



Department  
for Environment  
Food & Rural Affairs

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# Consultation on changes to the glass packaging recycling business target to 2017

## Summary of response and government response

### March 2014



Llywodraeth Cymru  
Welsh Government





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## Introduction

On 17 December 2013, the Government published a consultation which invited views on proposals by the Department for Environment, Food and Rural Affairs, the Scottish Government, the Welsh Government and the Department of the Environment for Northern Ireland, to amend the glass recycling business target in the Producer Responsibility Obligations (Packaging Waste) (Amendment) Regulations 2012<sup>1</sup> and the Producer Responsibility Obligations (Packaging Waste) (Amendment) Regulations (Northern Ireland) 2013<sup>2</sup>. These Regulations are referred to as “the Packaging Regulations” in the rest of this document. The current targets run from 1 January 2013 for five years.

## Background

The WRAP/Valpak GlassFlow report<sup>3</sup> has produced a new estimate of glass packaging waste arisings based on a thorough and detailed analysis of the glass market. Their work indicates that the glass waste arisings figures (the so called ‘flow’ figure) that Government used to calculate our achievement of the EU Packaging Directive target, and set the statutory business targets for 2013-2017, is some 350k tonnes too high. The report also indicates that there is likely to be no incremental growth in the industry over the same period: at best it is flat.

As a result of the revised glass flow data the consultation included proposals to reduce the UKs glass packaging recycling business target.

The costs and benefits of the proposals were described in the Impact Assessment (IA) that accompanied the consultation paper.

In summary the options included in the consultation document and Impact Assessment were:

- a) Option 1 – Do nothing – keep the glass packaging recycling business target at 81%.
- b) Option 2(a) – Lower the glass packaging recycling business targets to 75% and maintain the split between remelt and other applications at the same percentages.
- c) Option 2(b) – Lower the glass packaging recycling business target to 75% and amend the split between remelt and other applications.
- d) Option 3(a) – Lower the glass packaging recycling business target to 77% and maintain the split between remelt and other applications at the same percentages.
- e) Option 3(b) – Lower the glass packaging recycling business target to 77% and amend the split between remelt and other applications.

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<sup>1</sup> SI 2012/3082

<sup>2</sup> S.R. 2013 No.262

<sup>3</sup> <http://www.wrap.org.uk/sites/files/wrap/GlassFlow%20Final%20Report.pdf>

These options were based on ensuring we continue to achieve sufficient recovery and recycling of glass in order to continue to meet the EU minimum targets.

**The UK Government's overarching aim is to have appropriate targets which ensure that the UK complies with the EU Packaging Directive targets whilst maximising the benefits for consumers, businesses and the environment.**

The UK Government did not have a preferred option. We therefore welcomed views from respondents on which option is most desirable and the reasons why. We also welcomed any further evidence and comments on the evidence provided in the consultation especially regarding the data which underpins the targets and impacts on the costs/benefits. The responses to the consultation have been used to help inform the final preferred option.

## About this document

This document provides a summary of the responses received and the government response. This document does not attempt to repeat the background information given in the consultation paper and only provides a limited amount of context for the options and related questions. Please refer to the consultation document for detailed information which is available at <https://consult.defra.gov.uk/waste/glass-packaging-recycling-proposed-changes-to-busi>.

For each question this document states the questions asked in the consultation document, summarises the responses to the question and then provides a government response to the issues raised.

## Consultation questions

Q1. In your view, are the estimates made in GlassFlow for waste arisings the best available data?

Are you aware of any other factors which may affect the level of glass entering the waste stream?

Do you agree with the flat growth assessment?

Please provide us with as much evidence as possible to support your answer, so we can adjust our figures as necessary.

Q2. In your view, are there other factors which may affect the levels of obligated tonnage reported?

Please provide us with as much evidence as possible to support your answer, so we can adjust our figures as necessary.

Q3. In your view, are the estimates made in GlassFlow for illegal imports the best available data?

Do you support the proposal to exclude illegal imports from the flow figure?

Please provide us with as much evidence as possible to support your answer, so we can adjust our figures as necessary.

Q4. Do you have any additional information or evidence to improve the analysis of the costs and benefits?

Q5. What is your preferred option? And why?

Please provide us with as much evidence as possible to support your answer, so we can adjust our figures, and take additional information and factors into account as necessary.

## Summary of Responses – group breakdown

A total of 62 responses were received to the consultation.

**Table 1 – Number of responses by broad category of respondent**

Type of organisation	Number of Responses
Producer Compliance Schemes	13
Producers	22
Reprocessors	3
Advisory Organisations	6
Trade associations	13
Regional/Local Government	5

## Responses on Baseline Assumptions

### Question One

**In your view, are the estimates made in GlassFlow for waste arisings the best available data?**

Of the 62 responses to the consultation, 35 (57%) respondents agreed that GlassFlow provided the best available data, 2 (3%) did not agree, and 25 (40%) made no comment.

The 2 responses that disagreed indicated that Defra's current method of calculating packaging put on the market is not correct and has persisted for many years with over-reporting of glass, as well as steel and plastic packaging. In addition, an under-reporting of put on the market figures for paper/board and aluminium was mentioned.

The overwhelming majority of those who responded to this question agreed that the estimates for waste arisings in the GlassFlow report is the best available data.

## **Are you aware of any other factors which may affect the level of glass entering the waste stream?**

Of the 62 responses to the consultation, 13 (21%) respondents said that they were not aware of other factors which may affect the level of glass entering the waste stream, 10 (16%) did not agree, and 39 (63%) made no comment.

Key issues mentioned by those respondents aware of other factors included:

- operational issues such as plant malfunction;
- transport issues such as delays or weather;
- lighter packaging;
- non-adjusted [NPWD](#) figures should be used;
- ratio of unit cost between PET and glass;
- high glass PRN price;
- recession;
- substitute of glass with other packaging materials;
- a significant number of free-riders;
- recorded figures have reduced year on year since 2006.

## **Do you agree with the flat growth assessment?**

Of the 62 responses to the consultation, 25 (40%) respondents said that they agreed with the flat growth assessment, 5 (8%) did not agree, and 32 (52%) made no comment.

Responses that did not agree with the flat growth assessment referred to year on year reduction in glass packaging. Reasons for this included lighter packaging. Material substitution from glass to plastic was given as one reason for up to 5% decrease. The volume of wine sales was said to be in decline year on year. Another response expected an increase in growth due to economic recovery.

The overwhelming majority of those who responded to this question agreed with the flat growth assessment.

## **Question Two**

### **In your view, are there other factors which may affect the levels of obligated tonnage reported?**

Of the 62 responses to the consultation, 13 (21%) respondents said that they were not aware of other factors which may affect the levels of obligated tonnage reported. 20 (32%) did not agree, and 29 (47%) made no comment.



There were many different views expressed in the responses which indicated that there are other factors that should be considered regarding reported obligated tonnage. The key points raised were (in no particular order):

- PRN prices in one year can have a significant impact on levels of reported tonnage in the next;
- stockpiling for best PRN price;
- market conditions;
- material substitution;
- no/poor enforcement. of the regulations by the Agencies;
- administration errors;
- incorrect light-weighting being factored;
- businesses avoiding their legal obligations;
- compliance costs;
- small producers/ de-minimis/ Allocation members/ free riders;
- fraudulent activity including incorrect obligated tonnage reported;
- setting the packaging placed on the market too high and estimating growth rates at too high a level. Original estimates were that 90% of all packaging would be reported by obligated businesses. Currently only aluminium, paper and wood exceed that percentage.

### **Question Three**

#### **In your view, are the estimates made in GlassFlow for illegal imports the best available data?**

Of the 62 responses to the consultation, 21 (34%) respondents said that the estimates made in GlassFlow for illegal imports were the best available, 3 (5%) did not agree, and 38 (61%) made no comment.

Of the 'no' responses, one was out of scope of the issue concerned and the other two did not provide any information.

The overwhelming majority of those who responded to this question agreed that the estimates made in GlassFlow for illegal imports is the best available data.

#### **Do you support the proposal to exclude illegal imports from the flow figure?**

Of the 62 responses to the consultation, 36 (58%) respondents said that they supported the proposal to exclude illegal imports from the flow figure, 4 (6%) did not agree, and 22 (36%) made no comment.

Of the four 'no' responses, three stated that as the glass still ends up in the UK waste stream, and therefore is available for recycling and compliance purposes, it should

therefore be included in the calculation of packaging placed on the market. Another pointed out that as recycling of the illegal imports counts towards recycling figures, so it follows that they should be included in the flow figure.

The overwhelming majority of those who responded to this question agreed that with the proposal to exclude illegal imports from the flow figure.

The table below summarises the Government Response for a number of the issues raised in Questions 1 to 3.

**Table 2: Responses to consultation questions 1-3**

Comment	Government Response
<b>Factors affecting the level of glass entering the waste stream</b>	
Operational issues such as plant malfunction, transport issues such as delays or weather, recession	Whilst Government accepts that all of these factors could affect the level of glass entering the waste stream from year to year, we are satisfied that GlassFlow provides the most robust information available to us on which to set the targets. We will ensure that this data is reviewed on a regular basis to ensure appropriately set targets.
Lightweighting; substitution of glass with other packaging materials	
Non-adjusted NPWD figures should be used	
High glass PRN price	
A significant number of free riders	
<b>Factors affecting the levels of obligated tonnage reported</b>	
PRN prices in previous year/market conditions/compliance costs	Whilst Government accepts that these factors could affect the level of obligated tonnage reported, we are satisfied that the targets are being set on the most robust information available. We will ensure that data is reviewed regularly.
Material substitution	
Administrative errors	The Environment Agencies are working to ensure that fraudulent activity is eliminated from the system
No/poor enforcement of the regulations by the EAs	
Businesses avoiding their legal obligations,	

free riders	
Fraudulent activity	
<b>Other comments for consideration</b>	
Addressing fraud will create market stability	Out of scope of this consultation, but Government are actively exploring whether regulatory or non-regulatory solutions can be made to address these concerns
Flow data should be reviewed annually/more regularly, Review other materials flow figures, ACP to have a data monitoring role	Out of scope of this consultation, but Government intend to ensure that this data is reviewed on a rolling basis, including for other materials.
Lack of transparency of how the PRN price is determined, how the PRN market operates and how PRN revenue is spent – suggestion for Industry Code of Practice on transparency, incl making market data more public.	Out of scope of this consultation, but Government will consider whether regulatory or non-regulatory solutions can be made to address these concerns.
An auditing process be devised to ensure that the monies received by recycling companies are open to scrutiny to ensure that they are used solely for recycling.	
Concern about operation of a genuine free market	
Lack of a level playing field between PRN and PERN	Out of scope of this consultation, but we are actively exploring the potential to make amendments to Environment Agency guidance to start to even out any disparity in the playing field in the PRN/PERN system
The aim of PRN system should be to achieve the statutory recycling targets at minimal cost to business (ie. set targets to lowest possible level - .	Out of scope of this consultation, but the EU Packaging Directive gives Members States freedom to set higher national targets. Government considers it to be appropriate to set higher targets as it

	supports our overall environmental objectives of achieving high recycling rates.
Monthly rather than quarterly reporting	Out of scope of this consultation, but Government will consider whether regulatory amendments are appropriate as part of the Producer Responsibility Review.
Set a requirement for reprocessors to sell PRNs at regular intervals throughout the compliance year.	
Split target should be removed.	Out of scope of this consultation, but Government have ambitions towards a closed loop economy and the split target is in line with the waste hierarchy and our policy drivers to reduce carbon emissions.
Set targets for 2018 and 2019 thereby enabling appropriate planning	Out of scope of this consultation, but Government will consider in adequate time.
Focus on interventions such as deposit/cash-back schemes to maximised household recycling, or “Pay as you Throw” for household waste.	<p>Out of scope of this consultation. Whilst we accept that introducing a deposit scheme could increase recycling and reduce litter, estimated running costs of such a scheme are very high, including costs to businesses, and much higher than developing existing systems for collection and recycling which could achieve the same aims more cost effectively. There is also the potential that a deposit return scheme would have harmful effects on existing recycling collection schemes, including local authorities’.</p> <p>Government consider that “Pay as you Throw” is not appropriate way to encourage positive waste behaviours.</p>

## Question Four

### Do you have any additional information or evidence to improve the analysis of the costs and benefits?

Of the 62 responses to the consultation, 16 (26%) respondents offered additional information or evidence to improve the analysis of the costs and benefits.

The table below summarises the Government Response for a number of the issues raised in relation to Questions 4.

**Table 3: Responses to consultation question on evidence base and analysis (Q4)**

Details of response	Change to IA
Option 0 is not the appropriate baseline as we are over- achieving targets	We always define Option 0 (do nothing) as continuation of the status quo in an IA. The purpose of an IA is to look at the costs and benefits relative to making no change to regulation..
Comments on PRN system and need for changes to the system such as improving transparency	IA notes concerns about the overall PRN system and risks
PRN price may not fall as much as expected	IA notes risk of PRN prices not falling as much as expected.
PRN price will fall lower than baseline	Note will be made that the PRN price could fall further due to scale of investment.
Targets should be lowered to 73%	There is a significant risk to achievement on EU targets should the flow figure fall therefore this option was not considered. Sensitivity to changes in the flow figure and achievement of EU targets are detailed in the IA.
PRN costs do not add up correctly for 2a and 2b	It is correct. In both cases all the PRN prices fall to £22 and therefore it is only the total tonnage that makes a difference.
Benefit of avoided cost savings to glass producers and full environmental impact. Contribution of a high glass	The costs savings are to glass producers and should be taken into account by them through existing policies such as EU ETS. This was noted in the consultation IA. EU targets may

recycling rate to EU recycling targets	be achieved in a more cost effective manner.
Flow data quality is important	Quality of flow data is recognised as important
IA difficult to understand and business is not well defined. PRN price will fall lower than baseline	This IA has been simplified. It is noted that the PRN price could fall further due to scale of investment.

# Responses on Preferred Option

## Question Five

What is your preferred option? And why?

### Summary of all responses: Preferred Option\*

Option	Number* (65 total in-scope responses)	Percentage
One	9	14%
2(a)	32	49%
2(b)	15	23%
3(a)	7	11%
3(b)	2	3%
Out of scope/nil return	5	

\*Note that some respondents expressed more than one preference

### Options by Stakeholder type

Option/Stakeholder	Number*	Percentage
<b>One</b>	<b>9</b>	
Producer Compliance Schemes	1	11%
Producers	1	11%
Reprocessors	2	22%
Advisory organisations	0	0%

Trade associations	2	22%
Regional/Local Government	3	33%

Option/Stakeholder	Number*	Percentage
<b>2(a)</b>	<b>32</b>	
Producer Compliance Schemes	7	22%
Producers	15	47%
Reprocessors	0	0%
Advisory organisations	3	9%
Trade associations	7	22%
Regional/Local Government	0	0%

Option/Stakeholder	Number*	Percentage
<b>2(b)</b>	<b>15</b>	
Producer Compliance Schemes	4	27%
Producers	5	33%
Reprocessors	0	0%
Advisory organisations	1	7%
Trade associations	5	33%
Regional/Local Government	0	0%



<b>Option/Stakeholder</b>	<b>Number*</b>	<b>Percentage</b>
<b>3(a)</b>	<b>7</b>	
Producer Compliance Schemes	2	29%
Producers	0	0%
Reprocessors	0	0%
Advisory organisations	3	43%
Trade associations	1	14%
Regional/Local Government	1	14%

<b>Option/Stakeholder</b>	<b>Number*</b>	<b>Percentage</b>
<b>3(b)</b>	<b>2</b>	
Producer Compliance Schemes	0	0%
Producers	0	0%
Reprocessors	1	50%
Advisory organisations	0	0%
Trade associations	0	0%
Regional/Local Government	1	50%

## Summary

As summarised in tabular format, 49% of responses stated Option 2a (lower the glass packaging recycling business targets to 75% and maintain the split between remelt and other applications at the same percentages) as their preference with a further 23% supporting Option 2b (lower the glass packaging recycling business target to 75% and amend the split between remelt and other applications). This includes 6 respondents who did not express a preference between 2a and 2b so appear in both.

The other options had a much lower level of support with 14% for Option 1 (no change), 11% for Option 3a (lower the glass packaging recycling business targets to 77% and maintain the split between remelt and other applications at the same percentages) and 3% for Option 3b (lower the glass packaging recycling business target to 77% and amend the split between remelt and other applications).

In addition, a 'hybrid' option was suggested by a number of respondees as an alternative to those which Government proposed. This option would reduce the target from 81% to 75% in 2014, and then increase 1% per year back up to 77%. The consultation responses who suggested this option felt that the initial step-change would introduce the desired reduction of glass tonnage from the market straight away which producers are seeking, but by increasing the target over the subsequent years the incentive to invest in the system would be maintained.

## Government Response

Government have decided that the new targets will be set as follows:

**Table 4 – Revised glass packaging recycling business targets to 2017**

Year	Business Target	Split by end-use
2014	75%	35%/65%
2015	76%	34%/66%
2016 and onwards	77%	33%/67%

The Government remains **committed to achieving our European targets** in a way which is environmentally sound, efficient for business, and for the wider economy. Our current domestic targets deliver a 68% recycling rate against the 60% EU target for glass packaging recycling. We will be amending these domestic targets to better reflect more up to date industry data thereby **achieving the EU glass packaging recycling target more accurately**.

Government are amending the overall target for 2014 from 81% for obligated businesses to 75% and then increasing incrementally to 76% in 2015 and 77% in 2016 onwards, with an associated incremental increase in the remelt/aggregate split – to 65% in 2014, 66% in 2015 and 67% in 2016. These increases reflect **Government’s continuing ambition on increasing recycling and promoting a more resource efficient economy**.

The targets reflect **new and better evidence of both the total levels of glass packaging being placed on the market/available for recycling, and the proportion available for remelt**.

Government have decided to proceed with this ‘hybrid’ option as it provides the best of both worlds – it reduces the target with immediate effect to a level which should have a very real impact on glass PRN prices. However, setting an incrementally increasing glass target **gives industry a clear investment signal and time to invest**. This should enable higher recycling rates to be delivered in future at a lower cost than currently possible.

## Next Steps

Defra will bring **Regulations forward to the earliest possible timetable** and they will apply retrospectively for compliance year 2014. The Regulations will apply to England, Wales and Scotland. Northern Ireland will bring forward regulations in parallel.

We are planning for the regulations to come into force in Autumn 2014.

The target position for 2014 **will be supported by an Environment Agency Regulatory Position Statement (RPS)** clarifying that they expect producers to achieve the announced position, and will not take enforcement action against anyone who does not achieve the current regulatory targets.

# Annex 1 – List of Respondents

Number	Name
1	360 Environmental
2	Anheuser-Busch InBev
3	Antrim Borough Council
4	arc21
5	Association of Convenience Stores
6	BargainBooze
7	Bespoke Foods Ltd
8	Biffa Waste Services
9	British Beer and Pub Association
10	British Glass
11	British Retail Consortium
12	British Soft Drinks Association
13	Broadland Wineries
14	Budget Pack
15	C & C (Holdings) Ltd
16	Chemical Business Association
17	CIWM NI
18	Co2 Compliance Ltd
19	Compliance Link
20	Comply Direct Ltd
21	Complypak
22	Craigavon Borough Council
23	DHL Enviro Solutions
24	Diageo
25	Dillon Bass Ltd
26	Direct Wines
27	Donatantonio Ltd
28	Environmental Packaging Solutions
29	Environmental Services Association
30	Envirovert
31	Food & Drink Federation
32	Frederic Robinson Limited,
33	Global Brands
34	Hazlewood Foods Ltd.
35	HEINEKEN UK Limited
36	INCPEN - The Industry Council for research on Packaging & the Environment - Trade Association
37	John William Associates Ltd

- 38 kopparberg.co.uk
- 39 MINESCO- Mineral wool
- 40 N. Ireland Courts & Tribunal Service
- 41 Nestlé UK
- 42 Northern Ireland Local Government Association
- 43 parsonspickles.co.uk
- 44 Pennine Pack
- 45 Punch Taverns
- 46 Recycle-Pak (Scotland) Ltd
- 47 Resource Association
- 48 Reuse Collections Ltd
- 49 Reverse Vending Corporation Ltd
- 50 Shepherd Neame Ltd
- 51 SPAR UK
- 52 SWS Compak
- 53 t2E - The Environmental Exchange
- 54 The Leaf Group
- 55 Toddpack
- 56 Valpak
- 57 Viridor
- 58 Wadworth and Co Ltd
- 59 WasteCraft Ltd
- 60 WastePack
- 61 Wine and Spirit Trade Association
- 62 Wright Glass