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|  | RECYCLING MARKETS & END DESTINATIONS |
| Committee | Gloucestershire Joint Waste Committee |
| Committee Date | 9 October 2018 |
| Significant Decision | No |
| Responsible Officers | Wayne Lewis, Head of Joint Waste Team, 01452 425504, wayne.lewis@gloucestershire.gov.uk |
| Main Consultees | None |
| Purpose of Report | The purpose of this report is to update members on the recycling commodities market and present an opportunity for the partner councils to sign up to the 'End Destinations of Recycling Charter'. |
| Recommendations | <p><i>It is recommended that the Committee:</i></p> <ul style="list-style-type: none"> a) Notes the update on the recycling commodities market; b) Recommends to its constituent partner councils that they sign up to the 'End Destinations of Recycling Charter' to demonstrate a commitment to improving transparency in the recycling supply chain and enhancing public confidence in recycling. |
| Resource Implications | None |

1. Background

1.1 This report provides an update on the recycling commodities market and highlights an opportunity to demonstrate commitment to improving transparency in the recycling supply chain and enhancing public confidence in recycling.

1.2 Each partner authority collects recycling materials separately from domestic refuse and these in turn are sold within the recycling commodities market to generate income. This income helps to offset some of the costs of providing the collection

services. It is important to be able to sell high quality materials in order to receive maximum value and also to monitor the markets for any emerging issues or significant trends that might affect material values.

2. Recycling Commodities Market

2.1 As widely reported at the beginning of the year, the Chinese Government introduced restrictions on the level of contamination that would be accepted within imported recyclable materials. It also banned the import of mixed, unsorted paper and placed a 0.5% contamination level on recovered plastics.

2.2 The global recycling industry complained that the ruling was too strict and was introduced with insufficient warning or dialogue. It called for a relaxation on the contamination tolerance levels that were imposed, but in the main they remained unchanged.

2.3 No significant change has occurred in recovered plastic prices since January, but paper and particularly cardboard prices have been negatively affected.

2.4 Plate 1 highlights the cardboard quality difference now required by the Chinese market. The 5 rows on the left of the picture are of an acceptable quality for UK and European re-processors. The 5 rows on the right of the picture show how clean cardboard now has to be, to be accepted by Chinese re-processors.

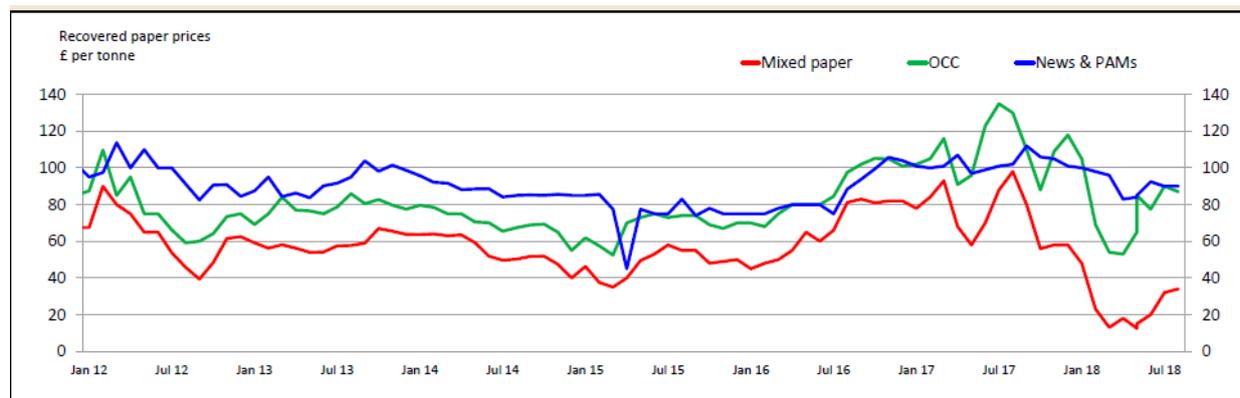
Plate 1 – Cardboard Quality



2.5 In order for material to meet the required standard it must now be hand sorted. In addition, with limited capacity in the UK and Europe and a greater emphasis on quality within the global market, re-processors can be more selective over the material they take. This negatively affects the prices offered.

2.6 Figure 1 shows that following the introduction of the Chinese import ban on mixed papers was in Jan '18 prices fell dramatically and haven't fully recovered since then.

Figure 1- Recovered Paper Prices



2.7 Prices for recyclable materials are, however, expected to rise in the wake of proposed tariffs on the import of recyclable materials by the United States. This offers the possibility that the prices of paper, separated cardboard and plastics may increase in the coming months.

3. End Destinations of Recycling Charter

3.1 A common question raised by members of the public participating in household recycling schemes provided by local authorities is “Where does our recycling go?”

3.2 A ‘YouGov’ survey commissioned by the Resource Association has shown that the public has a real interest in what happens to the recycling provided for council collection: 73% of UK adults sampled say they don’t know where materials go (in terms of recycling plants or geography). In the same survey, 68% say more information should be available on what happens to recycled materials and 32% say they are much more likely to recycle if more information was available.

3.3 The Resource Association is a UK based advocacy body for the recycling industry. Its vision is for a “materials economy that realises value, prizes quality and seeks to maintain integrity of the secondary materials that are still too commonly treated as waste.” Membership is open to all businesses, local authorities, trade association and community organisations.

3.4 The End Destinations Charter is a voluntary commitment to publish an annual Register of End Destination of Recyclates, with the aim of improving transparency in the recycling supply chain and enhancing public confidence in recycling.

3.5 By supporting this, councils and private companies operating in the recycling supply chain will help improve the information gathering and reporting of what happens to recyclable material that is collected from households.

3.6 The Association believes that councils and their commercial partners will benefit by signing up to this Charter as through this process, members of the public will have greater confidence in the waste services they are offered if they know their recycling efforts are valued. This confidence underpins the consistent and stable supply of recyclate to the markets, in the process avoiding unnecessary disposal of waste resources.

3.7 The wording of the Recycling Charter is set out in appendix 1. Further information is available at: resourceassociation.com/about-charter

4. Conclusions

4.1 Markets for recyclable materials can be very volatile and local authorities have little or no control over the market prices for materials. This therefore reinforces the need to capture and provide good quality recyclables to ensure they are marketable and attract maximum value.

4.2 The End Destinations Charter allows the opportunity for the partner councils within the joint waste committee to demonstrate their commitment to improving transparency in the recycling supply chain, in order to enhance public confidence.

5. Recommendation

5.1 It is recommended that the Committee notes the update on the recycling commodities market; and,

5.2 Recommends to its constituent partner councils that they sign up to the End Destinations of Recycling Charter.

Appendix 1

End Destinations of Recycling Charter

We, the undersigned local authorities, commit voluntarily to maintain or extend our commitment to providing the public with comprehensive information about the end destination of materials collected for recycling.

We commit to publishing, at least annually, a Register of End Destinations of Recyclates that covers the materials collected by us, or on our behalf, from the public.

Our Register of End Destinations of Recyclates will state the names and locations of the final reprocessing of our recycling back into product, whether these are in the UK or abroad.

Where there are any gaps in our information due to onward supply by recipients of our material, we will state this and seek to secure information from those parties and publish details in the next Register.