

### Consultation on Deposit Return Scheme (England, NI, Wales)

#### **NFDC response – May 2021**

Please note, not all questions are relevant to local authorities, and only the questions to which NFDC will be responding are included here.

Some questions need to be read alongside the consultation document, found here:

[https://consult.defra.gov.uk/environment/consultation-on-introducing-a-drs/supporting\\_documents/DRS%20Consultation%20FINAL%20.pdf](https://consult.defra.gov.uk/environment/consultation-on-introducing-a-drs/supporting_documents/DRS%20Consultation%20FINAL%20.pdf)

#### Introduction

**6. Given the context of the Covid-19 pandemic we are currently experiencing, do you support or oppose our proposals to implement a deposit return scheme for drinks containers in 2024?**

- a.) Support
- b.) Neither support nor oppose**
- c.) Oppose
- d.) Not sure

In our response to the first DRS consultation in 2019, we stated, ‘Government should consider whether there is a case to delay DRS until the key elements of EPR and Consistency 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.’

We still believe this to be true, particularly in the context of the Covid-19 pandemic and the change in consumer shopping habits.

We also believe that the addition on DRS on top of existing kerbside collections, will cause confusion among consumers. It could also have a significant impact on how consumers are asked to separate materials in the home. For example, currently a consumer may store their glass separately to other materials, but in future they will have to split their glass into two streams:

- glass that is in-scope for DRS (e.g. a bottle) and which should be returned to a designated point to redeem the deposit; and
- glass that is not in scope (e.g. a jar) which should be placed out for collection at the kerbside.

The same is also true of plastic bottles (lemonade in scope, milk not in scope). Where many residents struggle to find room to sort multiple material types, a DRS will only make this situation worse.

As an authority that deals with littering issues, NFDC believe that in future a DRS may have a place in improving these problems and therefore if a DRS were to be introduced, would support work to implement a scheme that aims to tackle littering and improve on street recycling.

**7. Do you believe the introduction of a deposit return scheme will have an impact on your everyday life?**

a.) Yes, a detrimental impact

b.) No, there will be no impact

**If you answered yes the scheme would have a detrimental impact, how significant would this impact be?**

a.) No significant impact

b.) Some impact but manageable

c.) Large impact but still manageable

d.) Large impact and impossible to comply with

**8. Have your views towards implementation of a deposit return scheme been affected following the economic and social impacts of the Covid-19 pandemic?**

a) Yes – because of economic impacts

b) Yes – because of social impacts

c) Yes – because of both economic and social impacts

d) No

e) Not sure

**Please elaborate on your answer if you wish.**

NFDC believe that DRS has a place in improving these problems and therefore would support work to implement a DRS scheme that aims to tackle littering and improve on street recycling. However, Government should consider whether there is a case to delay DRS until the key elements of EPR and Consistency have been implemented, to better inform design and implementation of a DRS. We believe the change in consumer shopping habits moving to online make the all-in options less viable, this supports our original comments rather than changes them.

## **Chapter 1: Scope of the Deposit Return Scheme**

**9. Do you agree that the cap should be included as part of the deposit item in a deposit return scheme for:**

a) Plastic bottle caps on plastic bottles – yes/no

b) Aluminium bottle caps on glass bottles – yes/no

c) Corks in glass bottles – yes/no

d) Foil on the top of a can / bottle or used to preserve some drinks – yes/no

Yes, because from anti-littering perspective not returning the lid creates a dual disposal method for the consumer and may lead more confusing messaging.

**10. Do you believe we have identified the correct pros and cons for the all-in and on-the-go schemes described above?**

a.) Yes

b.) No

Please elaborate on your answer.

NFDC believe that more consideration needs to be given to the impact on current planned recycling infrastructure for both models/options. Currently collections systems delivered by Waste Collection Authorities across the country are set up to manage a certain amount of material. Vehicle numbers, staffing, collection container types and sizes are all modelled to reflect the volume or weight of material. In addition, the Material Recovery Facilities and various other sorting systems in place across the country, also have capacity to deal with certain levels of material. It seems that both the on- the-go and the all-in DRS options will mean that the amount of material entering these facilities will be greatly reduced, and yet the sorting mechanisms will still be required, to mop up the materials that are added to the kerbside system. This could be an expensive operation for such limited materials and could this result in white elephant situation. A delay in the timeline would allow for the key elements of EPR and Consistency to be implemented, to better inform design of a DRS, and allow collection and reprocessing infrastructure more time to make adjustments to remain efficient when material flow changes.

In addition, in rural communities, the lack of public transport could make the return of containers more problematic, especially as many residents now rely on grocery deliveries services from supermarkets, and many rarely physically visit the stores.

We also believe that a con for both, but especially for 'all in' is that it is incentivising consumers to buy drinks containers as they will feel good about recycling them, but it is ignoring the fact that prevention of waste takes precedent in the waste hierarchy, and schemes such as refill points for water and reusable bottles are preferable.

**11. Do you foresee any issues if the final scope of a deposit return scheme in England and Northern Ireland does not match the all-in decision taken in Wales? E.g. an on-the-go scheme in England and an all-in scheme in Wales.**

a) Yes

b) No

Please elaborate on your answer.

Any disparity in system between Wales and England and Northern Ireland has potential to cause confusion for consumers, but will also be more difficult/costly for producers. A different labelling system for products sold in Wales and England is just one example of this.

**12. Having read the rationale for either an all-in or on-the-go scheme, which do you consider to be the best option for our deposit return scheme?**

a) All-in

b) on-the-go

Please elaborate on your answer.

Although NFDC disagree with the immediate implementation of any DRS scheme, an on-the-go system will be easy for consumers to understand and could be limited by size of container. This system has the ability have a positive impact on litter and improve on-street recycling. It makes the return system easier for businesses to manage as they do not have to deal with the return of greater

quantities or large containers. It is fairer to those residents that may have difficulties in returning containers that are used within the home to a return point. NFDC also believe that the on-the-go system will mean the kerbside collection service and associated sorting infrastructure is still necessary and viable.

**13. Given the impact Covid-19 has had on the economy, on businesses and consumers, and on everyday life, do you believe an on-the-go scheme would be less disruptive to consumers?**

- a) Yes
- b) No

**14. Do you agree with our proposed definition of an on-the-go scheme (restricting the drinks containers in-scope to less than 750ml in size and excluding multipack containers)?**

- a.) Yes
- b.) No

**b) If no, how would you change the definition of an on-the-go scheme?**

The Council feels that this question is an example of how a DRS will cause confusion among the public.

On the one hand, alcoholic beverages are more commonly sold in a multi pack option, and NFDC believe they are a common litter item. Excluding these could mean large proportion of littered containers fall out of scope. Additionally, not including multi packs within the DRS could drive both producer and consumer behaviour towards more multi pack options.

However, if multipack items are excluded from a on-the-go scheme, this adds another level of interpretation required by the consumer – i.e. firstly what is this container made from, secondly what size is it, thirdly did it come in a multipack. The definitive answer could be given through labelling, but overall this will cause consumers to disengage.

**15. Do you agree that the size of containers suggested to be included under an on-the-go scheme are more commonly consumed out of the home than in it?**

- a) Yes
- b) No
- c) Difficult to say

**17. Do you agree that the scope of a deposit return scheme should be based on container material rather than product?**

Yes / No

Some products can be found in multiple different styles of container i.e. glass bottle, carton, or plastic bottle. Specifying the product rather than the material might mean that consumers try to recycle not in scope items through DRS. Specifying the material with clear labelling on the container will be less confusing.

**18. Do you agree with the proposed list of materials to be included in scope?**

Yes / No

## Chapter 2: Targets

**20. Which of the following approaches do you consider should be taken to phase in a 90% collection target over 3 years?**

- a) 70% in year 1, 80% in year 2, 90% in year 3 and thereafter
- b) 75% in year 1, 80% in year 2, 90% in year 3 and thereafter
- c) 75% in year 1, 85% in year 2, 90% in year 3 and thereafter
- d) 80% in year 1, 85% in year 2, 90% in year 3 and thereafter

Currently 70% is the amount being captured at kerbside, so for DRS to be seen as a valid alternative to kerbside collections we would like to see it capture more in the first year of operation.

**21. What collection rate do you consider should be achieved as a minimum for all materials after 3 years?**

- a) 80%
- b) 85%
- c) 90% collection rate should be achieved for all materials

**23. Who should report on the volumes of deposit return scheme material placed on the market in each part of the United Kingdom (England, Wales and Northern Ireland) for the proposed deposit return scheme, and what would be the implications of these obligations?**

- a) The producer/importer
- b) The retailer
- c) Both the producer/importer and retailer

Whilst large retailers may have the capacity report DRS applicable sales, smaller businesses may find this an unmanageable burden. Therefore, the responsibility should lie with the producer and this should be audited through the DMO.

**24. What evidence will be required to ensure that all material collected is passed to a reprocessor for the purpose of calculating the rate of recycling of deposit return scheme material?**

An audit trail already exists for flow of local authority material and end recycling markets through waste data flow. It would make sense for DRS material were to be subject to the same or similar reporting system.

## Chapter 3: Scheme Governance

**25. What length of contract do you think would be most appropriate for the successful bidder to operate as the Deposit Management Organisation?**

- a) 3-5 years
- b) 5 – 7 years
- c) 7 – 10 years
- d) 10 years +

**26. Do you agree that the above issues should be covered by the tender process?**

Yes / No

Please list any further issues you believe should be covered as part of the tender process.

**27. Do you agree that the above issues should be monitored as Key Performance Indicators?**

Yes / No

Please list any further issues you believe should be covered by Key Performance Indicators.

Amount of material found in LA kerbside/residual streams

**29. Government will need to understand the needs of users to build digital services for deposit return scheme. Would you like your contact details to be added to a user panel for deposit return scheme so that we can invite you to participate in user research (e.g. surveys, workshops interviews) or to test digital services as they are designed and built?**

Yes / No

## **Chapter 4: Financial Flows**

**31. Is a high level of unredeemed deposits funding the scheme problematic?**

Yes / No. Please explain your answer

High levels of unredeemed deposit will mean essentially the system is failing. There will need to be a system in place to measure where the materials/containers are being disposed of, for example littered, on street general waste bins or the kerbside collection system. And additional funding diverted to ensure that those unredeemed deposits are reaching the appropriate bodies that are dealing with the materials, possibly either local authority kerbside collection or street scene teams. More importantly there will also need to be a response to address the issues of high unredeemed deposits and interventions put in place to ensure the public are carrying out the desired behaviour.

In addition, the consultation indicates the importance of producers paying costs proportionate to the types of materials they place on the market to reflect the different costs involved in collecting, separating, and treating different material types. Producing materials which can be easily captured and recycled would therefore be incentivised. This is contrary to producer fees being set around unredeemed deposits where a poor capture rate is rewarded to producers by lower fees.

**32. Which option to treatment of unredeemed deposits do you support?**

Option 1 / Option 2

Producers should not benefit from low capture rates by having lower fees and the proposal that a floor on producer fees is supported, with any surpluses being fed directly back into the scheme to improve the capture rate.

35. Do you agree that any excess funds should be reinvested in the scheme or spent on other environmental causes?

**Invested in the scheme/** other environmental causes

Any excess funds should be used to increase the environmental outcomes of the scheme, which could be to increase the recycling rate or other positive environmental outcomes such as providing support to local authorities to improve kerbside collections or support to producers to reduce carbon emissions or make the processes more efficient. In line with Circular Economy principles, producers should also be encouraged to consider package design and reduction (unless additional benefits are incorporated in the DRS design). Unredeemed deposits could be used to provide such incentives.

**36. What should be the minimum deposit level set in legislation?**

a.) 10p

b.) 15p

**c.) 20p**

d.) Other

*(because higher is more likely to be effective)*

**37. Do you agree that there should be a maximum deposit level set in legislation?**

**Yes / no**

If yes, what should be the maximum deposit level set in legislation?

a.) 30p

b.) **40p**

c.) 50p

d.) Other

The DRS system should not disadvantage any social group, if the level is set too high those on lower incomes would be impacted on greatest. Although the deposit can be redeemed, there may be situations where the packaging cannot be redeemed immediately or make the initial purchase price too high for some.

**38. Recognising the potentially significant deposit costs consumers could pay on a multipack purchase, how best can we minimise the impact of the scheme on consumers buying multipacks?**

Excluding or changing the rule for multipacks may change both producer supply, and consumer purchasing behaviours towards multi pack purchases. This is a more confusing message for the consumer, and ultimately the aims of reducing litter and increasing recycling are less likely to be achieved.

Multi packs of more than 8 containers could be subject to lower deposit to help keep the cost of the purchase down for example 10p rather than 20p.

**39. Do you agree with our approach to letting the Deposit Management Organisation decide on whether to adopt a fixed or variable deposit level, particularly with regards to multipacks?**

**Please provide evidence to support your answer**

No, NFDC believe the government should control this so as not to disadvantage particular social groups or businesses.

## **Chapter 5: Return Points**

**40. Do you agree that all retailers selling in-scope drinks containers should be obligated to host a return point, whether it is an all-in or on-the-go deposit return scheme?**

Please provide any evidence to further explain your answer.

No, this is an unmanageable expectation/burden for some smaller retailers, exemption levels should be set.

**44. Please tick which exemptions you agree should be included under the scheme:**

- Close proximity

- Breach of safety

Any further comments you wish to make

**49. Do you think the scheme could benefit from technological solutions being incorporated as a method of return, alongside reverse vending machines and manual return points?**

Yes / No

**50. How could a digital deposit return scheme solution be integrated into existing waste collection infrastructure? Please explain your answer.**

Allowing residents to use the kerbside collections to dispose of their in-scope containers will of course make residents lives easier and is likely to increase capture rate, especially for those who are using more online shopping because of Covid, and also those for whom it would be difficult to use a reverse vending machine due to illness or disability. However, this also highlights why it is not the right time to introduce a DRS, the benefit of kerbside collections is that they are easy and convenient for residents, far more so than reverse vending machines, and DRS should only be considered when the effects of EPR, consistency and the plastic tax can be measured.

Additionally, incentivising some of the items that are being recycled i.e. those in scope of the DRS, but not the rest of recycling seems counter intuitive and may be confusing for residents.

**52. Do you think a digital deposit return scheme could ensure the same level of material quality in the returns compared to a tradition return to retail model, given containers may not be returned via a reverse vending machine or manual return point where there is likely to be a greater scrutiny on quality of the container before being accepted?**

Yes / No



Please explain your answer.

Material quality is likely to follow current contamination levels, however if reverse vending return points were to be more commonplace it is likely there would still be a degree of contamination through the DRS.

## Chapter 6: Labelling

**55. Do you agree that the following should be part of a mandatory label for deposit return scheme products?**

- a) an identification marker that can be read by reverse vending machines and manual handling scanners.
- b) a mark to identify the product as part of a deposit return scheme.
- c) the deposit price.

**59. Do you consider leaving any labelling requirements to industry to be a better option than legislating for mandatory labelling requirements? Please explain your answer.**

We believe that the OPRL is the most appropriate easy to provide clear consistent labelling. Providing ad hoc labelling by industry could provide conflicting messages which could result in local authorities having to manage queries and complaints resulting from confusing packaging labels. A standard label will help consumers easily spot the information they need; therefore, this should not be left to industry and should be a mandatory requirement.



**62. Will your processes change as a result of mandatory labelling?**

Yes/ **No**/ Don't know.

Please explain your answer.

## Chapter 7: Local authorities and local councils

**64. Do you agree that local authorities will be able to separate deposit return scheme containers either themselves or via agreements with material recovery facilities to regain the deposit value?**

- Yes

**- No**

Please explain your answer

Physically separating this material would generally be problematic unless a robust mechanical separating mechanism can be implemented, for which the costs are likely to be high. Glass would be

an additional issue, as it would probably be smashed before any separation was able to take place, and glass jars (out-of-scope) would be indistinguishable from glass bottles (in-scope). This would also be costly and an additional burden for what is likely to be a very small return if the DRS system proves to capture 90% of material.

**65. Do you agree that local authorities will be able to negotiate agreements with material recovery facilities to ensure gate fees reflect the increased deposit values in waste streams or a profit sharing agreement on returned deposit return scheme containers was put in place?**

- Yes
- No

Please explain your answer.

Whilst the material value per tonne may increase because of the deposit value, overall it is likely that local authority MRFs would be dealing with lower overall tonnage if a DRS is introduced, which would possibly reduce their overall operational efficiency.

**66. In order to minimise the risk of double payments from the Deposit Management Organisation to local authorities, where should data be collected regarding the compositional analysis to prevent the containers then being allowed to be redeemed via return points?**

Hampshire County Council (NFDC's waste disposal authority) have access to a MAF, which would seem a sensible solution to establishing compositional analysis for the purpose of understanding the amount of in scope DRS material found in the kerbside waste. This would need to be funded and regulated by the DMO.

However, it is unclear where the risk of double payment to local authorities would or could occur if they are only dealing with the kerbside collected material.

**68. What option do you think best deals with the issue of deposit return scheme containers that continue to end up in local authority waste streams?**

- a. Option 1
- b. Option 2
- c. Option 3

Please briefly state the reasons for your response. Where available, please share evidence to support your view.

The principle of Option 2 sounds reasonable if material cannot be reasonably separated out, although the payment mechanism and associated costs for an 'efficient and effective collection' and the various payment groups would require further consultation and agreement for an appeals system if an LA can demonstrate it has been inappropriately categorised or the payments do not reflect the costs incurred.

## **Chapter 9: Implementation Timeline**

**75. Do you have any comments on the delivery timeline for the deposit return scheme? Please pose any views on implementation steps missing from the above?**

NFDC believe the introduction of the DRS should be deferred until the Consistency of collections and EPR policies have been implemented. This would allow these policies to work and see if they deliver the desired increases in recycling before determining whether a DRS is needed.

Additionally, through LARAC we are aware that DRS in some areas of Australia has not performed as well as those in other countries. These are some of the few examples where DRS has been layered on top of existing kerbside collections. It is not clear if this is the main reason why the systems have not performed as well and suggests that detailed research into these examples could provide valuable insight into any UK DRS system design. It has been suggested that the shortcomings of the Australian examples have been caused by system design, but not what aspects of the system design, which might well have related to the interaction with the current kerbside schemes.

Deferring a DRS would allow time for valuable research into the digital trials being completed in Wales and Northern Ireland, the interface with a reformed EPR system and DRS systems from Australia. This would help ensure that the UK has a well informed and designed scheme that is fit for purpose does not just canalise existing collection systems which may not be the optimal solution for the UK.

If the DRS does go ahead, we would like to see the timeline match with that of EPR and consistency. Looking at the timeline, we also think it might be unrealistic for the rollout of infrastructure to begin in 2023, and the DRS becoming operational in 2024.

**77. Depending on the final decision taken on the scope of the scheme in England and Northern Ireland – all-in or on-the-go – what, if any, impact does this have on the proposed implementation period?**

An all-in system would have a greater impact on all parties, and therefore would surely require a longer implementation period. But from a local authority perspective, the quantity of material diverted from kerbside collections in an all-in system would have a huge impact on collection vehicle requirements, operational staffing, and transfer station capacity requirements. Not to mention the impact on the current MRF infrastructure. Understanding the impact of the mix of the consistency measures, EPR and DRS is key to ensuring that collection and disposal infrastructure remain effective and efficient. Therefore, for both all -In and on-the-go, NFDC reiterate the point that DRS should be deferred until the Consistency of collections and EPR policies have been implemented. This would allow these policies to work and see if they deliver the desired increases in recycling before determining whether a DRS is needed.