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Reducing packaging and getting a better deal for tax payers

Purpose of report

For discussion and direction.

Summary

The Environment and Housing Board agreed at its September 2013 meeting to support the reduction of packaging by encouraging producers and retailers to go above and beyond their existing Courtauld Commitment and for councils to obtain a better deal through the packaging compliance system. This paper sets out proposals for a project to take these recommendations forward for consideration by the Board.

Recommendation

The Board is asked to agree to proceed with the packaging project as outlined.

Action

To take forward the proposed project option as agreed by Members.

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Reducing packaging and getting a better deal for tax payers

Background

1. In the UK 10.8 million tonnes of packaging was produced in 2011¹ which has risen from about 10 million tonnes in 2006². Around 4.9 million tonnes of this is handled by local authorities³. This includes plastics, glass, paper, card and metals used to preserve and provide protection as well as carry marketing messages for food and drink and other products. Packaging makes up about a fifth of all waste collected by councils and costs tax payers approximately £550 million each year⁴.
2. Packaging waste is subject to EU derived targets for recycling which were recently revised upwards in the UK. Currently the UK is recycling 61 per cent of packaging, but will need to meet a higher target of 72 per cent by 2017. These targets are achieved through a packaging compliance system that applies to obligated producers and retailers of packaged products⁵.
3. To reduce packaging and its impact WRAP established the Courtauld Commitment in 2005 as a voluntary agreement for the grocery sector to reduce food, drink and packaging waste. The commitment is now in its third phase and a summary of key achievements are provided below:
 - 3.1. It has been signed by 92 per cent of grocery supermarkets covering 70 per cent of total grocery packaging.
 - 3.2. To date it has led to a 520,000 tonnes reduction in packaging handled by councils, reductions in supply chain packaging and has also targeted food waste and the carbon impact of packaging.
 - 3.3. The most recent phase sets targets for further reduction of food waste, retail and manufacturing waste and improvements in packaging design.
4. As a voluntary agreement the commitment represents only what the industry is prepared to offer. There may therefore be potential to build on the work to date and press for further activity.
5. The Courtauld targets include a range of actions ranging from reducing tonnage and carbon emissions to increasing the recycled content and recyclability of packaging. Not all of these actions present a saving to tax payers and a number are focused on savings for signatories by reducing their own supply chain packaging and food waste. The actions that do present opportunities for a saving to the tax payer include reducing the tonnage of packaging material in the waste stream, increasing the effectiveness of packaging to reduce food waste and increasing the recyclability of packaging. Improvements in these

¹ Source Defra

² Wastewatch Packaging Information sheet

³ Based on WRAP data for 2009

⁴ LGA Wealth from Waste report 2013

⁵ Applies to companies with a £2 million annual turnover and handling more than 50 tonnes of packaging a year

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areas would provide a direct saving to councils, and therefore residents, on handling and disposal costs and through increased recycling.

6. The Commitment covers organisations producing around 50 per cent of household waste packaging handled by local authorities. There remains over 2 million tonnes of packaging that councils handle that has not been subject to meaningful reduction activities. There is therefore an opportunity to build on the existing agreement and broaden its reach to those organisations not currently engaged.

Packaging project

7. The September Board meeting agreed the outline of a project to seek reduce packaging and obtain a better deal for councils. It sought a reduction in packaging by encouraging producers and retailers to go above and beyond their existing Courtauld Commitment and a better deal for councils through the packaging compliance system.

The Board's views are sought on the proposed project outline below:

- 7.1. To **build on the Courtauld Commitment** by developing proposals that expand the existing Commitment to a larger number of players and offers a better deal for tax payers. This should focus on reducing the tonnage of packaging in the waste stream, increasing the recyclability of packaging and increasing the overall effectiveness of packaging (for example in its ability to reduce food waste).
- 7.2. To **seek reform of the packaging compliance system** by responding to the government consultation to call for increased transparency in the funding within the system and a better deal for tax payers by directly incentivising local authorities to increase their capture of packaging for recycling.

Deliverables

8. It is proposed that the project will develop and deliver the following:
 - 8.1. Detailed research into:
 - 8.1.1. the source of and opportunities to reduce non-grocery packaging waste handled by local authorities.
 - 8.1.2. how a reduction in costs to tax payers can be achieved through reducing packaging, increasing its effectiveness and recyclability.
 - 8.2. Convene a summit in early 2014 of non-grocery packaging producers and retailers to explore the potential for further reductions in packaging and its impact.
 - 8.3. Respond to the DEFRA consultation, expected later this year, on changes to the current packaging compliance system with suggestions on reform to give tax payers a better deal.
 - 8.4. A series of proposals published by spring 2014 to influence government and opposition for consideration within 2015 election manifestos on how the Courtauld Commitment could be evolved to offer a better deal for tax payers through:

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8.4.1. increased scope with the inclusion of non-grocery organisations.

8.4.2. additional actions and targets on reducing packaging and its impact.

9. This project will begin in January 2014 and be completed by the end of spring 2014.

Financial implications

10. The proposals within this paper can be delivered within the existing programme budget.