

Updated requested from HMRC	HMRC Response – 12/11/2020
<p><b>HMRC provided an update this week on the Plastics Tax (after the answers below were drafted):</b></p> <p><i>Earlier this year, the government ran a consultation on the detailed design and implementation of the Plastic Packaging Tax. We are grateful to those who engaged during the consultation, and those who provided a written response.</i></p>	<p><b>Summary of Responses</b>  Today the government has published its response to feedback received through the consultation. You can find the Summary of Responses document on GOV.UK here. Respondents agreed with the majority of the proposals in the consultation. This document confirms the proposals which received widespread support and sets out how the government has responded to feedback in the small number of areas of concern, such as refining the tax point in response to concerns about competitiveness and to support UK manufacturers.</p> <p><b>Technical consultation on primary legislation</b>  Today the government is also publishing draft primary legislation for technical consultation which sets out the key features of the tax. These include:</p> <ul style="list-style-type: none"> <li>• the £200 per tonne tax rate for packaging with less than 30% recycled plastic</li> <li>• the scope of the tax by definition of the type of taxable product and recycled content</li> <li>• who will be liable to pay the tax and need to register with HMRC</li> <li>• the exclusion for producers and importers of under 10 tonnes of plastic packaging per year</li> <li>• how the tax will be collected, recovered and enforced</li> <li>• how the tax will be relieved on exports</li> </ul> <p>The draft legislation can be found on GOV.UK here. This legislation intends to put into effect the positions outlined in the summary of responses for the policy design, and we welcome feedback to ensure we achieve these objectives. Feedback and written comments should be sent to this email address (<a href="mailto:indirecttax.design@hmrc.gov.uk">indirecttax.design@hmrc.gov.uk</a>). The closing date for comments is 7 January 2021. If you wish to discuss the draft legislation, please contact this email address also.</p> <p><b>Next steps</b>  Following consultation on the primary legislation for the tax, the government will introduce this legislation in a future Finance Bill. The government will then publish secondary legislation and guidance giving more detail, which we recognise is essential for businesses to prepare properly for the introduction</p>

	<p>of the tax and to meet the new requirements from April 2022.</p> <p>In addition, the government will continue to engage with key stakeholders as we progress towards the implementation of the tax in April 2022 and will be establishing an industry working group in the near future. The government will invite trade organisations that represent a range of sectors impacted by the tax alongside experts to participate in the working group, but also aim to keep the group to a manageable size. The government will continue to consider the details of the tax, in particular in the areas highlighted in the Summary of Responses.</p>
<b>Questions</b>	<b>Response</b>
<p>Does this apply then to pallet wrap for transporting the goods?</p>	<p>Philip McMurray @ DEARA (Philip.McMurray@daera-ni.gov.uk): Ultimately the Plastic Packaging Tax is a tax proposed by HM Treasury that will be implemented by HM Revenue &amp; Customs. HMT and HMRC will make the decisions on the final design of the scheme. However, the most recent consultation asked for comment whether plastic packaging (including pallet wrap) on imported goods should be excluded from the packaging tax but kept under review should it become feasible to have the tax applied in the future. This implies that pallet wrap on goods that are not imported would be subject to the tax but this may be subject to the review of responses of that consultation. I would suggest that the questioner contacts HMT/HMRC for a definitive answer.</p>
<p>Question for Ian, MSO. How do you measure or calculate your carbon and energy footprint of your cartons?</p>	<p>MSO Cleland (info@mso.co.uk) - Our KTP associate has training in Life Cycle Assessment and used this to generate a generic tool to calculate the impacts for individual cartons. This is then modified for each customer's specific carton to ensure it is as accurate as possible. Data sources are environmental product declarations from suppliers, academic papers and government sources. We do both cradle to gate (harvest of timber to transport of cartons to customer gates) or cradle to grave (harvest of time to end of life of cartons) depending on our customers request. We work closely to LCA standards ISO 14040 and ISO 14044 and carbon footprinting standard ISO 14067. We are also exploring some commercially available LCA tools which will increase our offering in this area.</p>
<p>A lot of talk this morning about recycling, not a lot about compostable, where does compostable fit with ARC Strategy and also OPRL labels</p>	<p>Margaret @ OPRL: Compostables are a difficult area as there is a high risk for contamination in output so most plants remove and incinerate. OPRL are working with BBIA and others to develop a label building on EN13432</p> <p>Tim Walker @ ARC21 (info@arc21.org.uk): Arc21's approach for waste treatment and disposal facilities</p>

	<p>and services is provided in its Waste Management Plan which was adopted by each of the six councils and approved by the Minister in 2015 (see <a href="https://www.arc21.org.uk/what-we-do/waste-management-plan">https://www.arc21.org.uk/what-we-do/waste-management-plan</a>).</p> <p>In terms of dealing with food waste, this was incorporated with garden waste into an 'In-vessel Composting' (IVC) contract which was awarded to Natural World Products (see <a href="https://www.naturalworldproducts.com/">https://www.naturalworldproducts.com/</a>) which will run until 2029. This permits NWP to recoup the costs they incurred in developing the IVC facility. The issue of compostable food waste packaging has increased in the past couple of years and discussions have been ongoing with NWP about their ability to handle such items.</p> <p>The issue is, however, ultimately not whether these facilities can “treat” such packaging, but the fact that these items are competing in the marketplace with the existing composite packaging items meaning that customers are left to distinguish between the different types of packaging which look/feel the same but are different. To date, this has proven fraught and led to an unreliable mix of packaging. Methods for sorting after collection have yet to be developed in a cost effective manner – so all this type of packaging is currently removed for disposal.</p> <p>Considerable discussions are underway with the producers to encourage their investment in suitable mechanisms to collect compostable packaging and some innovative approaches are emerging (see <a href="https://irishtechnews.ie/solution-to-recycle-coffee-cups-ireland-launched/">https://irishtechnews.ie/solution-to-recycle-coffee-cups-ireland-launched/</a>). It is likely that the introduction of Extended Producer Responsibility (EPR) and/or Deposit Refund Schemes (DRS) in the next couple of years will accelerate this trend</p>
<p>Regarding the plastic tax. Does this not open up potential for fraud associated with claims of % of recycled material. How will this be regulated?</p>	<p>Philip McMurray @ DAERA (Philip.McMurray@daera-ni.gov.uk): HM Revenue &amp; Customs (HMRC) will implement and regulate the tax. HMRC will have experience with measures to counteract fraud within schemes such as this and will have the necessary powers e.g. by cross checking information with other Government Departments.</p>
	<p>MSO Cleland (info@mso.co.uk) - Some materials are economically not feasible to recycle, especially with the</p>

<p>How do we move from don't recycle to widely recycled? If the material is identified as do not recycle there will be no demand for recycling and therefore infrastructure will not develop.</p>	<p>current low price of crude oil. With EPR reform, these economically harder to recycle materials will be taxed heavily and this will either encourage firms to set up recycling or get people to move away from them. There are some initiatives underway to attempt to find solutions to recycle multilayer films etc. but in reality these are some way off commercial implementation without heavy government funding.</p>
<p>What would be the alternative to plastic packaging?</p>	<p>MSO Cleland (info@mso.co.uk) - Depending on the product, a range of solutions occur using a variety of different materials. Reusing/refilling packaging is becoming a popular area and will be a good route for some customers. We can offer a range of paper-based solutions for customers, some with conventional polymer coatings (reducing your plastic use), biopolymer coatings. Some products don't require coating and a uncoated paper-based solution will work. Trays can be made in various forms from pressed trays, folded trays or pulped trays - these can be sealable on current equipment in some cases.</p>
<p>A question for Philip McMurray, Will the Plastic tax be on top of the already existing Packaging Recovery Notes? What is the future of PRN?</p>	<p>Philip McMurray @ DEARA: Producer responsibility obligations are currently being reviewed and the new UK wide Extended Producer Responsibility scheme is to be the subject of a future webinar. The plastic packaging tax is intended to complement producer responsibility obligations but it is not a substitute for them. Together the two systems will encourage businesses to design and use plastic packaging that is easier to recycle and discourage the creation of plastic packaging which is difficult to recycle.</p> <p>CAFRE/ INI: Please note, we plan to include a PRN update in a future packaging event, within the next 6 months.</p>
<p>Ronald can we add recycled content to our food pp film packaging as it is in direct food contact ?</p>	<p>Ron @ CAFRE (ronald.gardner@daera-ni.gov.uk): Food contact is a highly specialist area and the best addressed by food-contact specialist. 2 suggestions - <a href="https://www.smithers.com/experts/doug-leatherdale">https://www.smithers.com/experts/doug-leatherdale</a> or <a href="https://www.sgs.co.uk/en-gb/consumer-goods-retail/hardgoods/home-furnishings-and-houseware/testing/food-contact-tests">https://www.sgs.co.uk/en-gb/consumer-goods-retail/hardgoods/home-furnishings-and-houseware/testing/food-contact-tests</a></p>
<p>Hello, Regarding the Plastic Tax that will be imposed in April 2022. How will this be introduced in regards to existing packaging in stock, phase in/out period, new packaging etc?</p>	<p>Philip McMurray @ DAERA: As set out in the consultation the point at which the tax will be charged is when materials are converted into plastic packaging from April 2022 onwards. However, as this scheme is proposed and designed by HM Treasury and HM Revenue &amp; Customs they will ultimately determine how and when the rules apply and the question may be better addressed to them for a definitive answer.</p>

<p>New developments of non-plastic packaging for meat and fish products</p>	<p>MSO Cleland (info@mso.co.uk) - Meat and fish products are tough to package without an element of plastic to ensure shelf life is achieved. We have worked with customers to both reduce their plastic by approx 50% and increase the recyclability of their packaging. Formats can include trays with a plastic (either bioplastic or fossil based plastic) coating, which can be heat sealed like traditional plastic trays, or cards with a removable plastic laminate which is then vacuum packed on existing lines. For some breaded products, trays without plastic can be used. We can work with you to develop a solution and we always recommend thorough testing to ensure there are no negative consequences from reducing or moving away from plastic.</p>
<p>When Are we going to start using biofilm (edible one, natural polymers ) within manufacturing businesses in NI ?</p>	<p>We assume this is a challenge to the industry</p>
<p>What % of UK plastic waste is recycled in the UK and what is Gov. long-term goal in creating a circular economy for products</p>	<p>MSO Cleland (info@mso.co.uk) - As per WRAP Plastics Markets situation report, there is capacity in the UK to recycle 425kt (18%) of the plastic generated in the UK. The latest "UK Statistics on Waste" paper released in March 2020 stated that 46.2% of plastic was collected - it should be noted that collection does not mean it has actually been recycled. We are still exporting a huge % of our plastic waste to the far east.</p> <p>Tim Walker @ ARC21 (info@arc21.org.uk): Arc21's approach for waste treatment and disposal facilities and services is provided in its Waste Management Plan which was adopted by each of the six councils and approved by the Minister in 2015 (see <a href="https://www.arc21.org.uk/what-we-do/waste-management-plan">https://www.arc21.org.uk/what-we-do/waste-management-plan</a>).</p> <p>Regarding long-term arrangements for creating a circular economy for products, this is captured under the Environment Bill currently passing through Parliament. This Bill sets out the long-term focus on implementing a circular economy in the UK, including the various recycling targets up to 65% by 2035 and new collection requirements, but the centrepieces will be around Extended Producer Responsibility (EPR) – seeking to apportion responsibility and costs back to producers to encourage them to question their design, &amp;c; Deposit Refund Schemes (DRS) – to ensure that producers have access to the materials they place on the market and Plastic Tax (forerunner of other taxes) – using the tax system to penalise manufacturers which fail to meet a threshold</p>

	<p>percentage of recyclable/secondary materials in their products.</p> <p>The issue is, however, ultimately not whether these facilities can “treat” such packaging, but the fact that these items are competing in the marketplace with the existing composite packaging items meaning that customers are left to distinguish between the different types of packaging which look/feel the same but are different. To date, this has proven fraught and led to an unreliable mix of packaging. Methods for sorting after collection have yet to be developed in a cost effective manner – so all this type of packaging is currently removed for disposal.</p> <p>These policy instruments will be further articulated within the Resources &amp; Waste Strategy for England (see <a href="https://www.gov.uk/government/publications/resources-and-waste-strategy-for-england">https://www.gov.uk/government/publications/resources-and-waste-strategy-for-england</a>) which is due to be published shortly after the Environment Bill and will have consequences for all the UK administrations, and is expected to closely interact with the Industrial Strategy (see <a href="https://www.gov.uk/government/topical-events/the-uks-industrial-strategy">https://www.gov.uk/government/topical-events/the-uks-industrial-strategy</a>), especially around items of the circular economy. Various funding opportunities are already live to encourage research and development in the circular economy space (see <a href="https://www.ukri.org/">https://www.ukri.org/</a>).</p>
<p>Is there progress on the replacement of plastic food trays by Bioplastic sustainable alternatives with near equal functionality?</p>	<p>MSO Cleland (info@mso.co.uk): Yes. There are various paper based trays with either a biocoating or a fossil based coating which can still be recycled and reduce the environmental impact of the tray. We offer some alternatives and can say confidently these offer similar performance characteristics of traditional plastic trays.</p>
<p>What does the manufacturer do when he no recycled material to put in, as there is not enough film recycling capacity in the UK?</p>	<p>Philip McMurray @ DAERA (Philip.McMurray@daera-ni.gov.uk): One of the aims of the plastic packaging tax is to create greater demand for recycled plastic, and in turn stimulate increased levels of recycling and collection of plastic waste. While there may not be sufficient quantities of recycled material at present the new packaging tax should create an incentive for this to change.</p>
<p>Can synthetic polymers like poly(caprolactone) [PCL] be used as commercial alternate to flexible packaging plastics?</p>	<p>Dr. Bronagh Millar @ PPRC (b.millar@qub.ac.uk) - Not all biopolymers are both biodegradable and biosourced. PCL, whilst biodegradable is actually fossil fuel derived and has found a niche area for itself in a medical applications like sutures and orthopaedic screws where degrades in the body. There isn't much use of it in packaging due to its high price and low melting temperature.</p> <p>In packaging applications, lots of biopolymers would need to be blended with materials like starch or polyethylene to rival the properties we currently have with on offer from conventional plastics</p>

	<p>Materials like PHA, PLA, starches, and PBS are both biosourced and biodegradable and whilst the technology is in its infancy somewhat and there are engineering challenges still to be resolved, they look to have great potential in packaging for the future.</p> <p>Another area of great interest are biosourced PE, PP and PET which are derived from materials like corn. These are as durable as and behave in the same way as their fossil fuel derived counterparts and are recyclable so are definitely materials to look out for.</p>
<p>Trends regarding compostable packaging in the food service industry - specifically take-away &amp; home delivery.</p>	<p>MSO Cleland (info@mso.co.uk) - There are a range of suppliers offering certified compostable food packaging - it should be noted that if these aren't placed in composting facilities they do not compost and can undergo partial degradation and release methane, which is 24x worse than CO<sub>2</sub> as a greenhouse gas. Unfortunately, consumers aren't aware of this and often place compostable packaging in normal bins. Also, some waste management facilities do not want compostable packaging in their composting facilities and they can take longer to break down and some are falsely labelled as compostable - leading to contamination. For most take-away / home delivery applications a grease resistant barrier is sufficient and this can still be recycled.</p>
<p>1. WHAT OPTIONS ARE IN THE DEVELOPMENT PIPELINE AS ALTERNATIVE TO PLASTIC TRAYS FOR BISCUIT AND MUFFIN MULTIPACKS</p>	<p>MSO Cleland (info@mso.co.uk) - Biscuits and muffins can be packed in a paper based tray. Depending on the shelf life requirements, either a plastic lining wrapping the tray/muffin may be required. Some biscuits and muffins have high levels of grease and this can impact on the appearance of the board. We can overcome these issues and provide paper-based packaging which is recyclable.</p>