

Tackling the plastic problem: Using the tax system or charges to address single-use plastic waste

LEDNet response

Introduction

The London Environment Directors' Network (LEDNet) welcomes this opportunity to respond to this consultation. LEDNet is the membership association for London's Environment Directors and provides a forum for collaboration and policy development on key environmental issues. As a network of strategic directors with responsibility for place, we have unique expertise and experience of the practicalities of delivering policy across London.

Overarching comments

We welcome this consultation and HM Treasury's interest in using the tax system and/ or charges to address the significant environmental and financial costs of single use plastics.

In terms of the environmental costs, we are glad to see the recent public interest in the impacts of litter on the natural environment. We note that even where plastics are correctly disposed of via landfill or incineration, they still contribute to greenhouse gas emissions. Plastics are made from fossil fuels, and we would suggest that non-recyclable plastics are clearly unwarranted in the context of the Paris Agreement target of 1.5° warming, and the concurrent requirement to radically reduce fossil fuel use.

From the perspective of London local authorities, fees or charges on single-use plastics are only one aspect of reform that is needed across the resources and waste system, to reflect changes needed in how we value and use resources. We know that the public care about this issue, but they believe the responsibility lies with retailers, packaging producers and government rather than with their own behaviour. Any measures to address single plastic use must therefore be part of systemwide reform.¹

The objectives of that reform should be to:

- a) Vastly reduce the amount of plastic and other waste being produced and sold;
- b) Move towards a circular economy, including supporting the market for recycled materials; and
- c) Ensure that the polluter pays principle underpins the costs of the resources and waste system.

¹ Ipsos Mori (2018). 'Public concern about plastic and packaging is not backed up by willingness to act.' <u>www.ipsos.com/ipsos-mori/en-uk/public-concern-about-plastic-and-packaging-waste-not-backed-willingness-act</u>.

Responses to consultation questions

The definition of single-use plastics

1. How should the government define single-use plastics, and what items should be included and excluded, and why?

<u>LEDNet response</u>: We believe that the definition of 'single-use plastics' should reflect the environmental and cost burdens that they create, and look to draw the net wide in order to most effectively minimise waste from this source. This should include those plastics that cannot be recycled and must therefore be burned or landfilled, as they carry the greatest financial and environmental burden.

Assessing single-use plastics

- 2. What are the most important problems associated with single-use plastics, and why?
 - a. Which polymer types are particularly problematic?

<u>LEDNet response</u>: Items made from mixed polymers, plastic laminated card (coffee cups and tetrapaks) and foamed polystyrene pose the biggest recycling challenge, and attention should therefore be focused on finding a solution for them. Where a solution cannot be found and plastics are effectively non-recyclable, government should consider banning them. This would also help to reduce the sheer range of polymers, which increases the complexity and therefore the cost of the system needed to deal with them.

There are single polymer plastics that also pose issues: PP, PS and PVC are problematic, but can be sold if market conditions are good; LDPE plastic film is separated effectively at Materials Recovery Facilities (MRFs), but can be sold where it is separated. PET, HDPE and PVC are readily marketable.

b. Which items are particularly problematic?

<u>LEDNet response</u>: As above, items that are not in demand as recyclate, and any bonded items (such as meat trays).

- 3. Are there more environmentally friendly alternatives, currently available or possible in the future, to these types of single-use plastic items or their manufacturing processes, and can they still offer similar benefits?
 - a. Should the government encourage biodegradability in plastics, and if so, how?

<u>LEDNet response</u>: Both bioplastic (i.e. non-petroleum-based plastics) and biodegradable (i.e. petroleum-based) plastics currently create more problems than they solve, because the difference between them, and between them and recyclable plastics, is poorly understood by consumers. This leads to increased contamination in both food waste and dry recycling streams. For example, since bioplastics can only be composted, and cannot be broken down through anaerobic digestion (AD), they can contaminate food waste recycling destined for AD.

Additionally, bioplastic production can drive intensive farming of the required crops, which can increase greenhouse gas emissions and groundwater and soil pollution from chemical inputs.

Biodegradable plastics are not desirable, because: they do not break down in a standard wet anaerobic digestion process; they produce methane (a powerful greenhouse gas) when they break down; they can be too slow to break down; and if only some parts of the product break down, they can contribute to microplastic pollution, which is arguably harder to solve than macroplastic pollution. However, it is acknowledged that biodegradable plastic bags may have supported more households to participate in food waste recycling.

We do not recommend that the government encourages biodegradability in plastics, since they would simply introduce greater costs for local authorities and greater confusion for the public, and neither biodegradability nor bioplastics are a long-term solution to the over-use and environmental impact of plastic.

4. Are there single-use plastic items that are deemed essential by their nature or application, which cannot be substituted or avoided?

Bin bags and single use plastic film used for the containment of waste, and medical equipment such as syringes.

More generally, single-use plastic items should be not substituted where the alternative solution would have a higher whole lifecycle impact than the items that they are seeking to replace.

Production

- 5. What factors influence the choice of polymer, or combination of polymers, in the production of single-use items?
 - a. Can you provide data on the production and use of single-use plastic items you produce?
 - b. What proportion of the polymers you use or sell do you import and export, respectively?
 - c. What proportion of the single-use plastics you produce do you export?

No response.

6. What proportion of the plastic that you produce is made of recycled plastic, and what are the barriers to increasing this?

No response.

7. What proportion of the plastic that you produce is commercially recyclable and what are the barriers to increasing this and improving the grade it can be recycled to?

No response.

- 8. In your opinion, how can the tax system or charges play a role in delivering better environmental outcomes at this stage?
 - a. What interventions should be implemented, and why?

<u>LEDNet response</u>: We strongly support a tax on single use plastics at production stage, as a means of disincentivising the production of products that comprise, or are packaged with, single use

plastics. The tax should be set within a system that discourages producers from simply passing the cost on to consumers. We do not have a view on the level of the tax that should be implemented, but it should be sufficient to provide a real disincentive. If it acts, or is perceived to act, simply as a revenue-raising measure for government it is likely to lose public support, and this in turn would damage the overall reputation of environmental fiscal policy measures.

Interventions are also needed within the forthcoming extended producer responsibility system, including new obligations for minimum levels of recycled content in single use plastic items. This will help to implement the polluter pays principle, which should underpin producer responsibility. See also LEDNet's response in relation to waste treatment.

b. What behavioural effect would these interventions have, both on this stage in the supply chain, and more broadly?

<u>LEDNet response</u>: we believe that this would positively incentivise producers to avoid the production of single-use plastics and to invest in greener products and packaging.

c. What would be the impact on your business?

No response.

Retail

9. What factors influence the design and specifications you make for the single-use plastic items you sell, and what are the barriers to using alternatives?

No response.

10. Can you provide data on the volumes and costs of different types of single-use plastic used?

No response.

11. Have you taken any steps to address the environmental impact of the single-use plastic items you sell, including their end-of-life?

No response.

12. In your opinion, how can the tax system or charges play a role in delivering better environmental outcomes at this stage?

Consumption

- 13. What factors influence consumers' choices related to single-use plastic items?
 - a. How can the government encourage the re-use of these items?

<u>LEDNet response</u>: we believe the following approaches can support re-use:

- Designing products so that they can be reused, both functionally and safely
- Supporting public infrastructure and other complementary measures that facilitate reuse, for example public water fountains and effective on the go recycling provision (provided that maintenance costs are considered and addressed)

- Increasing the cost of single-use items
- Increasing awareness of the costs and impacts of single-use products and packaging through consistent communications, such as the Recycle for London campaign.
- 14. What are the barriers to consumers choosing alternatives to single-use plastic items, and how responsive would consumers be to price changes?

No response.

15. In what way, and to what extent, do the decisions of producers and retailers influence consumer choice?

The inclusions of effective On Pack Recycling Labelling on products and packaging will allow consumers to take recyclability into account in their consumption choices.

16. In your opinion, how can the tax system or charges play a role in delivering better environmental outcomes at this stage?

a. What interventions should be implemented, and why?

<u>LEDNet response</u>: we believe that a charge should be levied on the purchase of single-use plastic items, because we believe it will effectively reduce consumption of – and therefore demand for – single use plastics. This must be established in the context of a national communications campaign around the importance of reducing plastic use.

The 5p plastic bag charge has shown that charges can be a very successful means of influencing consumers' choices: people taking single-use plastic bags when shopping fell from 1 in 4 before the introduction of the charge in England, to 1 in 10 one month after the charge was introduced.² A majority of people (52%) supported the charge before it was introduced, rising to 62% support six months after it was introduced across men and women, and different age and income groups. Moreover, after the introduction of the 5p plastic bag charge people 'became more supportive of other charges to reduce waste. In particular, those who changed their opinion about the plastic bag charge also changed their opinion about other charges.'³

Similarly, we note that 55% of the public support a 25p tax on disposable hot drinks cups⁴, and an Ecover poll found that Britons would pay an extra £4 a week for their shopping if all the packaging was recyclable.⁵

We also believe that such a measure would demonstrate a) government leadership on environmental issues, in line with the ambition set out in the 25 year environment plan, and b) a normative expectation that individuals should act to reduce their impact on the environment, supported by an environmentally-friendly policy framework.

b. What behavioural effect would these interventions have, both on this stage in the supply chain, and more broadly?

<u>LEDNet response</u>: as above, we believe that this would reduce consumption of single-use plastics, but also demand for them.

www.bmgresearch.co.uk/independent-bmg-poll-majority-back-latte-levy/

² Poortinga, W. Sautkina, E. Thomas, G.O, and Wolstenholme, E. (2016). *The English plastic bag charge: Changes in attitudes and behaviour*. Cardiff: Welsh School of Architecture/School of Psychology, Cardiff University.

³ Poortinga et al. (2016), p.4.

⁵ www.talkingretail.com/news/industry-news/consumers-back-action-plastic-waste-finds-poll-20-04-2018/

Behavioural insights research suggests that measures of this sort need to be nested in a comprehensive approach which also makes alternatives easy, attractive, socially relevant or normative, and available at the right moment (timely).⁶ For example, changes to place and infrastructure such, as refill schemes, which make it much easier to use reusable water bottles. This should be taken into consideration in developing taxes and/ or charges on single-use plastic, as part of the system-wide approach that we recommended in our opening remarks.

c. What would be the impact on consumers?

No response.

d. Are there specific items the government should be focussing on?

Single use items which have the highest volumes of waste and lowest recycling rates should be a focus of activity.

Discarding and waste treatment

17. What are the barriers to the collection of single-use plastics and more environmentally friendly methods of waste treatment, including barriers to any existing technologies?

LEDNet response:

<u>'On the go' recycling</u>. This has the potential to increase the capture of recyclables. However, the public are already confused about what recycling should go where, and because single-use plastics are often used as food and drink containers, levels of contamination are high. In fact, where such items are put into recycling, they can contaminate and reduce or destroy the value of other recyclable materials. At the moment, levels of contamination are so high that some London boroughs have actually removed on the go facilities.

<u>Separate household collections</u>. This would require investment, and local authority financial challenges will make this very difficult. Additionally, since it would not be possible to separately collect all single-use items, some post-collection sorting would still be applicable (see below).

<u>Sorting as part of existing household comingled or source-segregated recycling collections</u>. Plastics can, in theory, be sorted by polymer type using existing technologies within sorting facilities. However, the more polymers there are in use, the greater the costs of separation – you need a separate machine to separate each polymer – and thus the greater the likelihood that materials will not be recycled. Additionally, there must be an onward market for the material, which could be supported through higher obligations on producers for use of recycled material.

<u>Deposit return schemes (DRS)</u>. We support deposit return schemes in principle, although the issues over confusion and contamination noted above would have to be resolved. We also note that the introduction and impacts of DRS schemes should be thoroughly examined and tested, to ensure that they do not have unintended consequences or effect efficiency in the wider recycling system.

<u>Public awareness</u>. There is already confusion over what should be recycled, which additional collection of single-use plastics might compound. Some local authorities have attempted to

⁶ Behavioural Insights Team (2014). *EAST: Four Simple Ways to Apply Behavioural Insights*. www.behaviouralinsights.co.uk/publications/east-four-simple-ways-to-apply-behavioural-insights/.

overcome the confusion over what recycling should go where by specifying container type rather than using polymer numbers. One solution would be to standardise packaging specifications for each container type and ensuring effective recyclability by design e.g. do not use packaging with more than one material. Public awareness should be supported at the national level through effective communications that encourage people to reduce plastic use, tied into existing recycling campaign, such as Recycle for London.

<u>Enforcement</u>. Alongside making recycling simple and encouraging public awareness of the need to recycle, local authorities need to be able to ensure that households participate, and that they use recycling and waste systems correct (including avoiding contamination). The Deregulation Act 2015 hampers local authorities' ability to issue fines (in the form of Fixed Penalty Notices) to residents who wilfully fail to participate.

18. In your opinion, how can the tax system or charges play a role in delivering better environmental outcomes at this stage?

<u>LEDNet response</u>: we believe that a coherent, system-wide approach is needed to support positive environmental and financial outcomes for the resources and waste system. The new extended producer responsibility system should ensure that the polluter pays system underpins the costs of the waste and recycling system, ensure fairness and better outcomes across the value chain. The tax system ought to fully fund local authorities to be able to provide a plastics recycling for a wide of materials alongside financial safeguards for market (price) volatility. Low volume, problematic materials (as referred to in our response to question 2) should be phased out of use.

To complement fiscal measures at the production and consumption stages, we believe that there is merit in piloting discretionary direct charging systems for household waste collection – we are supportive of the LARAC position in this regard. Clearly, any such system would first of all require clear communication with residents as to the costs of the waste system, how local authorities manage these costs, and what differences such a system would entail. In addition, such a system would also need to be supported by a broad and more consistent recycling offer, including support to reuse and upcycling that can help stimulate the circular economy.

a. What interventions should be implemented, and why?

LEDNet response: See above (18a).

b. What behavioural effect would these interventions have, both on this stage in the supply chain, and more broadly?

<u>LEDNet response</u>: We believe that such an intervention could, over time, with careful management and very careful communications around the costs and impacts of the wider waste system, minimise waste at a household level.

c. What would be the impact on Local Authorities and business?

<u>LEDNet response</u>: The effect of such a change would be to reduce the costs of waste management in local authorities.

⁷ LARAC (2018). The Future of Local Authority Waste Funding. https://larac.org.uk/news/larac-starts-funding-debate