

Rt Hon Michael Gove MP,  
Secretary of State for Environment Food and Rural Affairs,  
Defra, Seacole Building,  
2 Marsham Street,  
London  
SW1P 4DF

11<sup>th</sup> May 2019

Dear Secretary of State,

The signatories to this letter are ambitious for the United Kingdom to be a world leader in the sustainable use of resources. Every-day packaging materials – such as card, glass, metals, paper, plastics and wood – all have significant roles to play in reducing the UK's current carbon emissions towards an overall goal of net zero. The UK has clear opportunities to lead the way internationally.

In particular, your Department's consultations on 'Reforming the UK Packaging Producer Responsibility System' and 'Consistency in Household and Business Recycling Collections' are potentially transformative in moving the UK towards world class recycling outcomes. We wish to put on record our thanks to Ministers and officials for the immense engagement with the packaging value chain in advance of, and during, this three-month consultation phase. You have set a benchmark for all Government departments to follow.

There is an intensity of engagement across the whole packaging value chain involving designers, brands, manufacturers, retailers, councils, recyclers, and resource & waste management companies. Together, we have given serious consideration to how we contribute to shaping the delivery of the best evidence-led outcomes for the UK.

We appreciate it has not yet been possible to carry out a single Impact Assessment on the Government's four consultations as a whole. We are also aware that (in respect to the packaging reforms) a further consultation is planned for late 2019. After very carefully assessing the current consultations as a package, we suggest homing in on the following areas within the immediate next stages of the process would be beneficial. We are all happy to assist Ministers and officials delve into these aspects as the Government and devolved administrations finesse policies and actions.

1. The choreography and sequencing of implementing the outputs from the consultations are critically important for the best outcomes. We believe joined-up implementation of EPR and 'consistency' across the UK are priorities. We support a unified approach across the nations on legislation, timescales and implementation in respect to the consultations. Of course, where specific measures are possible to be implemented locally with no impacts on UK-wide cohesion (e.g. separate household food waste collections and business recycling measures) we are as keen as you to see these implemented without undue delay.
2. Coupling a lean strategic not-for-profit body to oversee the EPR system, with effective competition, could be a desirable hybrid worth exploring. A strategic body should operate UK-wide and have a co-operative governance model from across the value chain. It would ensure full net cost recovery is achieved annually. It could decide system costs relating to packaging design decisions, and make evidence-led decisions on what is (and is not) recyclable packaging.

3. Exploring retention of competition in the EPR system could deliver efficiency and innovation. Experience across Europe suggests having 'Packaging Recovery Organisations' (PROs) as part of the mix could deliver operational efficiencies (e.g. in managing flows of data and funds, producer relationships management, demonstrating compliance with targets, and engaging strategically with the recycling industry). Producers could choose their PRO based on competition i.e. quality & cost of their service offer. Such competition could enable retention of valuable knowledge and expertise in the UK system.
4. The principle of 'pay by results' applies to producers and local authorities alike. Money that producers pay, and income councils receive, must be within a transparent and 'fair funding framework' overseen by the EPR strategic single body. For councils, demographics, geography, and housing types are important aspects of performance. So are challenges on citizen participation and contamination in terms of quality of recyclates. We are happy to work with your officials in producing metrics and benchmarking to set-up, and assess, value for money and fair funding systems.
5. Governments, the value chain, and citizens must be able to transparently appraise value for money and system efficiency. The £billions injected into the system must deliver substantial performance uplifts, and improved infrastructure, within a coherent overall plan owned by all. We are happy to work with your officials in formulating such a plan.
6. We wish citizens to be early winners from these system changes. Properly removing the 'check locally' guidance from packaging labelling will help citizens know precisely what can and cannot be recycled in the core recycling service (with minimum service standards) you rightly propose. This would improve quantity and quality of recyclates by reducing 'contamination'.
7. 'Consistency' principles apply not only to councils' recycling collections but also to how packaging formats interact with those collections. All parts of the value chain recognise the need to work effectively together to harmonise activities based on shared drivers and outcomes. In respect to plastics, the activities and timescales of the UK Plastics Pact should dovetail with implementation of consistency measures.
8. Citizens' buy-in and participation in the new systems is critical if the capture of high quantities of high quality recyclates is to be achieved. This requires collections 'consistency' to be applied efficaciously to all the varying housing types and settings. Extensive national communications campaigns will need to lay-out the benefits to citizens of their participation because 'citizen responsibility' is a critical factor alongside 'producer responsibility'.
9. The substantial increases in flows of money will require extensive additional resources on enforcement by the four regulators, and by councils. It is important that sufficient enforcement capabilities are funded and in place when the new EPR and 'consistency' systems begin.

## **Deposit Return Scheme Proposals**

This letter indicates widespread support homing in on the EPR and ‘consistency’ measures we would wish you to take forward. We have also taken great care to understand views across the spectrum on a deposit return system (DRS).

We need only turn our heads to Wales to see proof-positive that a national culture of recycling, and high recycling rates have been achievable to date. Indeed, the performance in Wales is strong and the packaging EPR reforms will serve to advance progress even further.

This is not to say the signatories do not support a well-designed DRS that is complementary to councils’ kerbside schemes, and taking implementation forward in harmony with EPR and ‘consistency’. There is significant merit in advocating a coherent and co-ordinated DRS across Great Britain and, potentially, UK-wide if issues concerning the border between Northern Ireland and Ireland are resolvable.

The widely held view is that EPR and ‘consistency’ together provide a substantial basis on which to transform outcomes for the widest range of packaging types. If there are design or performance gaps relating to beverage packaging that can be properly addressed by a well-designed DRS across the nations (such as introduction of either an on-the-go or all-in system following your consultation) then this is the evidence-based approach we advocate.

## **Plastics Packaging Tax Proposals**

In terms of the Government’s proposed Plastics Packaging Tax, we recognise this policy is within the purview of the Chancellor of the Exchequer so we will not go into extensive detail in this letter. We stress our support for the broad behavioural objectives advocated within the HM Treasury consultation on recycled content, and the work of the UK Plastics Pact in moving change faster forward.

We strongly advocate that for this tax (or any alternative mechanism) the additional funds raised are automatically committed to system improvements including infrastructure and innovations.

As alternatives to a tax would most likely fall within your own Ministerial purview, we recommend the following areas of focus could be helpful in your cross-Ministerial discussions. Value chain colleagues have been raising these issues with HM Treasury officials, and will do so in the roundtable discussion led by Robert Jenrick MP, Exchequer Secretary to the Treasury on 3<sup>rd</sup> June 2019.

1. HM Treasury’s proposal to exempt imported filled packaging from the tax is very likely to harm UK businesses. Competitors from abroad will have a clear advantage. Imported filled packaging should be treated in exactly the same way as UK manufactured and filled packs. Similarly, the UK’s provisions on tax relief on exported filled packs need to be considered so that domestic businesses are not disadvantaged comparable to those from abroad.
2. Food contact, pharmaceutical and personal cosmetics packaging are examples where exacting UK laws are in place that prevent the use of recycled content. Existing food safety legislation and other regulations disallow recycled content, which therefore clashes with the motivating drivers behind HM Treasury’s tax proposal. Inclusion of these packaging types within the tax are unfair if the existing legal framework prevents recycled content.
3. An alternative mechanism to achieve the goals of increase recycled content, and making best use of the additional funds generated, could be to incorporate measures that achieve the same aims within a system administered by Defra. The extra funds generated would adhere to the principle widely supported at your roundtable meeting with industry on 26 September 2018, that ‘money raised by the system must stay within the system’. These funds could link directly

to infrastructure investments made by the waste management sector. It is also desirable that the devolved administrations, producers, councils, waste management companies and others have influence over how the funds are spent. Expenditure decisions by HM Treasury in isolation of all these parties is not optimal.

4. In keeping with this principle, funds raised by a tax (or an alternative) should directly support the extensive infrastructure investments needed to promote domestic recycling and reprocessing across the UK, including within the devolved administrations' areas. Doing so will help producers have access to supplies of quality recyclates to deliver ambitious targets on recycled content; and waste management companies will benefit from a system with contracts of sufficient longevity to have the confidence to invest in and build infrastructure.

Whilst this letter focuses on the content of the consultations – particularly on recycling, recyclability and recycled content – we all remain conscious of the need to 'reduce' and 'reuse'. With that in mind we wish your 13<sup>th</sup> May event 'Step Up to the Plate – End Food Waste' success in ratcheting up progress on decreasing vastly the millions of tonnes of food waste a year in the UK. Many of this letter's signatories will be joining you at the event.

We hope the alignment of views from across the packaging value chain is a powerful demonstration of our willingness to help Ministers transform outcomes. We look forward to working with you, central government departments, and Ministers & officials across the devolved administrations to help set the UK on a more sustainable and carbon neutral path.

This letter is copied to: -

- Dr Thérèse Coffey MP, Parliamentary Under Secretary of State for the Environment;
- Robert Jenrick MP, Exchequer Secretary to the Treasury;
- Rishi Sunak, Parliamentary Under Secretary of State (Minister for Local Government);
- Roseanna Cunningham MSP, Cabinet Secretary for Environment, Climate Change and Land Reform;
- Hannah Blythyn MA, Deputy Minister for Housing and Local Government; and
- John Mills, Director of Environmental Policy, DAERA, Northern Ireland.

Yours sincerely,

Paul Vanston, Chief Executive  
Industry Council for Packaging and the Environment  
(INCPEN)

Patrick Heskins, Chief Executive  
British Aerosol Manufacturers' Association (BAMA)

Richard Harrow, Chief Executive  
British Frozen Food Federation (BFFF)

Sebastian James,  
Senior Vice President and Managing Director  
Boots UK and Republic of Ireland

Brigid Simmonds OBE, Chief Executive  
British Beer and Pub Association (BBPA)

Dave Dalton, Chief Executive Officer  
British Glass

Philip Law, Director General  
British Plastics Federation (BPF)

Andrew Opie, Director of Food & Sustainability  
British Retail Consortium (BRC)

Enda Kiernan, President  
Chartered Institution of Wastes Management (CIWM)

Matthieu Seguin, General Manager  
Coca-Cola HBC Ireland and Northern Ireland

Michael Fletcher, Retail Chief Commercial Officer  
Co-op Retail

Jim Brisby, Commercial Director  
Cranswick plc

Tony Kingsbury EMEA, Sustainability Director  
Packaging & Speciality Plastics Business, Dow Europe

James Bielby, Chief Executive  
Federation of Wholesale Distributors (FWD)

Martin Kersh, Executive Director  
Foodservice Packaging Association (FPA)

Martin Baxter, Chief Policy Officer, Institute of  
Environmental Management and Assessment (IEMA)

Jon Clark, General Manager  
British Printing Industries Federation – Cartons

Gavin Partington, Director General  
British Soft Drinks Association (BSDA)

Nick Brown, Head of Sustainability  
Coca-Cola European Partners

Andrew Large, Director General  
Confederation of Paper Industries (CPI)

Dr Emma Meredith, Director General  
Cosmetic, Toiletry & Perfumery Association (CTPA)

Dr Judith Bryans BSc PhD RNutr, Chief Executive  
Dairy UK

James Piper, Chief Executive  
Ecosurety

Ian Wright CBE, Chief Executive  
Food and Drink Federation (FDF)

Keith Crossley, General Manager UK  
Huhtamaki (UK) Ltd

Dr Colin Church, Chief Executive  
Institute of Materials, Minerals and Mining (IOM3)



Clr Julian Bell, Chair, Transport & Environment Committee  
London Councils



Dan Jones, Chair  
London Environment Directors Network (LEDNet)



Mike Barry,  
Director of Plan A and Sustainable Business  
Marks and Spencer plc



Gurbaksh Badhan, Chair, National Association of Waste  
Disposal Officers (NAWDO)



Dick Searle, Chief Executive  
Packaging Federation



Niall Dunne, Chief Executive Officer  
PolyMateria Ltd



Stuart Foster, Chief Executive Officer  
Recycling of Used Plastics (RECOUP)



David Baker, Industry Affairs Director  
RPC Group



Sebastian Munden,  
Executive Vice President and General Manager  
Unilever UK & Ireland



Adam Marson, Supply Chain & Procurement Director  
Warburtons Ltd



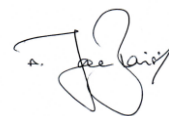
Helene Roberts,  
Managing Director UK, Ireland and Australia  
Klöckner Pentaplast Group



Dr Liz Goodwin OBE, Chair  
London Waste and Recycling Board (LWARB)



William Boyd, Director and CEO  
Metal Packaging Manufacturers Association (MPMA)



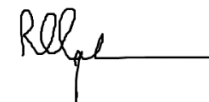
Jane Bevis, Chair  
On-Pack Recycling Label Ltd (OPRL)



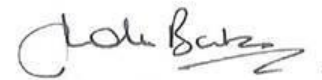
Kim Christiansen, Director of the North Region  
Plastics Europe



Simon Ellin, Chief Executive  
Recycling Association



Ray Georgeson MBE, Chief Executive  
Resource Association



Judith Batchelar OBE,  
Director of Sainsbury's Brand  
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Steve Gough, Chief Executive  
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Julia Turner, Executive Director  
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