS schemes, and you also mentioned that DEFRA has a working group examining the return and reward schemes for plastic drinks containers. In the meantime, while we wait for the group's findings, are you able to outline to the Committee,



from your perspective, what are the pros and cons of introducing a deposit return scheme?

**Dr Thérèse Coffey:** The expected, or designed, outcome would lead to an increase in recycling of good quality plastic. That would be the desired outcome. The challenge that the call for evidence is seeking to understand is how we would make that happen on such a wide distribution network, which we have, of outlets where people sell these kinds of products, and then the infrastructure that would be needed to go with that. I do not want to pre-judge the views and indeed we have extended the call for evidence. I am aware, of course—

Q496 **John McNally:** Can you comment, then, on the effectiveness of the existing deposit return schemes, on what you would seek to incorporate or avoid in a DRS scheme for the UK?

**Dr Thérèse Coffey:** I don't think we have got to that stage yet. The essay question is, other countries manage to do it, why can't we, and how can we make it effective for our market? Reflecting on and trying to learn lessons from other countries—somewhere like Estonia is often thought of highly, or indeed Sweden; they do not have kerbside recycling. What would that do to the dynamics of the market here, the dynamics of the collection processes that we have here? It is about making assessments and learning from other markets that are appropriate, and of course I know that Scotland has a strategic intention to introduce it as well.

Q497 **John McNally:** Indeed. Last week we heard about the possible impact of the deposit return scheme on smaller retailers in terms of financial and logistical buttons. Have you considered the implications of an exemption, for example, for smaller retailers?

**Dr Thérèse Coffey:** We are genuinely just not at that stage, John. I have been lobbied by one of the small-outlet organisations, saying they desperately want it; they want to be included because they see it as a way of increasing footfall into their stores. On the other hand, other groups—I don't know if they are the ones that came to give evidence last week—are saying this would be a massive burden on business; they haven't got enough space in their stores, and so on, and how would they operate the levy; how would they do this? It is undoubtedly complex but the essay question returns. Other countries manage to do it, so how do we make it happen?

Q498 **John McNally:** Small towns around the continent, you will see they have recycling facilities nearby; very small streets, they have small cars, one-way streets, but they have areas set aside and they seem to be very well used. Without a doubt there is a demand, people want to be able to use these facilities, and I am sure, with a bit of engineering, it should not be that difficult for a country like ours to overcome that.

I would like to go back to the question I asked you last week in the Chamber, just for the benefit of the Committee—I know you have had



nothing to do since then. I asked you about these Zero Waste Scotland estimates. The return scheme in Scotland would probably save around £50 million in litter-related costs and I asked you if in England there was anything being undertaken towards a similar thing. I wonder if you could maybe develop a little more for the Committee your answer of last week, because I can't remember it either. It was a really good exchange and I think it was a very honest exchange.

It was about fly-tipping in rural communities, Mary, and you talked earlier on about China and there would be an impact, without a doubt, on rural communities if this plastic is not getting taken care of immediately. I think there would be a huge impact on our communities and I think rural communities might be affected. That is still local authorities.

**Dr Thérèse Coffey:** There are risks about different ways of adding charges for disposal, that people will then do the wrong thing. We know that.

In terms of Zero Waste Scotland, I thought you were going to head down the line of the workings on DRS together, across the border. I know that manufacturers would be very keen on a single scheme for the United Kingdom, but policy is a devolved responsibility. We are going to work together. Official levels, I think, have already met. I don't know if Chris wants to say a little bit more about that. I think Wales are also expressing some interest.

In terms of a wider thing about the UK single market, I can understand the attractiveness of having a UK-wide scheme, but I would hesitate to definitively say that is what is going to happen. I should not say that because that would be pre-judging a number of steps, which have yet even to be taken.

Q499 **John McNally:** You are open to that as a possibility, obviously?

**Dr Thérèse Coffey:** It is definitely worthy of consideration but a bit like some of our other schemes that sometimes happen around the country, there are different outcomes that perhaps are wanted by different Administrations or different ways they believe it can be achieved, recognising their local communities.

**Chris Preston:** We have regular catch-ups across all four parts of the UK. There is a meeting tomorrow, when we are meeting to talk about deposit returns. We operate a lot of the schemes—the producer responsibility regimes that we have talked about today, like the PRN system. Those are operated sometimes at a UK level, even though it is a devolved responsibility and we could each operate it separately. We do choose to operate those at GB or UK level, because it makes more sense. It means that different parts of the UK are all playing on the same level playing field. One of things about a DRS is that would certainly be something that we would want to talk about, how it could work out either in different parts of the UK or as a single system. That is an open question.



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Q500 **John McNally:** We can move on to the next question. How does Government currently promote the use of reusable bottles to the general public, to get people to become more and more aware of how we need to recycle these bottles, or the reusable ones? You mentioned corporate responsibility earlier on. Is that really where it has to come from?

**Dr Thérèse Coffey:** There is a comprehensive system for people to be able to recycle at home that is available to them now, apart from the three areas that I have mentioned, and in two of those, hopefully that will change very soon.

One of the things I have encouraged people to consider in applying for the Litter Innovation Fund is whether there is something that could be done, a project that focuses on this particular issue, to see how we get more elements of people for on-the-go recycling. The challenge, really, is about on-the-go consumption and recycling. That is where we need to have a different dynamic with councils in terms of their bin infrastructure, but also the estate companies, facilities management companies, and transportation hubs about how they make it more straightforward to improve their recycling offer. People generally want to recycle, not exclusively, but we have to do a lot more education, I believe, which through WRAP and other organisations we do, on contamination of waste. That will be problematic, if we suddenly get—not suddenly. If the proportion of contaminated waste increases significantly, that would be counterproductive.

Q501 **Chair:** The question was about reuse.

**Dr Thérèse Coffey:** Sorry.

**John McNally:** Yes, re-use.

**Dr Thérèse Coffey:** I apologise. Something like this, you mean, or reuse of coffee cups? Okay.

You will be aware there is a little bit of an app. I have had some discussions with some outlets—

Q502 **Chair:** What is the app?

**Dr Thérèse Coffey:** There is a bit of an app about where you can refill your water.

Q503 **John McNally:** Is this going to be going to public water fountains? In Scotland, we don't really have a problem. It is fascinating for me, I have to say. We can drink water out of the taps as you can down here as well, but this is a very, very good point about the drinking water infrastructure in the UK, and I think that is what Mary is talking about: if you had places where you could refill your bottles then probably you would not, obviously, have the same amount of throwaway plastic bottles.

**Dr Thérèse Coffey:** Again, at the moment, I cannot quite break commercial confidentiality with some outlets and organisations, but I



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would encourage people, if they are a customer, where they are going somewhere regularly, and they have a water bottle, simply to ask for their bottle to be refilled.

Q504 **Chair:** What if you are in a park playing a game of football and there is no café? What do you do if you are a kid?

**Dr Thérèse Coffey:** I think that is a slightly different story of where a lot of the consumption of that is going on. That is a slightly different mechanism. Again, it may be the case for councils to consider that instead of just fountains they have a public water supply. I am thinking of where we see a lot of the on-the-go consumption it tends to be pre-programmed. If you are going to football practice on a Sunday morning, you tend to know about that activity and you tend to take stuff with you. It would not surprise me if it is refillable. It is about people moving from their journey from home to work to different things. That is why we are trying to encourage some different organisations to potentially start to proactively inform their customers that when they come in to buy a particular product they will happily fill up one of these for them as they go about their merry way. One of my to-do lists is to again write to airports and transportation hubs to see if we can get more taps. I do not know about you in airports; quite often you walk up with a bottle. You have to dump it. On the other side you end up buying another bottle—very frustrating for everybody involved.

**John McNally:** That is a very, very good point, yes.

**Dr Thérèse Coffey:** This is something we can do.

**Chair:** Heathrow has introduced fountains.

**Dr Thérèse Coffey:** They have, you are right.

**Chair:** Last time I went I got my empty plastic bottle and I thought, “Well done.”

**Dr Thérèse Coffey:** Well, I would like them to go even further and put a tap next to it. The same would be true of certain other transportation hubs as well. I expect there will be a bit of a kickback saying, “Our retailers pay” whatever rent it is but I—

Q505 **John McNally:** That is a wee bit ironic. More people are travelling certainly by train and plane now than ever, and if you go on to every platform and every station in the country, you end up getting supplied on the train by water, as you know, if you are travelling all the time.

**Dr Thérèse Coffey:** Even in universities—I know Coca-Cola is doing something with Reading University where they are providing every student, I think, with a bottle with an RFID chip in it as a way to try to encourage the reuse of the same bottle. That is something they are—

Q506 **Chair:** That is not Government, is it? You mentioned the app City to Sea. Is that the app you are talking about? Or Find a Fountain?



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**Dr Thérèse Coffey:** I have left my personal phone in my office, I am afraid, so I do not have that one. I am trying to remember if it is BRITA that have helped. BRITA obviously has a commercial interest in encouraging this. I know that some MPs are actively involved in their own constituency, but this is what I am doing. As I say, I cannot really break commercial confidentiality at the moment.

Q507 **Chair:** Okay, that is very interesting. What about these fountains? Whose responsibility is it to provide a fountain?

**Dr Thérèse Coffey:** I am pretty sure that it has traditionally been something councils would do in their own environment.

Q508 **Chair:** Not water companies as part of their corporate social responsibility?

**Dr Thérèse Coffey:** I had not thought of that. It is unusual, I think, for water companies to get involved in that kind of infrastructure in a public environment.

Q509 **Chair:** Given that that infrastructure has shut down—only 11% of parks have a fountain—isn't that the most simple and cost-effective way of ensuring people have a ready access to water supply?

**Dr Thérèse Coffey:** I don't know. I don't know if it is the most cost-effective way. Again, you are talking about children going to that. They tend to be more premeditated kind of excursions rather than on the go and I think it is the on-the-go variety where we would probably get more outcome.

Q510 **Chair:** Okay, fine. At the moment in the UK we only have three recycling facilities with the technical capability to recycle coffee cups, so less than one in 400 is recycled. We come back to your statements that they can be recycled. Technically, yes, a bit like the plastic films. You have been to the one place where they do do it and obviously they do not want to see their feedstock going down, but if it is not collected by mainstream local authorities then for all intents and purposes it is not recycled. We have a market failure with coffee cups, haven't we? The market for waste has failed and has allowed a product to develop that you just buy your 20 quid PRN or your PERN and then you have discharged your environmental responsibility. How are you going to correct that market failure?

**Dr Thérèse Coffey:** Is it a market failure or is there more encouragement for the consumer? We know with coffee cups when they did their reusable discounts it did not really shift the amount of people using it. I do think it is about having greater potential collection points for people to dispose of their products responsibly and also better informed on what they need to do to decontaminate.

Q511 **Chair:** But if there is only one place that does it, your waste system has failed to create a reprocessing capacity. Even if we were to collect 2.5 billion coffee cups a year we would be overwhelmed. We would not know





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what to do with them because there isn't the processing facility to deal with it. If by magic the consumers changed overnight, we do not have the capacity in place. You have a market-based system where you control regulation, signals to the market, the amount of reprocessing that they have to do, the PRN system. All of that is under your control. You have all the levers sitting there and you seem to say we will all sit round on a roundtable and have a chat about it.

**Dr Thérèse Coffey:** No, there is going to be a call for evidence. I have already explained to the Committee that the group is at the moment—

Q512 **Chair:** You have already had to extend that because they do not want to participate in the call for evidence on a DRS.

**Dr Thérèse Coffey:** No, excuse me, Mary, the group is currently considering plastic bottles. Their next issue is looking at coffee cups. I am trying to stimulate some proactivity by getting producers, retailers, designers and processors together to try to challenge some of the—and sometimes we are discovering that they are myths. People are saying, "I can reprocess that," and people are saying, "Well, I did not think that you could." We are bringing people together and I do see that as one of the roles as the Minister to try to bring together different parts of the industry to try to tackle this. As I have pointed out, we are working towards a new waste and resources strategy for next year.

Q513 **Chair:** Do you have anything to add, Mr Preston?

**Chris Preston:** No. We have already outlined that targets for packaging recovery are increasing over the next few years. That is something that Ministers have been quite clear about and that has already been set out.

In the waste and resources strategy, we have already undertaken to look at the producer responsibility regime and how that can better stimulate all the things that the Minister has highlighted around secondary markets. There is no point in recycling or having lots of stuff that you are going to recycle or types of plastic if there is no market for it at the other end. You must look at the whole system from end to end to make sure that it is working effectively. You are creating pull factors, so back to the people who have put things on the market, so it is in their interests to, for example, use a greater degree of recycled material but also to create the pull through from local authorities and others—quite a lot of packaging is recycled at a commercial level as well—and then pull that through to the people who are doing the recycling at the end to create an incentive for them to recycle that product and then put it back on the market. You are creating the whole circular approach to the system.

Q514 **Chair:** What are you doing to make sure that local authorities do not end up with a system that they do not think will work? The ACE UK thing about putting it into your recycling, if the market does not exist for that what happens to those cups?





**Chris Preston:** The Minister has already made the point—and, in fact, you made the point yourself at the start, Mary—that most people do not take home their coffee cup and put it in their household recycling. It is actually recycled on the go, so it is looking at the infrastructure in towns and cities and offices to make sure that people can recycle more easily in on-the-go circumstances. That is one area that we do need to focus on. In 2012, WRAP produced guidance for local authorities on how to improve the recycling on-the-go facilities. That might be something you might want to return to and think about in the future.

**Dr Thérèse Coffey:** The coffee companies said to us that the reason why they went along with this ACE scheme that was there is because—and they did not give us market data—an increasing proportion of their consumption is driven by people stopping at garages and buying coffee and other elements. It is in their car and when they go home they have it, then and there. That is addressing a certain part of the market. It is not going to address all of it, but as has been highlighted, it is about focusing on workplaces and transportation hubs, which I think is where we will get the biggest change.

Q515 **Chair:** When we spoke to the coffee companies, they said that they had a target of 75% coverage where people could recycle. They did not have a target of how many of these 2.5 billion cups a year that are landfilled or incinerated would actually be recycled. They just had a coverage target. If you are relying on the market to deliver, they will say, “We just want everyone to be able to.” They are not going to ever suggest a mechanism where there is an actual—that is the job of policymakers. That is your job to say how many of these cups should be recycled. When I asked you earlier, you said, “I don’t know.” When do you think you will know?

**Dr Thérèse Coffey:** I think we will probably release that in our waste and resources strategy next year.

Q516 **Chair:** You will have a specific target for coffee cups?

**Dr Thérèse Coffey:** I expect we will have a specific ambition.

Q517 **Chair:** Up from 0.25% at the moment? You could quadruple it and it would only get to 1%. Where do you think it needs to be?

**Dr Thérèse Coffey:** Well, as I said, I will reflect on that and think about what I think is achievable consumer behaviour. I have already said to the Committee that we will add to the terms of reference for the call for evidence about the labelling. A lot of this comes down to consumers and how they choose to use the products that they have. My belief—

Q518 **Chair:** They believe it is currently recyclable. There is widespread misconception. Eight out of 10 people think that their coffee cup is recyclable and recycled, so there is a huge amount of myth busting that has to go on.



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**Dr Thérèse Coffey:** Exactly. I agree, and recyclability of a cup dramatically increases if the undrunk coffee or any other beverage is removed from the cup when it is disposed of.

Q519 **Kerry McCarthy:** Can I just question that? You said earlier that a lot of coffee cups could be recycled that were not because of contamination, because a bit of coffee was left in there. Where do you get that from?

**Dr Thérèse Coffey:** I get that from the industry.

Q520 **Kerry McCarthy:** Is there something that you can give us statistics or data on?

**Chair:** We have seen stuff that contradicts that.

**Kerry McCarthy:** Yes. I have not heard evidence that that is the problem. The problem is the lack of facilities. Yes, that is the main problem. I have not heard contamination being brought up as a specific problem, so it would be useful to know where that has come from.

**Dr Thérèse Coffey:** Okay.

Q521 **Chair:** I think the contamination thing is a way of the industry letting itself off the hook yet again, and we have not really seen evidence about it. We have seen evidence that contradicts industry assertion on contamination.

**Dr Thérèse Coffey:** What is the evidence you have seen?

**Chair:** I would need to get back and write to you on that because it is in a previous brief.

**Dr Thérèse Coffey:** Okay.

**Kerry McCarthy:** I think it would be useful to know.

**Dr Thérèse Coffey:** Yes, a little bit of triangulation on this would be helpful. Thank you.

Q522 **Dr Matthew Offord:** There is certainly a cost implication for changing some of the recycling mechanisms within this country so that they can take coffee cups. Would it not be easier just to introduce regulations to ensure that the coffee cups that are used currently by manufacturers simply are able to be recycled in our current regimes?

**Dr Thérèse Coffey:** That could be one outcome. As I say, I think we are seeing changes. I know that certain outlets are having trials with cups that can be more readily recycled in a straightforward way, but again usually through the kerbside recycling system. I think it is the benefit of one particular company who has given evidence to this Committee, but I have to be slightly careful because they are a company based in my constituency so I do not particularly want to be seen to be favouring one company over any other in that regard.



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Innovation is coming through. We know that there are other manufacturers who wrote to me after I had mentioned that company before saying, "Yes, we have a great product coming, too." I know that some other outlets are trialling other cups in order to reach this greater recyclability in terms of they are recyclable but a greater number of processes potentially that can recycle them.

**Q523 Dr Matthew Offord:** Do you feel the industry should be more responsible for investing in paper mills and changing the product that is currently used?

**Dr Thérèse Coffey:** What do I think on that?

**Dr Matthew Offord:** I think you would agree with me. I do not believe it is the role of Government to invest in paper mills.

**Dr Thérèse Coffey:** I am just trying to think of the best way to answer that effectively. The companies know that they have to reach this target of, overall, the fact that a proportion of their category's waste is recycled. They have an expectation and the market at the moment potentially allows that. I think the challenge is not only in the potential cup to make it more easily recyclable, so a greater number of processes, but there is also a big challenge on consumer behaviour, on how we get that to be a part of that daily ritual and what people do with their coffee cups. I do not pretend that Government have all the answers to do that, but we know that some other organisations, I think some of which have given evidence to this Committee, have explained about the processes they have gone through, which have seen benefit. A lot of that was about focusing on the workplace.

**Q524 Dr Matthew Offord:** You have mentioned three local authorities and I am happy to name them. We understand the Isles of Scilly is quite a unique case, but both Rotherham and Copeland are not.

**Dr Thérèse Coffey:** I am confident within the next few months they will be recycling plastic bottles again.

**Q525 Dr Matthew Offord:** That is good to hear. Even if a recyclable cup was introduced, there still would be some local authorities who would not be able to recycle it, so they would need additional support as well. What would the Department offer in that kind of scenario?

**Dr Thérèse Coffey:** I do not have a specific answer to that at the moment. We are exploring different ways of policy formation for our strategy for next year.

**Q526 Dr Matthew Offord:** Okay. We also know that there is a patchy provision of on-the-go recycling bins and I can imagine that on-the-go recycling in Westminster would be very different from my own local authority in Barnet, for example. If a recyclable cup is introduced, would your Department be keen to invest in better recycling facilities for the kind of paper waste that it would generate?



**Dr Thérèse Coffey:** It comes down to local councils and what they do and where they believe the best things are. I know in the past security has been often cited as an issue. Councils and other organisations have found ways to get round that by having clear recycling or clear bins to do elements of that. I think it is the case that we need to continue to work with councils, sharing best practice as well. I know that some councils have good practice in this area; other councils have chosen to use their resources on different priorities.

**Dr Matthew Offord:** That is a very diplomatic answer.

**Dr Thérèse Coffey:** Well, there is a point about local democracy and locally elected councillors making choices about the budgets that they have in different ways, and I am not going to get into the whole local government finance side. Some councils have chosen other priorities ahead of perhaps improving recycling. That is disappointing for me because that is not the way to have a better environment, but we will continue to work and encourage them to do even more. We are looking at further things in our waste and resources strategy.

Q527 **Dr Matthew Offord:** Just to push you slightly on that, I completely understand when you come from that point of view that local councillors are in the best position to make decisions about their local areas, and I also understand completely that services like children's services and adult social services are the priority for many local authorities now over and above environment, recycling and other areas. But there must be some way that we as Members of Parliament and you as Minister can assist the Treasury in reconsidering their thinking of how to make this economically viable for local authorities to invest in that to see a greater financial return.

**Dr Thérèse Coffey:** I think it is a fair point. A lot of the evidence shows that councils will make money or will save money by doing this. That is the basic economic analysis. WRAP has worked on several business cases with authorities around the country and some people have already made some of the basic changes like moving to alternate weekly collection. They may have food waste as well. From memory, it is that group of councils in southeast London: Bromley, Greenwich, Lewisham, and I cannot remember the fourth one off the top of my head.

**Dr Matthew Offord:** Bexley?

**Dr Thérèse Coffey:** I think it is in here. They are trying to work together but at the moment they cannot agree necessarily on some of these matters. It was Bexley, Bromley, Greenwich, Lambeth and Lewisham. There is a strong business case for doing it, so that will take a bit of encouragement and I am sure that is something that I have already asked, haven't I, that we should engage local MPs and local Assembly Members to see what more they can do to help on those sorts of things. Cumbria I think is another case where making changes would largely



have a good benefit. Norfolk may be another where I think the business case is good.

As I outlined earlier, we are looking at where the contracts are changing and trying to get ahead of the game to work with the groups of councils to say, "This is how you can save money." I can understand with the choices councils are facing some of that might require some upfront investment, so we need to think about potentially how we help with that or, indeed, for councils to help themselves in thinking about how they might take advantage of whatever flows of finance are possible within their own resources or, indeed, externally. Of course, some of the biggest pension funds in the country are local councils, so there are other elements of finance. It does not always need to come necessarily direct from central taxation.

**Dr Matthew Offord:** Indeed. Thank you.

Q528 **Kerry McCarthy:** You will be pleased to know that we are on the home straight now. You might be able to go and get some lunch. I just want to ask what your view is on the pros and cons of introducing a charge on coffee cups as opposed to the current scheme where there is very, very low take-up in the coffee chains where people get a discount for bringing in their reusable cup. I think it is about 1% or 2%. There has been some interesting research showing that a charge for some reason acts as far more of an incentive for people to bring their own cups rather than a discount. What is your view on that?

**Dr Thérèse Coffey:** I think where the success of the plastic bag has been is that they have had something for free and there are readily available alternatives. The slightly bigger challenge is they have always paid for the cost of their drink and would an extra—

Q529 **Kerry McCarthy:** You pay for your shopping that goes in the plastic bag, don't you?

**Dr Thérèse Coffey:** Yes, but the product you are buying is that and—

**Kerry McCarthy:** The product you buy is the coffee, not the—

**Dr Thérèse Coffey:** One of the things that I am expecting with this call for evidence would be to understand would a levy of 5p or 10p really make a shift in behaviour and on what basis would we make that assumption. I am better to say I am not agnostic about it. I am open to it, but I am not particularly necessarily pro it. I want to understand whether there is confidence it would lead to a shift.

Q530 **Kerry McCarthy:** Have you seen the research that has been carried out by Professor Poortinga with Cardiff University? I think it was Bewley's Tea and Coffee Company and they were using a 25p charge. I think that would be more the level at which it would need to be pitched and that is the sort of level of discount that is offered. They seemed to show that there was quite a significant take-up when a charge was introduced.



Have you seen that research at all?

**Dr Thérèse Coffey:** I do not recall seeing that specifically. If you think about what the purpose of the levy was, the levy was to reduce the number of plastic bags in circulation and it has done a great job on that. What is the purpose of this potential levy?

Q531 **Kerry McCarthy:** Do you want to reduce the number of coffee cups in circulation?

**Dr Thérèse Coffey:** Well, do I want to see fewer people drinking cups of coffee?

**Chair:** That is not the question. No, that is not the same thing.

Q532 **Kerry McCarthy:** No, do you want to see fewer disposable coffee cups, most of which are not recycled? Would you rather people reused a reusable cup like you have in front of you today?

**Dr Thérèse Coffey:** So far, the discounts of 50p have not really shifted the needle.

Q533 **Chair:** We thought it was 25p. That is certainly what we have here.

**Dr Thérèse Coffey:** Starbucks put it up to 50p for a while.

Q534 **Kerry McCarthy:** Yes, but I have just said that charges seem to work better than discounts according to the research that has been done.

**Dr Thérèse Coffey:** I am more than happy to see the research but—

Q535 **Kerry McCarthy:** Can I just press you on that? Do you want to see fewer disposable coffee cups in circulation? Is it your policy objective that more people reuse their cups, have reusable cups?

**Dr Thérèse Coffey:** The policy objective for considering the disposable cups I think at the moment would be about how we can get more recycling. It may be that a levy, perhaps a more modest levy, could be used directly to improve some of the infrastructure that we have been discussing. If you could see an outcome of that feeding into something else, I have said in some of our discussions and raised it with industry—I am not saying they are all agreeing with that, by the way—if that is one of the potential outcomes that you could foresee, do I believe that adding a 5p levy to a cup when your average cost of a product—well, it varies, it depends.

Q536 **Kerry McCarthy:** Nobody is talking about 5p. All the research seems to be predicated on the basis it would be about 25p. Eunomia Research, for example, has said that if you based it on an annual consumption of 2.5 billion cups, which we now know is an underestimate, if a charge of 25p led to a 30% reduction in consumption, so you obviously have to factor that in, it would still raise £438 million gross per year. That is £438 million that could be reinvested into recycling facilities.





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**Dr Thérèse Coffey:** Eunomia, from what you have just said, directly points to a 30% reduction in consumption?

**Kerry McCarthy:** Of coffee cups.

**Dr Thérèse Coffey:** Of cups, okay.

**Kerry McCarthy:** They will still buy just as much coffee, but they estimate that—

**Dr Thérèse Coffey:** I would need to look more carefully at the basis of Eunomia's modelling. As I say, the recent—

**Chair:** They carried out trials in various spaces.

**Dr Thérèse Coffey:** Okay. To be quite straightforward about it, I would need to satisfy myself with a bit more understanding because their recent report they published a few weeks ago is done on the basis of a handful of councils and then they have extrapolated, which I am slightly sceptical about.

Q537 **Kerry McCarthy:** Isn't that how you carry out research?

**Dr Thérèse Coffey:** I am a bit sceptical that they seem to think that—okay, I won't get side-tracked into that latest report. I would need to understand and look at what they have done. Again, if you have a product where the average retail price—of course, it is a diverse market—is already £3, does £3.25 make a significant change to somebody? It may do. It may be that pricing point is a significant change.

Q538 **Kerry McCarthy:** Well, 5p on carrier bags that were free before, the 5 pence saw an 80% reduction in use at least and people being prepared to spend quite a bit more to buy one of the countless bags for life that I certainly know I have in my kitchen cupboards. So, 5p worked for plastic bags but you are sceptical that 25p would not—

**Dr Thérèse Coffey:** I did not say I was sceptical; I said I am open to it but I would want to understand. I am not aware of that particular bit of research. This is where I expect the group with the call for evidence will go into greater detail with a wider group of research on it.

**Kerry McCarthy:** I am sure Eunomia would be happy to come and give evidence to that.

**Dr Thérèse Coffey:** I am sure they will be submitting evidence, absolutely.

Q539 **Chair:** Thank you. Yes, that was done at the University of Winchester catering department. They did stuff over three café sites with reusable cups as well and there was a spillover effect even after the experiment had finished.

**Dr Thérèse Coffey:** Dare I say it, even the dynamic of being a university campus with a certain age demographic, I wonder how typical that is of the wider population. I don't know.



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Q540 **Chair:** The age that drinks coffee. We want to educate them at university and then have them carrying these good habits with them for the rest of their lives.

**Dr Thérèse Coffey:** Indeed. It would be great if they did more recycling at festivals, too.

Q541 **Chair:** Yes, that is a whole other world. I just wanted to conclude, Minister, on the DExEU sector reports. They gave the list yesterday of the 52 different sectors that they said they had written reports into, and obviously one of them is the waste sector, which will obviously be impacted by Brexit. I wondered if you had seen and read that report.

**Dr Thérèse Coffey:** I have asked the question to clarify exactly which report it is, whether it is our analysis or whether it is DExEU's own analysis. We have discussed various elements but, as has already been laid out by Ministers from DExEU, they are internal discussion documents.

Q542 **Chair:** Are you saying that you have written a report as DEFRA and you are not clear if that report is the DExEU report that they are talking about?

**Dr Thérèse Coffey:** What I am saying is that an amount of analysis has been done. I cannot tell you right here and now what analysis is specifically in that report, and I have asked for clarity myself.

Q543 **Chair:** If it was a DExEU report, are you saying that you have not seen it?

**Dr Thérèse Coffey:** I did not say that. I am asking for clarity on exactly what the report is myself because I am not clear. There has been a series of analysis and that has been pulled together in different ways, and I have asked the question to say, "Can we be clear on what exactly this analysis is?" because it is not unique to that.

Q544 **Chair:** Okay. Have you read your own Department's analysis?

**Dr Thérèse Coffey:** I have been looking at different analysis scenarios, yes.

**Chair:** Okay. Thank you very much indeed for that. That concludes this session.

**Dr Thérèse Coffey:** Okay, thank you.