A wasted opportunity?

An overview of the UK Government's waste reforms: Extended Producer Responsibility for packaging, Deposit Return Scheme, the Waste Prevention Programme, and Consistent Recycling collections

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Wildlife and Countryside







FOREWORD

Litter can have a devastating impact on our natural world. The shocking effects of marine plastics were highlighted by David Attenborough's Blue Planet 2 and COVID-19 has given many of us a greater appreciation of the outdoors. Local green and blue spaces and treasured beauty spots have been essential during this period, in turn heightening public awareness of littering and increasing the public's appetite to protect these spaces from pollution.

The Government has delivered a number of positive policies to tackle our high waste culture, including charges on single-use carrier bags, bans of some single-use plastic items and the recent plastic packaging tax. However, action to reduce waste at source and boost recycling on a more systemic level has been more limited.

In order to meet its waste targets and commitments,¹ the Government has recently undertaken the follow-up consultations on a suite of waste reforms, first consulted on in 2019, which could deliver some of the systemic change required for more effective waste management. These proposals include:

- **Deposit Return Scheme (DRS):** this would place a small deposit charge on drinks containers. The consultation covers England, Wales and Northern Ireland, with Scotland already advancing their introduction of a DRS.
- Extended Producer Responsibility for packaging (EPR): this UK-wide scheme would make producers responsible for the "full net cost recovery" of managing packaging once it becomes waste.
- Waste Prevention Programme (WPP): this sets out a plan for reducing waste in England, addressing priority sectors such as packaging, furniture, construction and textiles.
- Consistency in Household and Business Recycling Collections (Consistency): this aims to deliver a standardised approach to recycling collection services across England.

Overall, although these policies are a step in the right direction, a lack of urgency, limited details on key issues, a failure to commit to an all-in DRS, and a lack of explicit support for reuse schemes raise serious cause for concern.²

¹ **25 Year Environment Plan** — "work towards eliminate avoidable waste by 2050"; "work towards eliminating food waste to landfill by 2030" **Industrial Strategy** — "double resource productivity by 2050" **Climate Change Act** — "net zero domestic greenhouse gas emissions by 2050" **Resources & Waste Strategy** — "increase municipal recycling rate to 65% by 2035" **Resources & Waste Strategy** — "no more than 10% of municipal waste to landfill by 2035". See: https://tinyurl.com/yjc44uut

² Find Wildlife and Countryside Link's detailed consultation responses here: DRS, EPR, WPP and Consistency



THE IMPORTANT UPCOMING DECISIONS

While there are welcome aspects of the Government's approach, such as legislating to deliver the polluter pays principle with EPR, there are many details that still need to be decided which will determine whether these reforms are effective.

- The scope of a Deposit Return Scheme

The consultation on DRS leaves open the scope of the scheme: whether it will be 'all-in', covering all sizes of beverage containers, or an 'on-the-go' model, covering drinks containers under 750ml in size and excluding those containers sold in multipacks. This is hugely disappointing given the overwhelming support from the first consultation in 2019 in favour of 'all in':³

- The Government's own cost benefit analysis of on-the-go compared to all-in conclusively demonstrates that all-in is the preferable option with over £5.5 billion in additional benefits.⁴ These are due to a litter disamenity reduction of £11,198m compared to £3,614m with an on-the-go model, favourable Net Carbon savings, and increased value of recovered material. Based on the Government's own analysis, it is clear that opting for an on-the-go scheme would be a costly and misguided mistake given the significant benefits of an all-in scheme.
- Businesses will benefit from a consistent system design across the UK.
 Scotland, Wales and Northern Ireland have already indicated their support for the all-in model, with Scotland set to introduce their scheme in 2022, ahead of the rest of the UK
- Reloop research from May 2021 showed over 8 billion drinks containers are wasted (defined as littered, incinerated or landfilled) every year. An all-in DRS is a proven and lasting solution to this problem, going much further than any awareness raising or education on litter could achieve.
- An all-in DRS is the most sustainable option for beverage producers as it
 would be unaffected by changing market and consumer patterns such as
 those we have seen in the past year. For instance, it could absorb the increase
 of large containers being consumed outdoors resulting from a rise in picnics
 and drinks in parks when pubs and bars were shut. It is also likely that people

³ 69 per cent of respondents favoured 'all in', compared to just 15 per cent who favoured the more limited 'on the go options'

⁴ P.21 https://consult.defra.gov.uk/environment/consultation-on-introducing-a-drs/supporting documents/DRS%20Consultation%20FINAL%20.pdf

⁵ https://www.cpre.org.uk/about-us/cpre-media/over-8-billion-drinks-bottles-and-cans-wasted-in-2019/



consumed single portion drinks containers at home more frequently over the past year as this is where they spent most of their time. In such circumstances, the benefits of an "on the go" system would be reduced.

- An all-in DRS would deliver the greatest economies of scale for the introduction of Reverse Vending Machines and administration of the scheme.
- All-in would have the greatest direct environmental benefits as drinks containers of all sizes are littered. Defra Minister Rebecca Pow MP reiterated at an Environmental Audit Committee hearing that an all-in system will capture 23bn containers and 'on-the-go' will only capture 7.4bn containers.⁶
- All-in has strong cross-stakeholder support: businesses and trade bodies, such as Coca Cola, the Association for Convenience Stores, alongside environmental NGOs are in favour of an all-in system. Additionally, public frustration with litter and plastic pollution in particular has been high and CPRE polling shows that 78% of adults think the Government needs to do more to tackle litter. Similarly, recent polling by City to Sea and Friends of the Earth showed that more than two thirds of people in Britain think plastic pollution is as bad, or worse than it was before the pandemic. 8
- A DRS scheme must include glass bottles

It is vital that a deposit return scheme includes glass and the Government should reject arguments against its inclusion. Any broken glass around a reverse vending machine will be quickly and safely dealt with, whereas broken glass in parks or on beaches is a danger to people and wildlife. Glass is also a high-energy material, meaning it is crucial to recycle. It is also easier to recycle than plastic.

The technology to collect glass, either by compaction or 'soft drop' where the bottle stays intact, exists in schemes around the world, and it would be possible to adopt these technologies in the UK. Glass bottles are part of Scotland's proposed DRS where separated collection methods will make closed loop recycling much more viable as there is less mixing of colours and crushing during transportation. This will deliver significant energy savings and reduced carbon emissions. The feasibility of including glass in a DRS is demonstrated by the international examples of this practice – including Denmark, Finland, Iceland and Germany.

- EPR needs a dedicated level of financial commitment to reuse

⁶ https://committees.parliament.uk/oralevidence/1982/pdf/

⁷ https://www.cpre.org.uk/about-us/cpre-media/rise-in-ppe-litter-since-coronavirus/

⁸ https://friendsoftheearth.uk/sustainable-living/world-refill-day-brits-demand-government-action-plastic

⁹ https://depositreturnscheme.zerowastescotland.org.uk/glass

¹⁰ https://depositreturnscheme.zerowastescotland.org.uk/glass



At the moment, there is little clarity about how exactly funds raised by Extended Producer Responsibility will be spent. The Government should clearly dedicate these funds to improving waste reduction.

While it is positive that EPR funds could potentially be earmarked to fund reuse business models and infrastructure, there is no set figure for this funding. The UK should follow the lead of France where 5% of EPR funds, totalling 50 million Euros a year, go towards reuse schemes. These funds are intended to help develop reuse projects, reduce waste and to contribute to job creation.¹¹

- The EPR 'Scheme Administrator' must support reuse schemes

The EPR 'Scheme Administrator', the independent body that will control the finances and management of the EPR scheme, could play an important role in helping industries to restructure their operations to reduce waste. However, the Government has not yet decided on whether to deliver the powers, resources and functions that the Administrator will need to do this effectively.

Most importantly, the Scheme Administrator must facilitate the transition to reusable containers and packaging. This could include, for example, providing financial support for initial start-up costs for reuse systems, such as purchasing reusable takeaway containers, and supporting innovation in reuse, e.g. improved reusable container design or more effective communications to drive changes in consumer behaviour.

The Scheme Administrator could also support the adaptations required within supply chains to transition to reusable packaging systems. This could be further supported by a requirement to introduce standardised packaging formats for items such as bottles, takeaway containers and tubs; allowing for the same design to be reused and refilled by different brands and product lines. It is clear both the Government, targeted through policy, and the Scheme Administrator, through funding choices, have key roles to play in levelling the playing field to give reuse the best possible chance of success.

On reuse, proposals in the Waste Prevention Programme to direct EPR funds to reuse/repair 'circular economy hubs' are welcome and could support activities which keep materials in use. However, this must be done in the right manner and the Waste Prevention Programme provides little information into how these schemes would operate in practice. If the 'circular economy hubs' are to be effective they must do more than simply provide guidance. There is a great potential for these hubs to

¹¹ https://www.recycling-magazine.com/2020/01/30/france-to-create-a-solidarity-re-use-fund/



provide jobs, reduce resource use, and regenerate local high streets as well as providing a clear public example of circular economy principles in action.

Examples of successful circular economy hubs include Plant Chicago in the USA. This project converted a disused industrial building into a collaborative community of food businesses with a mission to "cultivate local circular economies", aiming for a shift in waste production, driven at the local level. The project aimed to generate equity and economic opportunity for local residents while sharing best practice and improving people's understanding of waste. ¹² This could be a model for certain urban circular economy hubs in the UK which could tackle waste and drive regeneration.

- EPR must provide greater funding for waste/litter collection and reuse schemes

EPR will allow the "necessary costs" of managing packaging waste to be claimed back from producers who benefit commercially from placing that packaging on the market. The Government estimates that producers will be required to pay around £2.7bn in the first full year of implementation: £1bn of this related to packaging waste collected from households, £1.5bn for packaging waste collected from businesses, and £200m for the management of bin and ground packaging litter. To enable scrutiny over the effectiveness of the new system, the Government should deliver this reform with full transparency on where money is spent, the proportion being assigned to different activities and the value-added resulting from this compared to the current system.

We urge the Government to hold firm on their intention that the scope of "necessary costs" of waste should include things such as litter collections in parks, ¹⁴ as these are ultimately necessitated by the large amount of packaging being placed on the market. Although some packaging producers argue that they should not be liable for these costs, the 'prevention at source' principle should apply to this issue, whereby those who place these items on the market and, in doing so, profit from their sale, are responsible for the resulting environmental and societal harm.

¹² https://www.plantchicago.org/who-we-are

¹³ https://consult.defra.gov.uk/extended-producer-responsibility/extended-producer-responsibility-for-packaging/supporting_documents/23.03.21%20EPR%20Consultation.pdf

¹⁴ The EPR consultation document notes that costs for producers should "include proportionate, proactive, and reactive clean-up services for binned and ground litter as well as funding litter prevention measures in order to achieve the overarching objective, which is to prevent litter arising in the first place" and that they have modelled "£200m for the management of bin and ground packaging litter" https://consult.defra.gov.uk/extended-producer-responsibility/extended-producer-responsibility-for-packaging/supporting documents/23.03.21%20EPR%20Consultation.pdf



 The Waste Prevention Programme does little to improve financial incentives for reuse

While the Waste Prevention Programme notes the importance of reuse, the measures it proposes aim to encourage action rather than changing the financial incentives which underpin our current wasteful consumption models.

Enhanced Capital Allowance (ECA) has been used by the Government to encourage a shift to more energy and water efficient technologies. Businesses benefit from significant tax savings if they invest in energy-saving assets. This approach could be used to assist companies with investments in both plant and machinery which have reuse applications.

The Government should also ensure that VAT on repair services is zero-rated to make repairs more affordable and boost the industry. The current tax system applies VAT to the repair of a shoe for example, putting an extra cost on this environmentally beneficial activity. It also applies VAT to green home improvements yet applies zero VAT to new build homes.

- The Government should explore how a DRS can support the reuse of bottles

A one-way deposit return scheme also opens logistical opportunities for producers to make the switch to refillable bottles, as the infrastructure is often the same.

To take the example of The Oregon Beverage Recycling Cooperative (OBRC), the system operator for the deposit return scheme in Oregon in the USA was in a uniquely advantageous position to introduce a refillable bottle scheme because they already operated much of the necessary infrastructure, including bottle and can return facilities, trucks and space to house washing equipment.¹⁵

This opportunity also strengthens the case for including glass in the DRS: to allow the option for producers to switch to refillable glass in future.

¹⁵ https://www.reloopplatform.org/deposit-return-motivates-voluntary-switch-to-refillables/



WHAT IS LACKING?

The suite of reforms should be more ambitious in certain areas, delivering policies which could change the economics of waste. The reforms also show an excess focus on recycling compared to overall waste reduction.

- Insufficient focus on waste prevention and reduction

Recycling alone will not tackle the systemic problem of over-consumption of resources including single-use packaging and cheap 'throw-away' items. This requires a reduction-led strategy to phase out all non-essential, single-use packaging and a transition to a refillable, reusable society.

The Government must do much more to first prevent waste generation and reduce harm, as dictated by the waste hierarchy. An obvious place to start would be to set legally binding targets for increasing resource efficiency and reducing residual waste¹⁶ which could be set under the Environment Bill framework in 2022.¹⁷

Reduction can easily be incentivised through the EPR modulated fee structure - the less you use, the less you pay - and there should be a concerted effort to incentivise reuse through modulated fees.

In addition, when the Government has proposed targets on recycling, these are often weak. To take one example, recycling rates for packaging in scope of EPR remain unambitious. For example, the target is for only 56% of in-scope plastic packaging to be recycled by 2030.

- The Waste Prevention Programme fails to tackle the fundamental drivers of waste

The Government commissioned 2021 Dasgupta Review clearly states that "...if we are to avoid exceeding the limits of what Nature can provide on a sustainable basis while meeting the needs of the human population....consumption and production patterns will need to be fundamentally restructured".¹⁸

¹⁶ These targets should include but not be limited to targets to reduce plastic pollution

¹⁷ See also Green Alliance's proposal that the UK should repeat the success of its approach to net zero greenhouse gas emissions and become the first major economy with a target and strategy to halve resource use https://green-alliance.org.uk/resources/Targeting_success.pdf Link are also calling for the Environment Bill to be amended to grant Ministers the power to charge for all single-use items, see https://www.wcl.org.uk/docs/Charging%20for%20all%20single%20use%20items%20-%20Link%20Waste%20&%20Resources%20Policy%20briefing.pdf

¹⁸https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/957629 /Dasgupta_Review - Headline_Messages.pdf



However, the Government's proposals in the Waste Prevention Programme fail to tackle the fundamental design of our consumer culture, with an economy dependent on the high consumption of goods. While the Waste Prevention Programme consultation recognises the difficulty of delivering change (for example noting that "most businesses have a strong interest in increasing sales, and this can run counter to the interests of reuse/repair and remanufacture"), there are few policies which effectively tackle these deep-rooted causes of excess waste.

This failure of ambition means that these measures are unlikely to lead to the large-scale shifts in our consumption models which are necessary to meet the Government's environmental and climate targets. It also means we will fail to benefit from the huge boost to local jobs and services which would accompany a more resource efficient economy. 19

- The Consistency reforms are a missed opportunity for a new approach to charging for household waste

Once consistent collections for recycling have been established across all Local Authorities (meaning people have the opportunity to recycle the same materials regardless of where they live), they should be encouraged to play their full role in the system to avoid unfairly burdening businesses and the public purse with unnecessary waste creation and incorrect recycling.

This would see householders pay based on how much they use the services, as they would for any utility - 'pay as you throw' or 'save as you recycle'. Those who generate the least amount of waste are rewarded by paying the least, and one of the main aims is to drive up recycling rates, which has happened elsewhere: according to 2017 research by Eunomia, eight out of the world's top ten recycling nations use variable charging to some extent.²⁰

This approach should only be applied after several years of consistent collection delivery and evidence that a significant proportion of recyclable material is still ending up in black bins. Research analysing 'pay as you throw' schemes in Canada, the Netherlands, Sweden and Switzerland suggests that those who had experienced the scheme themselves were more likely to support it.²¹ This finding is consistent with the public reaction to the charge for plastic carrier bags in England, where support for the policy increased after it had been introduced.²² Evidence shows that

 $^{^{19}~}See~\underline{https://ecointelligentgrowth.net/wp-content/uploads/2015/02/Employment-and-the-circular-economy-summary.pdf}$

²⁰ https://www.eunomia.co.uk/reports-tools/recycling-who-really-leads-the-world/

²¹ https://ec.europa.eu/environment/integration/research/newsalert/pdf/375na5 en.pdf

https://www.theguardian.com/environment/2016/sep/29/shoppers-in-england-now-more-likely-to-use-their-own-bags-plastic



policies designed to tackle waste will command public support if they have a clear environmental rationale and are seen to be applied fairly.²³

- The changes to household waste collections could go further to boost recycling and improve public understanding

Changing household waste collection provision could make a big difference to reducing waste. Unfortunately, the Consistency consultation did not provide an opportunity to refute the statutory guidance on alternative weekly residual waste collections.

Fortnightly collections for residual waste will be a barrier to recycling as studies have shown that this does not incentivise people to recycle more. In contrast, evidence from Wales demonstrates that less frequent residual waste collections have served to increase recycling participation.²⁴

Local Authorities should be empowered to change collection frequency to collections every three or four weeks, otherwise the only option is to reduce the size of residual (black bin) waste containers - assuming statutory guidance does not mandate a size of 240 litres.

The Government has also decided not to proceed with bin colour standardisation across the country, maintaining the confusing current approach whereby different Local Authorities have different colouring for each type of waste bin. This is despite a majority of respondents to a previous consultation being in favour of this policy and also despite this policy still appearing to be an option for non-household consistency measures. This is a missed opportunity as it would keep consistency across the country and reduce confusion.

These reforms fail to account for the wider material footprint of our consumption

As EPR evolves, the Government should consider how wider environmental and social costs could be internalised into the scheme to inspire design for reduction and reusability, as well as sustainable sourcing (with different standards depending on the packaging material).

These wider environmental and social costs are currently unrecognised in the system, but they can have serious and harmful effects on the environment and on people in the UK and around the world.

²³ For more detail on 'pay as you throw' see https://green-alliance.org.uk/resources/Recycling reset.pdf

https://www.dailypost.co.uk/news/north-wales-news/monthly-bin-collections-success-household-15955154



The consequences of irresponsible sourcing – for example, pre-production plastic pellet loss, the use of harmful chemical additives polluting local waterways or human rights violations linked to strip mining for bauxite – could be monetised and applied to producers.

Where these reforms focus on optimising end-of-life outcomes for materials through increased recycling, they fail to take into consideration the full lifecycle impacts of supply chains.

- There is a continued lack of funding for enforcement

There is a noticeable absence of policy proposals to hold stakeholders to account for non-compliance.

Throughout the Waste Prevention Programme consultation, there is an emphasis on voluntary actions as opposed to mandatory requirements.

Where mandatory requirements have been proposed, there is a lack of clarity as to how monitoring and enforcement will be effectively undertaken, as well as a lack of clarity on what remedial actions are required and within what timeframe. We are nervous about the over-reliance on the Environment Agency which continues to be severely under-funded.²⁵

Ultimately, policies will only ever be fully meaningful if stakeholders are held to account for non-compliance.

Enforcement bodies such as the Environment Agency and Local Authority Trading Standards teams must be properly funded and resourced in order to carry out monitoring and enforcement duties. Without this in place, these policies have no teeth.

IT'S TIME TO DELIVER

While it is widely accepted that we are facing the twin crises of climate change and biodiversity loss, the Government's waste reforms kick numerous issues into the long grass. For example, on bulky waste, the Waste Prevention Programme commits to a consultation by the end of 2025. This is far too slow, falling after the end of the current Parliament, and shows a concerning lack of urgency.

Another example concerns the Government's intention to introduce targets to incentivise the adoption of reuse and refill systems. This laudable goal is again due

²⁵ <u>Leaked documents reveal Environment Agency 'overwhelmed' by staffing cuts and surge in pollution</u> incidents - Unearthed (greenpeace.org)



for a distant 2025 implementation date, despite recent Friends of the Earth and City To Sea polling showing that 81% of people want the UK government to make refillable products easier to buy and more widely available, as a main priority for reducing plastic pollution.²⁶

The Government must deliver the next stages of Extended Producer Responsibility as soon as possible: EPR for packaging must be delivered by 2023 and EPR must be introduced as soon as is practicable for other resource intensive sectors such as textiles and construction.

Finally, the Deposit Return System must be delivered without delay. It was frustrating to see a recent further push back until the autumn of 2024 at the earliest. A DRS is long overdue and should form a core part of the economic and social recovery from the pandemic.

The success of this package of reforms depends on the delivery of all proposed measures. If we are to succeed in tackling the environmental impacts of our resource intensive society, reforms to EPR must be delivered with greater urgency, alongside a UK-wide all-in DRS, meaningful measures in the Waste Prevention Programme and an ambitious scope of materials as part of consistent collections from households and businesses.²⁷

Wildlife and Countryside Link is the largest environment and wildlife coalition in England, bringing together 60 organisations to use their strong joint voice for the protection of nature. Our members have worked together to respond to the Government's waste consultations: <u>Deposit Return Scheme</u>, <u>Extended Producer Responsibility for packaging</u>, the <u>Waste Prevention Programme</u>, and <u>Consistency in Household and Business Recycling</u>.

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²⁶ https://friendsoftheearth.uk/sustainable-living/world-refill-day-brits-demand-government-action-plastic

²⁷ See https://consult.defra.gov.uk/waste-and-recycling/consistency-in-household-and-business-recycling/