

DEFRA WASTE CONSULTATIONS: DEPOSIT RETURN SCHEME & EXTENDED PRODUCER RESPONSIBILITY

1. INTRODUCTION

- 1.1 In March 2021 two key Government waste consultations were released by Defra:
- Consultation on Introducing a Deposit Return Scheme (DRS) in England, Wales, and Northern Ireland; and
 - Consultation on Extended Producer Responsibility (EPR) for Packaging
- 1.2 Officers and Members of the Waste Strategy Working Group have read the consultation documents and proposed answers to relevant questions within the consultation. This report will provide some background to the changes proposed by central Government and explain the rationale behind the answers provided by the working group.

2. BACKGROUND

- 2.1 The Government's National Waste Strategy (NWS), "Our Waste, Our Resources: A Strategy for England" was published in December 2018. It contains new objectives for dealing with the nation's waste and suggests how these objectives can be achieved. In the future, the waste streams that the Council collects and the way they are collected will be heavily influenced by the NWS.
- 2.2 The NWS was subject to consultation, and the council responded to the four key consultations between February and May 2019. The results of the consultation indicated strong support for many of the objectives suggested in the NWS and this informed the content of the draft Environment Bill 2020, as well as NFDC's own draft Waste Strategy, released in November 2020.
- 2.3 The Government are now consulting again, to gather more detailed understanding of stakeholder preferences. The changes proposed in both the DRS and EPR consultations, will impact NFDC's waste and recycling service both operationally and financially, and therefore it is important that a considered response is submitted.
- 2.4 Two further consultations, on Waste Prevention, and Consistency in Household and Business Recycling in England, have also been released but have differing deadlines to the DRS and EPR consultations, and therefore will be the subject of separate Portfolio Holder Decision Reports.

3. DEPOSIT RETURN SCHEME (DRS)

- 3.1 A DRS applies a surcharge to a packaged product when it is purchased. A rebate is given to the consumer if the packaging is then returned to a designated point for recycling. The aim of a DRS would be to reduce the amount of littering, boost recycling levels for relevant material, and offer the enhanced possibility to collect high quality materials in greater quantities.
- 3.2 In launching the consultation, the government has proposed that a DRS could operate for drinks containers made from metal, plastic, and glass. The Government seek views

on two options for how the DRS could work if introduced. The first option, known as the 'all-in' model, would target a large amount of drinks beverages placed on the market, irrespective of size. The second option, known as the 'on-the-go' model, would restrict the drinks containers in-scope to those less than 750ml in size and sold in single format containers. This model would target drinks most often sold for consumption outside of the home (while 'on-the-go').

3.3 NFDC Officers and members have worked to propose a response to the DRS consultation. There are some questions that are not relevant to NFDC, or on which the Council does not have a view. The full response is available in **Appendix 1**. In summary:

- NFDC believe that a DRS has an important place in improving problems associated with litter and lack of on street recycling, and therefore support the option to introduce 'on-the-go' model of a DRS.
- However Government should consider whether there is a case to delay DRS until the key elements of EPR and Consistency in Collections have been implemented, to better inform design and implementation of a DRS, if the aforementioned measures do not deliver the required performance improvements by themselves.
- NFDC agree with the in-scope material proposed as cans, plastic bottles, and glass bottles.
- NFDC note that a DRS scheme will significantly impact the infrastructure required to collect, transfer, sort, and dispose/reprocess materials. With less high-quality material flowing through this system, the Government should consider this further and allow time for Local Authorities to adapt.
- Covid-19 has greatly impacted consumer shopping habits with many now shopping online for groceries. For those that live in rural communities or have mobility issues, returning containers may be more difficult. This may financially disadvantage certain social groups.
- NFDC note that an 'all-in' DRS has the potential to create a complicated more difficult to manage dual recycling system for householders. Whereby they not only have to separate more material streams but also must separate DRS and kerbside material within those streams if they wish to redeem their deposits.
- NFDC believe that if material in-scope of a DRS is collected by the Council at the kerbside, payments for unredeemed deposits should be paid to local authorities based on data from a sampling programme. Local authorities should also have the option to physically separate and redeem the deposits if they are able to do so.

4. EXTENDED PRODUCER RESPONSIBILITY (EPR)

4.1 EPR is a way of passing the cost of dealing with packaging waste back to the producers. It encourages producers to reduce the amount of packaging they put on the market and to improve recyclability of packaging. Payments from packaging producers will be passed to the EPR scheme administrator. These payments will then be passed to local authorities to support cost-effective and efficient systems for the collection of a common set of packaging materials for recycling from households and businesses. This will mean that local authorities will receive payments from the EPR administrator to help cover the costs of collecting and disposing of packing material. However, funding levels are likely to be closely linked to the efficiency and effectiveness of the service, and therefore there will also be a requirement for local authorities to ensure their service design encourages maximum material recovery and waste minimisation.

- 4.2 The Government are seeking views on how the scheme will function to ensure it achieves the desired outcomes, and to help inform final policy decisions on key aspects of the scheme, such as governance, recycling targets and implementation timelines.
- 4.3 NFDC Officers and members have worked to propose a response to the EPR consultation. There are some questions that are not relevant to NFDC, or on which the Council does not have a view. The full response is available in **Appendix 2**.
In summary:

- NFDC agrees with the polluter pays principle, which will drive innovation and ensure consistency across household business waste streams.
- NFDC agrees that payments to local authorities should be based on good practice, and efficient and effective system costs. However, we note that more information is needed so that Local Authorities can understand how payments will be calculated and allocated. In addition, the payment calculation methodology must be able to reflect local circumstances, for example where collection costs increase due to rurality and distance between properties.
- The cost of dealing with litter, including prevention activity, provision of litter bins and clearance from the ground, should be included in EPR. Payments should be established through compositional analysis of littered waste, and costs allocated proportionally based on prevalence in the waste stream.
- Labelling should be simplified, and single standardised approach should be used to indicate 'Recycle' or 'Don't recycle' across all packing materials.

5. CONCLUSIONS

- 5.1 The member working group and officers agree that both the DRS and EPR schemes have the potential to positively impact recycling and the environment by driving change in both the producer and consumer. Therefore, overall NFDC are supportive of both these policies. However, within the consultation responses concerns have been noted regarding the implementation of costly DRS that may create a complicated dual-layered recycling system. The government should consider adjusting timescales so they can assess whether EPR and new consistency measures deliver the required performance improvements by themselves, before implementing a DRS.

6. FINANCIAL IMPLICATIONS

- 6.1 There are no direct financial implications through the submission of these consultation returns. However, consultation outcomes may change financial flow and funding streams available to NFDC. Central government have stated that local authorities will not be financially disadvantaged, and any new burdens will be funded.

7. CRIME & DISORDER IMPLICATIONS

- 7.1 There are none.

8. ENVIRONMENTAL IMPLICATIONS

- 8.1 There are no direct environmental implications through the submission of these consultations. However, the objective of the NWS is to increase national recycling targets to 65% by 2035. Although we cannot be clear on the individual impact of DRS

and EPR policies, these are part of a bigger picture and will be highly influential in moving the UK towards a more circular economy. In addition to this NFDC believe that an 'on-the-go' DRS Scheme has the potential to positively impact litter within the district.

9. EQUALITY & DIVERSITY IMPLICATIONS

9.1 There are no direct equality and diversity implications through the submission of these consultations. However, as stated in 3.3 of this document, an 'all-in' DRS could have the effect of financially disadvantaging some social groups if they are not easily able to return DRS in-scope material.

10. RECOMMENDATIONS

10.1 That the consultation responses detailed in Appendix 1 and 2 to this report are submitted to DEFRA.

11. PORTFOLIO HOLDER ENDORSEMENT

I have agreed to the recommendation of this report.

Sign: Cllr Steve Davies

Date: 26 May 2021

For further information contact: Background Papers:

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The Government's consultation pages for EPR and DRS, which include full supporting information, can be found via these links:

DRS:
<https://consult.defra.gov.uk/environment/consultation-on-introducing-a-drs/>

EPR:
<https://consult.defra.gov.uk/environment/consultation-on-introducing-a-drs/>

Date on which notice given of this Decision – 26 May 2021

Last date for call-in – 2 June 2021