

Resources and Waste Strategy Consultations

Greater London Authority Response

Background and Summary

The Mayor of London welcomes this opportunity to comment on the four detailed consultation exercises, these following on from the publication of the Government's Resources and Waste Strategy in December last year.

The Mayor believes that the time is right for a wholesale reimagining and re-engineering of our waste and resources systems, away from wasteful and profligate linear extract – produce – consume – dispose model to more circular approaches that seek to design out waste and design for maximum recyclability of products, thus keeping materials in productive circulation, reducing waste and climate change impact. The Mayor broadly supports the aims, intentions and reservations of the packaging value chain as laid out in the letter from the packaging value chain to the Secretary of State dated 10th May 2019 on the Defra and HM Treasury consultations. The London Waste and Recycling Board has estimated that a circular economy approach could reduce the capital's waste by up to 60% and annually contribute up to £7 billion of direct and indirect benefits for London by 2036¹.

The Mayor's London Environment Strategy (LES), published in May last year, put this principle of circularity at the heart of its ambition and policies. Whilst London has certainly upped its recycling game over the last twenty years, it was clear that it had started to hit the buffers and hard-won progress made by waste authorities was stalling. Alongside challenging recycling targets for the city (50% recycling of Local Authority Controlled Waste by 2025 and 65% recycling of Municipal Solid Waste (MWS) by 2030), the Mayor underpinned his strategy with demanding new requirements for an ambitious, clear and consistent set of recycling services across London. The LES therefore set a requirement that, by 2020, every London borough should:

- Collect all six core dry recyclables (glass, paper, card, tins/cans, pots tubs and trays, plastic bottles from all properties;
- Provide a weekly separate collection of food waste for all properties with kerbside collections; and
- Produce a Reduction and Recycling Plan (RRP) by 2020 to demonstrate how they will meet the Mayor's targets and consistency policies and proposals.

Consistency sits at the heart of the Mayor's waste policies in the LES. Cutting through the confusion of household recycling services and offering a uniform service is not only popular with Londoners (polling on the draft LES showed the recycling consistency to be the most popular policy) but will ensure that every householder has the opportunity to maximise their recycling, hence driving up London's recycling rate. As is consistently shown in the

¹ London Waste and Recycling Board, 2017, Circular Economy Route Map

Waste and Resource Action Programme's (WRAP) Recycling Tracking Report, householders' confidence in what can and cannot be recycled locally is a key driver of household recycling behaviour.

London has a unique structure of governance for its municipal waste management arrangements, with the Mayor providing strategic city-wide policy for municipal waste and London's waste authorities the delivery partners of that strategy.

In performing their waste functions, local authorities in the capital have a legal duty to demonstrate that they have acted in general conformity with the municipal waste provisions of the Mayor's LES. Of particular note is boroughs' legal duty to formally notify the Mayor of their intention to let any waste contract, in order to allow the Mayor the opportunity to ensure that any contract let is in conformity with his strategy. The Mayor also has the power to direct a waste authority where their actions would be detrimental to the achievement of the waste policies of his LES. The LES itself sets out a number of 'tests' of conformity so waste authorities are clear on their responsibilities.

London's waste governance is also unique in having the benefit of the London Waste and Recycling Board. This distinctive partnership organisation was created under statute by the 2007 Greater London Authority Act, with a requirement to act in accordance with the requirements of the waste provisions of the Mayor's LES and the London Plan. It brings together the Mayor, London's Waste Authorities, industry and leading experts, in order to bridge the gap between strategy and on the ground delivery, recognising the specific challenges of delivering waste in the capital, but also the unique opportunities for rapid dissemination and deployment of best practice and innovation.

The sustainable long-term funding of the London Waste and Recycling Board (LWARB) is critical to London's achievement of its recycling targets and its ongoing ability to innovate, both for its own benefit and for that of UK Plc. It is vital that Government recognise this critical role and provide some security of ongoing funding for LWARB.

London's Barriers

The Mayor has previously identified a number of critical barriers to London achieving a step change in recycling performance, and it is encouraging to see several of these addressed in the RWS and/or the consultations.

- 1) **Recycling service consistency.** Londoners need and want a clear and consistent waste and recycling service ensuring that the same set of materials can be collected in broadly the same way. The evidence shows that consistency itself will provide a major boost to recycling levels across the city and, with the reservations expressed below, the Mayor is pleased to see this as a major plank in the Government's own RWS.
- 2) **Resources.** Recycling rates in London, as echoed nationally, have largely stalled in recent years. To achieve a step change in recycling levels will require a commitment to provide funding. Again, the Mayor is heartened to see such a commitment from

the Government, albeit with some caveats about how this will be delivered. These are explored within this submission.

- 3) **Powers, Structure and Governance.** Given that the role of the Mayor in waste management is strategic rather than operational, it is vital that the requisite powers and responsibilities are in place and effective, in order that the Mayor can ensure that strategic intent can genuinely translate into delivery on the ground. The current legislation, through the GLA Act (and as amended), suffers from a number of inadequacies that, if rectified, could strengthen the Mayor's ability to ensure greater strategic delivery.

Waste authorities have to notify the Mayor 108 days before placing a waste contract notice in OJEU to allow sufficient time for the Mayor to determine if these documents are in general conformity with his LES municipal waste provisions. Once a contract is issued in OJEU, the Mayor's influence and powers cease.

We welcome the RWS's proposal to examine the current working arrangements in two tier areas. London's waste management structures have been in place, largely unchanged, since 1986 and the Mayor would welcome the opportunity to feed London's experience and unique governance challenges into this exploration.

London's Achievements:

Between 2003 and 2010, London's household recycling rate increased from 8 to 30%. In 2017/18, London achieved a household recycling rate of 33.1%, an increase of 0.1% from 2016/17 figures against a national drop of 0.5 percentage points.

In 2017/18, six London boroughs ranked in the ten English authorities with lowest household waste generation per head. In order from lowest to highest household waste generation per head, these are Camden, Tower Hamlets, Islington, Ealing, Lambeth and Hammersmith and Fulham. The London Borough of Camden recorded the largest percentage decrease in household waste per head of any English authority, down 21.4% from 2016/17 to 2017/18.

London has the fourth lowest regional percentage of waste to landfill. In 2017/18 London landfilled 9.7% of its Local Authority Collected Waste, down from 12.5% in 2016/17.

The Mayor's LES set out a minimum level of service for household recycling for local authorities to deliver by 2020. The minimum service level includes collections of six main dry materials (glass, paper, card, tins/cans, pots tubs and trays and plastic bottles) from all properties and separate weekly food waste from kerbside properties. Currently 14 of the 33 London waste authorities are fully compliant with the Mayor's minimum service level (collecting the six main recyclable materials and where food waste is both presented and collected separately from garden waste from kerbside properties). This increases to 24 boroughs when those co-collecting food and green garden waste together are included.

Since the LES was published, the Mayor has determined 10 new waste authority waste contracts to be in general conformity with the policies set out in his LES. The Mayor has been notified of another four waste contracts that authorities intend to procure, and will have the opportunity to influence the contract documents before approving them for advertisement.

In 2019, the Mayor launched the [Waste Contract Register](https://data.london.gov.uk/dataset/waste-contracts-register) on the London Datastore to monitor the renewal dates for waste collection and disposal contracts held by London waste authorities. The Waste Contract Register is designed to be accessible to all waste authorities to encourage joint working opportunities to deliver service consistency across borough boundaries. The South London Waste Partnership comprising London boroughs of Croydon, Merton, Kingston upon Thames and Sutton are expecting savings of over £200 million from bringing their contracts together in a more efficient and cost-effective way, and delivering the same levels of service across the four boroughs. The register also enables the Mayor to monitor opportunities within contract timelines for waste authorities to implement the minimum service level. See <https://data.london.gov.uk/dataset/waste-contracts-register>

Plastic reduction:

In the absence of a plastic tax, the Mayor is taking a lead in London and delivering a number of activities to reduce unnecessary single-use plastics:

1. ***City Hall has successfully phased out single-use plastic items from the catering outlet and staff welfare facilities***, such as, single-use plastic bottles, cutlery and drinking cups. Plans are in place to work with the rest of the GLA Group to phase out these items by spring 2019, dependent on contractual agreements.
2. ***The Mayor launched a programme of work to focus on reducing the impact of single-use plastic bottles***. This includes:
 - A water refill scheme in London. Starting with 200 refill points during the pilot stage, there are now over 2,200 refill points available in London, which is the highest for any region in the whole country;
 - Installing 20 new drinking water fountains across the city through a pilot with Zoological Society of London's #Oneless campaign; and
 - A new £5 million partnership with Thames Water to install over 100 more drinking water fountains over the next two years.

Key GLA Principles for assessing the RWS consultations

This submission from the Mayor, relates to the four separate but clearly deeply integrated consultations, namely:

- 1) Recycling Consistency
- 2) Extended Producer Responsibility
- 3) Deposit Return Scheme
- 4) Plastics Tax (being led by Treasury)

In reviewing each of these, the Mayor has sought to ask some fundamental questions, the answers to which impact on both his core strategic responsibilities and on London's waste authorities who have the operational responsibility to deliver these essential services.

- 1) Are the ambitions and policies bold enough yet practical and realisable?
- 2) Is there a workable, fair and secure commitment to fund local authorities to deliver that ambition?
- 3) To what extent have the policies and proposals been stress tested to ensure that they do not have foreseeable negative consequences on the services that local authorities in London deliver?
- 4) To what extent do the policies adequately capture and respond to the unique and challenging environment of delivering affordable and effective front-line services in London?
- 5) Is the totality of the policies proposed a fully integrated package of measures that significantly moves the resource and waste agenda towards a circular economy and do they represent an integrated view of the entire value chain?
- 6) To what extent do the policies and proposals reflect the needs of citizens/service users, rather than the service providers? It is vital that service change is seen from a consumer/citizen centric perspective as it is they that will ultimately deliver high recycling.

The Mayor believes that with these potentially historic changes to our resource economy, London is uniquely placed to help deliver on the Government's ambitions and to be a trusted and forward-thinking delivery partner to industry as we move to new and in many cases untested ways of working. As the Government now pushes to maximise recycling, both they and producers can have the confidence that local authorities have developed the infrastructure and experience of direct working with householders over half a century – ready to deliver compliance at least cost to industry and the government. Moreover, London has always been at the forefront of meeting new challenges head on. London is the ideal stress test platform for new and bold innovation, and we once again stand ready to continue and expand this role.

Structure of Consultation Response

The response takes each of the consultations in turn:

- 1) Consistency
- 2) Extended Producer Responsibility
- 3) Deposit Return Scheme
- 4) Plastics tax

Consistency

Having made the issue of recycling service consistency for householders a fundamental part of his own London Environment Strategy, the Mayor strongly supports the Government's proposed approach to materials collected and frequency (weekly collection of the six core dry recyclables and separate food waste). However, he would make the following points:

- Consistency must be a performance floor and not a ceiling. Whatever structures and mechanisms are put in place, they must ensure that local authorities and their partners can continue to innovate in the additional materials they collect, the way that they work and the way they engage with their residents and businesses. Whilst the commitment for full funding of consistency and indeed for full net costs recovery under Extended Producer Responsibility (EPR) are of course welcome they must not be viewed and constructed in such a way as to fail to recognise the broader role that local authorities play in our democratic governance. Local authorities cannot simply be the delivery agents of industry.
- The offering of such services to flats, whilst welcome, represents real challenges for a city like London where on average around 50% of residents live in flats (as opposed to only 22% nationally). This challenge also has practical implications for the Government's preference for kerbside separated collection systems, as opposed to co-mingled. Space restrictions would place real practical challenges on delivering household or kerbside sort for London's flatted properties. Indeed, London has led and continues to lead the way on innovation in delivering services to flats through the LWARB Resource London programme. The Government's stated intention to fully fund consistency will need to incorporate a more sophisticated formula for recognising London's unique physical, urban topography if it is to include a mandatory requirement for flats provision. We commend LWARB's extensive work in this area to the Government.
- The Mayor is pleased to see such a strong commitment for the full funding of both the transitional and ongoing operational costs (the commitment to meeting ongoing revenue costs is vital for sustainable service delivery) of delivering consistency. However, Government must recognise the early mover role London has taken here, mandating delivery by 2020 rather than 2023 with over 85% of London Boroughs already collecting the six main dry recyclables and approximately 50% offering a separate weekly food waste service that includes separate presentation and collection. London authorities should be rewarded via either up front funding or at least early commitment to an appropriate and proportional grandfathering/retrospective application of any funding formulae. Work undertaken in support of the Mayor's LES (Resource London, 2017²) estimated that the net cumulative costs of viable consistency in London would be in the region of £140million (to be updated) above business as usual over the period 2018 – 2031 for London to achieve a maximum 42 per cent household waste recycling rate³. Delaying until 2023, or at the nearest possible point after, depending on contract/procurement cycles etc, could mean that progress in London being stifled by up to five to seven years in some cases. This would also have an unhelpful knock-on effect on the UK as a whole being able to effectively implement service consistency and achieve 65% by 2035.

² LWARB, 2017, London Recycling Routemap 2020

³

https://www.london.gov.uk/sites/default/files/170616_resource_london_routemap_summary_report_2017_published.pdf

- The funding commitments of consistency and of full net cost recovery under EPR must, in combination, fully meet the costs intended. There is a risk that without absolute clarity, transparency and the required nuance to identify and allow for differential cost drivers, authorities could be disadvantaged through relevant costs categories ‘falling through the gaps’.
- Again, whilst the Mayor welcomes the commitment for the full funding of the implementation and ongoing operation of recycling consistency, the unique structure of costs for service delivery in London needs to be factored in to the development of any distributional formulae. From labour costs, to land costs, through to the physical restrictions of intense urban environments and the social and cultural complexity of a city speaking over 100 languages and with high transience, the Mayor and boroughs need to be involved in designing funding mechanisms to fully reflect London’s unique costs base.
- The consultation does not provide detailed information as to what specific distribution mechanism would be used for the disbursement of consistency funding to local authorities. Any mechanism must strike a balance between respecting the democratic right of local authorities and their residents to determine their own funding priorities but at the same time recognise that specific funding is being made available to put in place a specific set of services. Funding should therefore either be directly passported through for consistency or, if bundled up in general Revenue Support Grant, then new statutory obligations should be created on local authorities to provide the specified consistency services (and we assume given new burdens that these would be new statutory requirements).
- On the provision of free garden waste collections, the Mayor believes that the evidence on this is, as yet, too mixed as to provide a definitive and total policy direction. A range of evidence suggests it may not be the most optimal use of scarce financial resources and may not prove the most environmentally optimal solution either. What is clear though is that the last five years has seen a move away from free collections to chargeable services, with around 42% of London boroughs now charging. Until such time as there is a clear and decisive evidence base (which the Mayor would urge the Government to put in place), the provision of free or charged garden waste services should continue to be a matter of local discretion.
- The Mayor was encouraged by the very positive emphasis placed in the Government’s Resources and Waste Strategy on the role to be played by anaerobic digestion (AD) in the management of separately collected food waste. The Mayor, in his own LES, was clear that the value of a separate food waste collection service is that it affords the possibility for the processing of biowaste via AD rather than keeping it in the residual waste stream to be incinerated or landfilled or comingled with garden waste for composting. AD allows the opportunity to both generate renewable energy (electricity generation, gas to grid or transport fuels) as well as the production of a fertiliser that counts towards recycling and affords the benefit of displaced carbon emissions through primary fertiliser use. However, the consultation on consistency seems more guarded in its interpretation of appropriate technological choices for separated food waste. As government’s own guidance and

research base on the application of the waste hierarchy makes clear, AD is the most environmentally sustainable solution for separately collected food waste in a UK context (see 'The Real Economic Benefit of Separate Biowaste Collections REA/Eunomia, 2016). Industry has made significant investment and government has supported the AD sector over the last ten years and this infrastructure must provide the default basis for the flows of biowaste material. The Mayor's own guidance to boroughs on the development of their local Reduction and Recycling Plans, that where local authorities are locked into existing contracts (MBT/IVC) that preclude AD, that food waste should be presented separately by the household in order to allow a move to AD in future contracts. Equally, whilst the Mayor understands that there may be other practical issues (e.g. lock in to existing contracts for In Vessel Composting, or vehicle types) delaying the transition to processing via AD, any alternatives considered by Government must be seen only as a staging post, and that it should clarify that the end game must be processing via AD.

- The Mayor welcomes the clarification that, in the context of consistency services being in place, that fortnightly collection of residual would meet the government definition and commitment to regular collections. There is strong evidence, both generally and within local options modelling that, if planned and delivered as part of a holistic and reduction/recycling focussed set of waste services, fortnightly collection can both significantly reduce costs and enhance recycling performance, both dry recycling and food waste. The Mayor believes that, as part of an overall consistency package, greater consideration should be given to fortnightly collections for residual collection unless compelling local circumstances can evidence otherwise and Government should clarify this more explicitly in guidance as restriction of residual waste is clearly the primary intervention. Although less frequent collections of residual waste are unlikely to ever be widely applied in London, the Mayor believes that this should also be a matter for local discretion.
- The Mayor also supports expanding the definition of consistency to include agreed bin colours. Although viewed in isolation this may not seem important to industry insiders, anything that can be done to make recycling as simple, clear and easy as possible must be put in place. London is unique in a UK context for the high levels of population churn and transience, both at a city-wide level and within the city between boroughs. This movement makes the issue of service simplicity, clarity and consistency even more important to delivery of front-line services. Colour coding of recycling bins should be one of the unconscious, social behaviours that householders don't even need to think about. The Mayor accepts that costs would be high if implemented in a big bang fashion, however, if sensibly phased and managed, costs could be kept low.
- The Mayor supports the idea of statutory guidance on service standards. However, these would need to be flexible enough to both recognise local circumstances and that, by definition, consistency requires the delivery of a core set of services across all local authorities.
- The Mayor would also encourage the use of non-weight-based metrics as a useful value add to understanding waste system performance, assuming that all parties can

work to a consistent set of metrics and definitions, in order to allow for transparency and comparability/benchmarking. London and the Mayor have pioneered the use for example of various carbon/environmental metrics in the development of London strategy and in local waste decision making. This includes development of a minimum CO2 performance known as the Carbon Intensity Floor (CIF), to be met by any waste to energy plants managing London's waste. The CIF has been developed to support take up of highly efficient technologies generating both heat and power from truly non-recyclable waste. The CIF forms a key part in achieving the Mayor's wider Greenhouse Gas Emissions Performance Standard (developed by Eunomia for the GLA) for London's municipal waste activities to achieve. This approach comes complete with a local authority ready reckoner for local strategy and contract modelling. More information can be found at <https://www.london.gov.uk/what-we-do/environment/waste-and-recycling/waste-policy> . The Mayor's team would welcome the opportunity to share their considerable learning on the use of alternative waste system performance metrics.

- The Mayor also strongly supports the requirements for small and medium sized businesses producing household type waste to also be required to recycle their waste, both dry and food. Once again London's local authorities are uniquely placed to work with their local businesses to either directly provide cost effective services and joint efficiencies through integration with existing rounds or, more ambitiously to act as a market maker/shaper in contracting local service concessions, to offer competitive service and pricing to small and medium sized businesses. Something that has been pioneered in London through work with LWARB, WRAP, Business Improvement Districts and High Street Associations.
- The Mayor believes that dry recycling collection methodologies (single Vs multi-stream or dual stream etc) should be locally determined based on the specific demographic, social, economic and physical challenges of each local authority. For example, the high proportion of flatted properties in London, alongside space limitations for street level properties makes multi-stream a practically difficult choice in many circumstances. Rather than mandate collection methods, government should look instead to set quality outcomes/thresholds in terms of recyclable quality/contamination rates.

Extended Producer Responsibility

The Mayor believes that EPR sits as the foundation of consistency in recycling services. The existing compliance system has been in place for a generation and, although it has been successful on its own terms (meeting set packaging recycling targets), it has not made a significant contribution to waste minimisation or overall recycling rates and industry has not shouldered the financial burden of the recycling of packaging waste. Estimates are that existing schemes have seen obligated producers currently pay in the region of 10% of the total costs of managing packaging waste. In addition, the system has suffered from a lack of financial transparency, has not driven optimal product design decisions and has not provided the basis for strong investment in the UK processing/recycling sector. The

Government's proposals, by seeking to make obligated producers responsible for the full costs of managing packaging waste, are a major step forward.

- The Mayor welcomes the underpinning concept of full net cost recovery from obligated producers and that Local Authorities would see the full costs of managing packaging waste met under all proposed models. Such a definition should genuinely include for all costs of managing packaging waste, including both operational costs and all apportioned overheads and litter costs should reflect street cleansing to COPLAR standards.
- The Mayor believes the direct payments to local authorities should be on the basis of meeting gross costs and that others within the system are best placed to manage the risks around material values.
- No detail is provided within the consultation as to the specific distributional formulae to be used in calculating direct payments to local authorities under the respective governance models. As with payments under consistency, real allowance must be made for London's unique cost drivers (e.g. high labour costs, high land costs, high rental costs, higher product costs etc) and have the ability to balance more generic local authority typologies with specific local circumstances. Any specific mechanisms to incentivise local authority performance should be additional ensuring that local authorities' core costs of service delivery are met and any revenue share arrangements with contractors are protected.
- Any payment mechanisms, distinguishing between collection, processing and disposal costs will have to be sensitive to the varying needs and able to flex for those authorities who are not unitary (e.g. JWDAs), but may have different preferences for how funding would sit between the two tiers.
- Whilst the Mayor accepts that, given industry's costs for managing their packaging waste will rise considerably, and that they will want to ensure that they are securing good value, EPR must not simply try to put in place a crude principal/agent type contractual relationship. Instead arrangements should be seen as partnerships with rights and responsibilities for both sides expressed through any transactional and reporting arrangements (e.g. quarterly reporting with annual benchmarking and service reviews).
- The Mayor supports direct payments to local authorities for household-like waste that they collect. Providing funding direct to the businesses runs the risk of perverse incentives to put waste into the residual stream. As under household-like waste requirements for consistency, a local franchising/concession model would be the best way to reduce costs for smaller business in London.
- The Mayor believes that of the four governance models proposed for EPR, those that provide the clarity, certainty and strategic coherence of a single compliance organisation afford the best opportunity to overhaul the system while retaining transparency. This is afforded by option 2. The complexity and fragmentation of the existing system has led to its opacity and the industry's general lack of confidence and hence legitimacy of the system. Option 1 is largely based on the existing model. Given the need for more strategic coherence in a complex city like London option 2

would provide that sense of strategic coherence and transparency. Options 3 and 4 provide a level of complexity and experimentation that does not appear sensible as a first step change. Both local authorities and regional government should also be represented at Board level on a single compliance organisation. It may be that some level of structured contestability could be built into a single organisational model.

- Whatever governance model is chosen it must recognise and secure obligated producer funding for communication/marketing, behaviour change and systematic innovation work. What is more, London already has a proven track record and established brand presence in effectively delivering this work through the London Recycles⁴ campaign and the ongoing innovation work of the London Waste and Recycling Board (LWARB). Regardless of the governance model chosen, a regional top-slice for London should provide the necessary funds to enable this ongoing strategic work (directed through LWARB). The Government estimates that EPR for packaging will raise between £800 million and £1 billion a year nationally. To put this into a London context, apportioned a share of this to London based on GVA gives a total funding potential of £4.7 billion in 2018 prices between 2018 and 2041. Government should give serious consideration to ensuring that funds are made available to LWARB through some regional top-slice.
- The Mayor believes that there may be a case for considering the intelligent phasing of consistency and then EPR (and also the question of how DRS fits into that). It is undoubtedly consistency that builds the quality and quantity foundation for a strong EPR scheme that can command the confidence of industry. What is clear though is that systemic change will take time to both bed down and then ramp up. This makes it imperative to start as soon as possible in implementing the change.

Deposit Return Scheme

The purpose of the DRS and complementing both EPR and consistency is to increase the quantum of UK packaging being recycled, increase its quality and to help drive better design decisions that either reduce packaging or enhance its recyclability. Importantly the consultation also recognises its importance in drinks containers being an important contributor to littering and hence the importance of tackling on the go packaging (drinks containers).

- The Mayor strongly supports the implementation of a well designed DRS. For example his partnership project with Thames Water, providing a range of new drinking water fountains at areas of high foot fall in the capital, as well as his Refill London scheme, which encourages business, shops and cafes to provide free tap water refills to members of the public both aim to reduce single-use plastics.
- The Mayor supports the widest possible application of DRS with an 'all in' scheme, thus covering both larger and smaller volume items.

⁴ <https://londonrecycles.co.uk/>

- The Mayor supports the widest possible inclusion of materials (this having larger recycling but also litter benefits), this including HDPE and PET bottles, steel and aluminium cans, glass bottles, and if feasible cartons and pouches.
- If holistically and sensibly implemented and phased along with consistency and EPR, there is no reason that local authorities' initial fears about loss of material income and damage to existing collection schemes should occur.
- Local Authority collection infrastructure, under conditions of consistency, would represent an alternative 'disposal' route for consumers wishing to get rid of their bottles but not necessarily concerned with securing their deposit from a reverse vending machine or over the counter. Local authorities should be able to redeem the value of such materials collected via their services/infrastructure or have this included within the net cost calculation.
- The Mayor believes that London's local authorities are well positioned to facilitate an extensive and well-matched network of reverse vending machines/on the go infrastructure. This will also have knock on benefits to littering.
- London's local authorities should also be seen as a key partner of any DRS management organisation, both for the hosting of reverse vending machines, but also in public engagement activity.

Plastics Tax

- The Mayor strongly supports the introduction of a tax on plastic packaging as an effective mechanism to reduce the environmental impact of unnecessary plastics. He sees this as a fundamental strand of a circular economy approach, ensuring that the full environmental costs of virgin product are reflected in their price and alternatives are incentivised.
- Whilst the Mayor appreciated the logic and simplicity of a single recycled content threshold (below 30%), he would be concerned that this structure may lack the necessary incentives to maximise and drive recycled content as well as minimise and design out plastic packaging.
- The government needs to ensure that any alternative materials coming to market as a result of a plastic tax must be sustainable, do not continue to damage the environment and have a lower carbon foot print.
- The Mayor also believes that hypothecation of, at least a proportion of, revenues from such a tax should go towards driving further innovation in material/design science and in the circular economy. Organisations like the London Waste and Recycling Board could be ideal partners in developing this agenda.
- The Mayor would like to see the Government go further by setting clear and binding minimum design standards for packaging (particularly plastics) to be made predominantly from recyclable content and to be 100 per cent reusable or recyclable.
- To support further materials innovation beyond household waste, the Government should also consider introducing tax relief, such as variable rates of VAT on materials

with recycled content in them and on repair services (for example on bicycle and appliance repair services as has been introduced in Sweden⁵).

- Government should amend its definition of 'avoidable plastic' to include reference to 'unnecessary' or 'excessive' plastic (mainly packaging) to ensure that there is a focus on reducing plastic materials and packaging waste altogether.

⁵ See <https://www.theguardian.com/world/2016/sep/19/waste-not-want-not-sweden-tax-breaks-repairs>