

# Consultation on Introducing a Deposit Return Scheme in England, Wales and Northern Ireland

*June 2021*

Wildlife and Countryside Link and Wales Environment Link are the largest environment and wildlife coalitions in England and Wales. Combined, we bring together over 100 organisations to use their strong joint voice for the protection of nature. Our combined members campaign to conserve, enhance and access our landscapes, animals, plants, habitats, rivers and seas. Together we have the support of over eight million people in the UK and directly protect over 750,000 hectares of land and 800 miles of coastline.

This response is supported by our member organisations listed below:

- British Mountaineering Council
- CPRE, the countryside charity
- Environmental Investigation Agency
- Friends of the Earth (England)
- Greenpeace UK
- Keep Britain Tidy
- Marine Conservation Society
- Surfers Against Sewage
- Whale and Dolphin Conservation
- WWF-UK

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## Consultation Response

### [Chapter 1: Scope of the Deposit Return Scheme](#)

**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?**

**Support**

Neither support nor oppose

Oppose

Not sure

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

This is a poorly-worded question, as it conflates two separate issues. We have answered 'Support' as we support the proposals for the implementation of a DRS. However, we strongly oppose the proposed delay to 2024.

We believe a DRS is long overdue and should form a core part of the economic and social recovery from the pandemic.

Covid has made everyone appreciate the outdoors, local green and blue spaces, and treasured beauty spots even more, in turn heightening public awareness of littering and increasing people's appetite to protect these spaces from pollution.

Reloop research from May 2021 showed over 8 billion drinks containers are wasted (defined as littered, incinerated or landfilled) every year.<sup>1</sup> An all-in DRS is a proven and lasting solution to this problem, going much further than any awareness raising or education on litter can. Intentional littering is already illegal and yet that does not act as enough of a deterrent and it's too difficult to enforce in some places, DRS takes a different approach and uses an economic incentive to encourage the right behaviour instead.

An **all-in** DRS is the most sustainable option for beverage producers as it would be unimpacted 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 consumed single portion drinks containers at home more frequently over the past year as this is where they spent the most time.

An **all-in** DRS would increase the economies of scale of the system (due to there being more products in the system) thereby enabling an increase in the number of return points. This would make the system more convenient for consumers by ensuring there is always an accessible return point nearby.

As the consultation itself states in reference to the impact of the pandemic on DRS in other countries: 'Reassuringly, the feedback suggests that deposit return schemes continue to function well throughout the pandemic, whilst taking into account the health and safety guidelines of respective Governments, particularly for consumers when returning containers at return points'.

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<sup>1</sup> <https://www.cpre.org.uk/about-us/cpre-media/over-8-billion-drinks-bottles-and-cans-wasted-in-2019/>

We would therefore question why the Government is seeking views on the relation between the current pandemic and the plan for DRS.

The consultation also notes that the Government 'recognise the possible impact of introducing a deposit return scheme given the process of economic recovery for businesses'. However, it is important to point out that the impact on business has not been universally negative. Large supermarkets (which the consultation notes, according to consumer research, were regularly visited by 84% of respondents) have not suffered financially under the pandemic<sup>2</sup> and therefore the consultation's sweeping suggestion of impacts on retail are unfounded. Furthermore, a DRS is designed to compensate retailers through handling fees to ensure there are no major economic burdens placed on them.

It could be useful for Defra to note here that any system that seeks to limit the number of bottles and cans flowing through the system - such as the one described in this consultation as 'on the go'(OTG) - would significantly lengthen the amount of time it would take for retailers to recoup any investment in returns infrastructure. The more material flowing through the system, the greater the revenue and the faster investment can be recouped.

It is also important to remember these costs are not new for producers. The costs of waste management have always existed but they're costs that producers have so far been able to systematically avoid under the current approach. At present, costs fall primarily on local authorities (street cleansing, recycling and waste collection), as well as other bodies with responsibility for litter such as National Park and park authorities. A DRS would see producers finally paying 100% of the net costs related to the waste arising from their products. The pandemic is not an excuse to delay what they should already be paying for.

In addition to a DRS, the Government must also do more to encourage re-use and refilling of drinks containers. This is especially true for bottled water. Where there are alternatives to single-use plastic bottles (such as using a refillable water bottle, tap water, or drinking fountains) these should be encouraged. We should adopt the principle that where we can reduce packaging, we should, and where we cannot, a well-designed DRS can help capture the rest (such as beverages that do not come out of a tap). This should be delivered through legally binding targets in the forthcoming Environment Bill and targets and a modulated fee structure within the new extended producer responsibility (EPR) scheme which incentivises reuse and refill.

Having successful DRS in place and a public that is used to returning empty items will mean that reuse can be scaled up in the future. The financial deposit directly incentivises people to engage with the system and to 'do the right thing'. An analysis of the English plastic bag charge

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<sup>2</sup> <https://www.bbc.co.uk/news/business-54445399>

reported that it had a 'strong and positive impact on people's behaviours and attitudes', leading them to be supportive of other incentives such as DRS.

A one-way deposit return scheme also opens the logistical opportunities for producers to make the switch to refillable bottles, as the infrastructure is often the same. For example, 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. This is a further argument as to why glass should be included within DRS: to allow the option for producers to switch to refillable glass in future.

In relation to the proposed delay, this announcement kicks the can down the road into the next Parliament, thus failing to deliver on the 2019 Conservative Party manifesto pledge. It makes DRS the responsibility of a future Government without any reasonable justification.

If the Government can't implement this tried and tested policy, can we trust in their ability to tackle the climate emergency or even fulfil any of their stated ambitions in reducing carbon and moving towards a circular economy?

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

**Yes, a detrimental impact**

**No, there will be no impact**

**No significant impact**

**Some impact but manageable**

**Large impact but still manageable**

**Large impact and impossible to comply with**

We are dismayed by the wording of this question in a consultation that should be seeking feedback in a neutral and unbiased manner. There is not an option to state that DRS will have a positive impact on someone's everyday life, thereby positioning DRS as either of little concern or a major concern. This obscures the reality of strong public support. Indeed, hundreds of thousands of people have been part of campaigning for its implementation<sup>3</sup> over many years, because they understand it will have a positive impact on both their daily lives and the environment.

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<sup>3</sup> For example more than 300,000 people signed a petition supporting DRS in 2017  
<https://www.letsrecycle.com/news/latest-news/lobby-groups-press-for-all-in-drs/>

The weakening and questioning of previous commitments and the nature of some of the questions in this consultation, including the fact that the scope of the system is supposedly still undecided, makes us believe the Government has been given bad advice on this policy. The previous evidence and information received from Defra's 2019 consultation showed a strong majority in support of an all-in deposit system, from across all relevant sectors, and Defra's own impact assessments from 2019 and 2021 show that an all-in system will deliver significant benefits to the UK. In addition, the outcome of the Environmental Audit Committee's 2021 inquiry into deposit return systems found categorically in favour of an all-in deposit system delivered as quickly as possible.

This is hugely disappointing and very concerning, and we question where this agenda is coming from, particularly as there is no evidence to suggest Covid-19 has changed the situation around deposit return.

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

**Yes - because of economic impacts**

**Yes - because of social impacts**

**Yes - because of both economic and social impacts**

**No**

**Not sure**

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

This is another example of a poorly-worded question in this consultation. A yes or no answer could be construed as either positive or negative, depending on the context. We ask Defra to make sure that its report on the responses received to this consultation clearly identifies the problem with many of the questions in this consultation, in addition to making sure that any aggregated answers are reflected accurately and with any necessary caveats to explain the high risk of confusion with the answers.

Furthermore, this is another leading question as it does not provide an option for stating that the economic and social impacts of the pandemic have strengthened the case for a DRS stronger. As we have previously stated, Covid-19 makes it clear we need an all-in DRS more than ever.

As such, we have answered no to this question.

The Government has the opportunity to stand by its previous commitments to deposit return and realise the significant benefits that the system will bring. In a post-pandemic context, job creation will be critical and deposit systems are proven to deliver new jobs, both in the short and long term.<sup>4</sup>

In terms of the DMO, that can be located in a key area of high unemployment.

This is a ready to go policy that epitomises the values and ambitions of 'building back better' and therefore should not be delayed.

**Note: For questions 10, 12, 13, 14 and 15 respondents should note that these questions are only applicable to the outstanding decision to the final scope decision of a deposit return scheme to be made in England and Northern Ireland, since Welsh Government have presented a preference for an all-in 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:**

**Plastic bottle caps on plastic bottles**

**Aluminium bottle caps on glass bottles**

**Corks in glass bottles**

**Foil on the top of a can/ bottle or used to preserve some drinks**

Caps should not be included as part of the deposit however the DMO should incentivise tethered caps and lids through modulated producer fees. This is also in-line with the EU's single-use plastics directive.

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

**Yes**

**No**

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

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<sup>4</sup> Research has found that DRSs create the most jobs among leading systems for beverage container recycling because they recover more of the target material, see <https://www.reloopplatform.org/wp-content/uploads/2021/01/DRS-Factsheet-Jobs-27Jan2021.pdf>

We believe some of the disadvantages of all-in are based on misinformation on how the system should work, and we also believe that the supposed advantages of an on-the-go system are false, as is evident by so many of them being caveated in the same point.

Further information on our specific concerns:

- The point that consumers who place in-scope containers in their household recycling for kerbside collection will lose their deposit misses the purpose of the deposit. The deposit is an incentive for consumers to return their drinks container, and is the “polluter pays” principle in action. Existing schemes that run alongside kerbside systems see return rates of 90%+, which is clearly evidence that the deposit works as an incentive for the consumer to return their containers to the deposit system, not via their kerbside bin.
- The point that an all-in scheme will remove more valuable material from local authority collections at kerbside is moot due to the implementation of EPR. DRS would also play an important role in improving material quality for those waste streams.
- Preventing opportunities for cross-border fraud isn’t cited as an advantage for all-in.
- The idea that OTG will make it more accessible to people without a car or with mobility problems does not stand up to scrutiny given that these people still consume drinks over 750ml. All-in will have more money in the system therefore increasing accessibility through enabling more return points and more effective take back via online shopping.
- Lower net costs for OTG - it would also have lower net benefit and skew the economies of scale. If the lower net costs are a result of fewer return points for fewer containers, then this would make it less accessible. If the OTG system wanted to be as convenient as an all-in system, it would need the same amount of infrastructure but would only collect a fraction of the material, making it economically unviable. It is also important to consider where those costs go if not in the DRS, likely they would be within EPR instead and therefore may be more expensive as not as efficient and high-quality recycling system. Additionally, EPR does actively seek to prevent litter but rather simply shifts the cost burden for tackling litter onto producers.
- Why is minimal impact on household recycling a pro? Household recycling is there to increase recycling. A DRS does that better for drinks containers so why cling to the worse option? If the Government really supports a shift to a circular economy and has genuine concern for the environmental benefits of recycling, then protecting a lower standard system runs against these goals.

It is so clear from the pros and cons, regardless of the criticisms of some of the arguments, that all-in far outweighs an OTG design.

**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.**

**Yes**

**No**

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

There are several risks associated with having inconsistent systems across UK nations:

- **Fraud:** if one nation has an all-in system, and another has a limited system, it would be possible to buy an item in the nation with a limited system and claim back the deposit in the nation with an all-in system. The same with different start times.
- **Burden for producers:** A UK-wide system is better for producers as they can have the same labelling on their products in all nations. In a recent EAC oral evidence session,<sup>5</sup> Coca Cola emphasised the need to have a consistent system throughout the UK and advocated for an all-in system in England, Wales and Northern Ireland.
- **Burden for the public:** A UK-wide system will ensure it works for those living on borders who may regularly crossover. It creates ease for people travelling between the devolved nations.

Although Scotland is not mentioned in the question, this will also be an issue if Scotland introduces a DRS in the next year or two and England, Wales and Northern Ireland delay until 2024. Operationally, it will be more challenging and therefore more costly for producers who will be required to manage containers with different labels for each nation for the exact same product.

**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?**

**All-in**

**On-the-go**

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

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<sup>5</sup> <https://committees.parliament.uk/committee/62/environmental-audit-committee/news/152940/minister-quizzed-on-how-a-deposit-return-scheme-can-be-rolled-out/>

These are the strongest arguments to make for all-in rather than “on-the-go”:

- **Easy to understand for consumers:** restricting a deposit system to certain products only, risks confusing consumers. It puts the burden on them to check labelling to determine if a bottle or can is deposit-bearing. This could lead to disenchantment with the system and potentially with other positive environmental behaviours.
- **Radically reduce litter and environmental impact:** drinks containers of all sizes are littered. Defra Minister Rebecca Pow MP reiterated at the Environmental Audit Committee that an all-in deposit return system will capture 23bn containers and ‘on-the-go’ will only capture 7.4bn containers.<sup>6</sup>
- **Economically superior:** from Defra’s own impact assessment, an all-in DRS is forecasted to bring a £5,885 million (£5.8bn) net economic benefit, while on-the-go will bring £282 million (£0.28bn). This increased economic benefit is vital in a post-pandemic context.<sup>7</sup>
- **More materials available for the circular economy, and business certainty:** an all-in DRS can collect upwards of 90% of drinks containers, with some systems reaching 98%, creating a guaranteed, regular source of high-quality and valuable materials that can be sold for reprocessing and incentivising investment into resource management infrastructure.
- **Strong public support:** businesses and trade bodies, such as Coca Cola and Association for Convenience Stores, and 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.<sup>8</sup>

**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?**

Yes

No

As stated previously, “on-the-go” will be more disruptive to consumers. The onus will be on them to check if their drink is for a return scheme or can only be recycled at home, causing

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<sup>6</sup> <https://committees.parliament.uk/oralevidence/1982/pdf/>

<sup>7</sup> <https://consult.defra.gov.uk/environment/consultation-on-introducing-a-drs/consultation/subpage.2021-02-22.5028524427/>

<sup>8</sup> <https://www.cpre.org.uk/about-us/cpre-media/rise-in-ppe-litter-since-coronavirus/>

disenchantment with the system. It is important to get the system right from the start, to maximise consumer buy-in.

It is also worth noting here that the deposit system isn't due to be introduced for another two years, so the acute impacts of the pandemic that have been felt over the past 12 months will be far less relevant. The Government needs to demonstrate foresight here and realise that it can still make future-proof policy, despite the current difficulties and resist the temptation to use these as an excuse not to take action.

**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)?**

**Yes**

**No**

**If no, how would you change the definition of an On-the-Go scheme?**

It is impossible to define which drinks will be consumed at home, and which will be consumed 'on the go'. People buy different sizes of drinks for all kinds of places and situations.

In the UK bottles and cans are littered every single day. You can see, just by walking around, that this includes all sizes of bottles and cans made from all materials including glass, metal and plastic.

CPRE's Green Clean, a nationwide litter pick in 2019, found that almost a quarter (23%) of glass bottles collected were over 750ml size limit and that 28% of plastic bottles littered were over the common 500ml single-portion bottle size - all of which would be excluded from a so-called 'on the go' system.<sup>9</sup> This shows that with a limited system the Government risks leaving a quarter of glass and plastic bottles as litter.

The fact that multi-packs are excluded from the OTG definition, despite most of these containing smaller containers, shows this is an incoherent and illogical approach.

**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?**

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<sup>9</sup> CPRE's Green Clean, the results <https://www.cpre.org.uk/news/our-green-clean-litter-pick-provides-the-evidence-for-an-all-in-deposit-return-scheme/>

**Yes**

**No**

**Difficult to say**

Containers of all sizes are littered, and a successful deposit return scheme is one that includes all possible containers. A limited system like OTG will not absorb market or consumer changes, will be administratively burdensome and may have to be corrected in the future, causing technological problems, the potential for expensive retrofitting or updating and consumer disenchantment.

Smaller drinks containers may be more commonly drunk outside of the home but not exclusively and people regularly consume smaller soft drink and alcohol containers at home.

Furthermore, as stated above, a significant amount of larger drinks containers are also drunk outside of the home as evidenced by littering of all sizes of drinks containers. It is impossible to identify where a drinks container is consumed and a DRS should not be designed around assumptions and generalisations of consumer behaviour.

#### **16. Please provide any information on the capability of Reverse Vending Machines to compact glass?**

It is vital that a deposit return scheme includes glass. Arguments against including glass are unfounded. 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 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 not be a problem to adopt these technologies in the UK.

Glass bottles are part of Scotland's DRS where separated collection methods will make closed loop recycling much more viable as there is less mixing of colours and crushing during transportation.<sup>10</sup> 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.<sup>11</sup>

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<sup>10</sup> <https://depositreturnscheme.zerowastescotland.org.uk/glass>

<sup>11</sup> <https://depositreturnscheme.zerowastescotland.org.uk/glass>

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

**Yes**

**No**

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

**Yes**

**No**

Cartons and pouches should also be included to prevent material switching and because these too are littered.

**19. Do you consider there will be any material switching as a result of the proposed scope?**

**Yes**

**No**

There may be an increase in use of cartons for items like juice and, due to the recycling difficulties of cartons, this would be damaging for rates of virgin material required for drinks containers.

**Please provide evidence to support your response.**

As with any system that leaves out some options, there is a risk that producers will try and find loopholes. That is why an all-in system is so important. Implementing an "on-the-go" system will mean that producers may make bottles of 751ml to avoid the scheme. An all-in system will cover all eventualities.

## **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?**

**70% in year 1, 80% in year 2, 90% in year 3 and thereafter**

**75% in year 1, 80% in year 2, 90% in year 3 and thereafter**

**75% in year 1, 85% in year 2, 90% in year 3 and thereafter**  
**80% in year 1, 85% in year 2, 90% in year 3 and thereafter**

We would applaud Government ambition to achieve 80% in year 1, however we recognise from international examples that 70% is more likely to be an easily achievable target.

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

80%

85%

**90% collection rate should be achieved for all materials**

**22. Is it reasonable to assume that the same collection targets could be met with an on-the-go (OTG) scheme as those proposed for an all-in scheme for in-scope materials?**

Yes

No

**Please provide evidence to support your response.**

Targets may not be affected as they will be percentage based but collection rates in real term would be much lower for an OTG system. There is also a risk that targets could be impacted by disengagement from a more confusing system such as OTG.

**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?**

**The producer/ importer**

The retailer

Both the producer/ importer and retailer

**What would be the implications of obligations to report on volumes of deposit return scheme material for producers/ importers and retailers? Please provide evidence to support your answer.**

There will be implications of reporting but this is a vital and necessary measure for producers/importers and retailers to take. There is no hope of creating a circular economy or curbing the use of resources and waste without reporting on volumes of packaging placed on the market. We urge the Government to keep this in mind when reviewing the implications that businesses may raise.

**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?**

### 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?**

3 - 5 years

5 - 7 years

**7 - 10 years**

10 years +

Whatever the contract period agreed for the DMO, there must be penalties in place for underperformance and contract break clauses and performance review cycles based on targets. They should be assessed on whether they are achieving strategic targets set out in the Resources and Waste Strategy and the 25 Year Environment Plan as well as the performance indicators discussed in question 27. There needs to be flexibility to allow for changes which will serve to deliver the aims more effectively.

**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 issues identified should be monitored as Key Performance Indicators?**

**Yes**

**No**

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

To ensure that the nations of the UK introduce world-class deposit systems there are a number of other considerations that the Government could measure the DMO against:

- The procurement process for any services needed by the DMO, such as logistics companies, should give preference to those companies that can demonstrate that they are working towards or have already achieved carbon neutral status.
- Any new infrastructure required for the deposit system, outside of retail outlets, should be built on brownfield land wherever possible, to reduce the environmental impact of the system.
- Backhauling should be a key component of the deposit system, to ensure greenhouse gas emissions related to transport are minimised.
- Alternative energy sources should be used wherever possible, such as solar panels.

**28. Do you agree that the Government should design, develop and own the digital infrastructure required to register, and receive evidence on containers placed on the market on behalf of the Deposit Management Organisation and regulators?**

**Yes**

**No**

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

**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](#)**

**30. What is an appropriate measure of small producers for the purposes of determining the payment of registration fees?**

## Taxable Turnover

**Drinks containers placed on the market**

**Other**

If other, please specify.

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

**Yes**

**No**

Please explain your answer.

If there are a high level of unredeemed deposits this means people are not returning their containers, which in turn means the system isn't working. However, we agree that unredeemed deposits should part fund the system and this is not in and of itself problematic, given that the DMO will be required to hit minimum collection targets. However, failure to hit targets should result in a penalty that is more severe than the commercial advantage gained by retaining a substantial number of unredeemed deposits i.e. a fine should be greater than the value of unredeemed deposits.

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

**Option 1**

**Option 2**

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

**Reinvested in the scheme**

**Environmental causes**

Unredeemed deposits should only be invested in the system after the 90% target has been reached.

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

10p

15p

20p

Other

If other, please specify.

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

Yes

No

30p

40p

50p

Other

If other, please specify.

**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?**

Generally multi-packs, per unit, are the most expensive options of beverage already so it is not a cost-based purchase choice. Pricing data taken from one of the top seven supermarket's website shows a multipack of four 330ml cans of Coke (equal to 1,320ml) costs 22.7p/100ml. A 1.25l bottle of Coke costs 15p/100ml, whilst a 1.5l bottle of Coke costs 10.6p/ml.

The deposit is a deposit and therefore returned so we should not adapt the system to try and predict this consumer behaviour.

However, the simplest way to minimise impact on people buying multi-packs is to ensure an extensive coverage of return points.

It is also important to note that consumers buying multiple drinks, regardless of whether they're a multi pack or lots of separately sold beverages if the consumer is 'stocking up' on beer, wine, juice etc. will always pay a sizeable deposit but this is a deposit and a convenient system that works well will ensure they can get their deposit back swiftly.

Consumers in countries around the world buy drinks and will buy multiple drinks at a time - whether they are in multi-packs or not - and the deposit is not a deterrent to consumption.

In terms of producer behaviour, exempting multipacks from the system could also lead to format switching, for example, packs of two drinks being wrapped together in secondary plastic packaging so that they can be classed as a multi-pack, not only avoiding the deposit system but also leading to an increased use of unnecessary single-use plastic.

**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?**

**Yes**

**No**

**Please provide evidence to support your response.**

The Government should set a minimum deposit of 20p but it should be up to the DMO to set beyond this and decide if there's a fixed or variable. However, the DMO should consider consistency across the UK as a priority in discussions about this, taking into account the fixed 20p deposit already set in Scotland.

**[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 (OTG) deposit return scheme?**

**Yes**

**No**

**Please provide evidence to support your response.**

In principle, all retailers should be required to accept back any materials which they sell, and it should also be as easy as possible for other existing locations to become voluntary return points (e.g. sports and music venues, churches, schools, outdoor activity centres).

In terms of both accessibility and return rates, it's important that return points are as conveniently placed as possible. In US states with only designated non-retail drop-off points, return rates are

low. For example, Hawaii's system is based on 'return to redemption centre' and achieves a return rate of only around 65%.<sup>12</sup>

The System Operator should establish a system for retailers to apply for an exemption to their obligation if they meet the following criteria:

- Operate within close proximity to an alternative return point that is open at similar times.
- Operating as a return point risks putting the business at significant risk of being in breach of any of the following legal obligations: food safety, health and safety, fire safety, environmental protection, public health.
- Do not sell alcohol for religious reasons and therefore do not wish to handle empty alcohol containers.

It is also worth noting that whilst the obligation to offer a return point is vital for ensuring convenience and effectiveness of a DRS, if the Government opts for the limited OTG system, there will be less material going through the system and so stores may receive a lower handling fee making the economics of the system unnecessarily precarious.

**41. Given the proposed extensive distribution and availability of return points for consumers to return bottles to, do you think customers would be likely to experience delays / inconveniences in returning drinks containers?**

Yes

**No**

**If so, how long or how frequently would such delays be likely to arise for?**

With RVMs making up the bulk of the return infrastructure and it being important to set reasonable limits on how many containers can be returned manually over the counter at any one time, delays or inconvenience are highly unlikely. None of the existing deposit systems report this problem and there is no reason why the UK would be any different.

In addition, a majority of consumers will have reasonable expectations about the process of returning containers. There are numerous experiences in day-to-day life where you need to complete certain tasks - getting money from an ATM, going to the post office, paying for groceries - and people don't view the practicalities of these processes as a 'delay or inconvenience'.

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<sup>12</sup> <https://www.bottlebill.org/index.php/current-and-proposed-laws/usa/hawaii>

**42. Do you have a preference, based on the 3 options described, on what the schemes approach to online takeback obligations should be?**

**Option 1**

**Option 2**

**Option 3**

**Please explain your answer.**

The proposal Option 1 in the consultation seems like the best way to ensure it's as easy as possible for consumers to return their empties, whilst reducing the number of required journeys by encouraging the System Operator to take responsibility for coordinating collections for smaller businesses.

**43. Do you agree with the proposed criteria for the calculation of the handling fee?**

**Yes**

**No**

**Would you propose any additional criteria are included for the calculation of the handling fee?**

We support both HORECA and retailers being given a handling fee, calculated on the same basis.

**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.**

Retailers who do not sell alcohol for religious reasons should be granted an exemption from accepting empty alcohol containers.

**45. Please can you provide any evidence on how many small and micro sized retail businesses we might likely expect to apply for an exemption to hosting a return point, on the grounds of either close proximity to another return point or on the compromise of safety considerations?**

**46. Do you think obligations should be placed on retailers exempted from hosting a return point to display specific information informing consumers of their exemption?**

**Signage to demonstrate they don't host a return point**

**Signage to signpost consumers to the nearest return point**

**Anything else?**

While it is reasonable to ask those retailers exempted on the basis of close proximity to display information about the closest return point, the System Operator should be responsible for providing this information as they will have an overview of all return points. It would be challenging for a very small retailer to find this information out in some cases.

**47. Do you agree with our rationale for not requiring retailers exempted on the basis of a breach of safety not to be required to signpost to another retailer?**

**Yes**

**No**

**Please explain your answer.**

The DMO will be responsible for ensuring appropriate communication for consumers to know where the return points are.

**48. How long do you think exemptions should be granted for until a review date is required to ensure the exemption is still required?**

**1 year**

**3 years**

**5 years or longer**

**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.**

Digital deposit return is a potential opportunity that is unproven at this stage. Alongside that, “existing waste collection infrastructure” will be subject to change in the coming years as part of the incoming EPR regulations. Therefore, it’s impossible to answer this question directly.

With specific regard to digital deposit return systems, it will be up to the DMO to decide what returns infrastructure and/or technology it wants to use and as such this question should fall outside of this consultation as it will not be relevant to the subsequent legislation or regulation. This approach would be consistent with the previous Defra consultation on deposit return from 2019 where no direct consideration was given to what infrastructure or technology should be used by the DMO.

Furthermore, it is worth considering that if MRFs are picking off containers that end up in kerbside and getting the deposit back is the remuneration and incentive for this, that is lost in a digital DRS if the consumer has already redeemed the deposit but it still has to be dealt with via council-run waste management services. The DMO would likely have to pay for this process which is far less efficient than standard DRS return and sorting infrastructure.

Crucially though, with 8 billion drinks containers wasted every year we absolutely should not wait for digital DRS to be ready, if it ever is, before rolling out a deposit system.

**51. What are the potential fraud control measures a digital deposit return scheme could bring?**

**Please explain your answer.**

As per our answer to Question 50, this is a moot point in terms of the DRS legislation.

**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.**

Again, it is too early to know what the full pros and cons are of digital DRS, but in general any system that co-mingles materials cannot match the quality gained by separating bottles and cans using RVMs or manual collections.

**53. If the digital deposit return scheme system can be integrated into the existing waste collection infrastructure would its implementation and running costs be lower?**

**Please provide evidence to support your response.**

As per our answers above, the question of whether the system should incorporate a digital element should be left to the system operator.

**54. Do you support the proposal to introduce a new permitted development right for reverse vending machines, to support the ease of implementation for the scheme?**

Yes

No

**Do you have any amendments or additional parameters you would propose are reflected in the permitted development right?**

RVMs outside of retail premises should only be permitted in existing car parking or loading areas and should not be built on greenfield so as to ensure the DRS does not have negative environmental consequences.

### **Chapter 6: Labelling**

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

**An identification marker that can be read by reverse vending machines and manual handling scanners.**

**A mark to identify the product as part of a deposit return scheme.**

## The deposit price

### 56. Are you aware of further measures that can be taken to reduce the incidence and likelihood of fraud in the system?

The two key areas of fraud are:

- Under-reporting by distributors, which results in less money into the system (or front-end fraud)
- Redemption of non-deposit bearing units, which results in too much money leaving the system (back-end fraud). Examples include double redemption of the same containers; cross-border redemption; and non-deposit beverage redemption.

For the UK, it will be critical to ensure there is interoperability between all the nations. In particular:

- Set the value of the deposit at the right level - high enough to incentive returns but not so high as to over-value the bottles and cans, making the system more susceptible to fraud.
- Mandate all producers to report each unit on the market to a centralised registry.
- Make it difficult for individuals to redeem large quantities of containers. Any groups that do generate a large amount of containers, such as fundraising groups, can register with the system to have their containers collected and redeemed via a counting centre.
- Set mandatory requirements for take-back, such as ensuring containers are compacted or crushed wherever possible.
- Create the legal framework to disincentive non-compliance or poor performance, ensuring that penalties can be applied for non-registration or 'free riding'.

### 57. Do you agree with our proposals to introduce mandatory labelling, considering the above risk with regards to containers placed on the market in Scotland?

**Yes**

**No**

### 58. Do you consider the risk of incorrectly labelled products entering the markets of England, Wales or Northern Ireland via Scotland to be a significant risk?

**Yes**

**No**

**Please provide evidence to support your response.**

If the systems across the UK are different, then the risk of fraud is increased but good system design, as highlighted in our answer to Q56, should still minimise the risk of fraud.

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

**Yes**

**No**

**Please explain your answer.**

There are examples from other deposit legislation, for example Lithuania, that show it is preferable to have this mandated, as the bottle must be marked in order to be part of the system.

Therefore, a clear reference in the regulations to the necessity of having a visible mark on the containers which are part of the system is recommended. How that is then delivered - for example, either a security mark or a specific barcode - should be up to the DMO.

**60. Are you aware of any other solutions for smaller producers who may not currently label their products?**

**61. We believe 18 months is a sufficient period of time for necessary labelling changes to be made. Do you agree?**

**Yes**

**No**

**Please provide evidence to support your response.**

The key point here is to have enough clarity as early as possible. Producers want to know as soon as possible what's going to be required of them across the UK so they can factor this into label changes for the Scottish system. This is another reason why a simpler, all-in system is necessary - to avoid further time spent discussing an inferior model.

**63. Do you agree that our proposed approach to labelling will be able to accommodate any future changes and innovation?**

**Yes****No****Don't know****Are you aware of any upcoming technology in the field of labelling?****[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.**

All local authorities have established collection mechanisms at kerbside, usually source separated, twin stream or co-mingled waste streams. Material collected is usually transported to a Materials Recovery Facility (MRF) for sorting. Some local authorities contract out one or both of the collection and sorting to private companies, some operate in-house systems and some deliver these services via arms-length wholly-owned companies.

In any event, once collected packaging is delivered to a MRF, it is usually sorted using mechanical, optical and eddy systems into a series of categories - which may include plastic polymer by resin type, glass (sometimes sorted by colour), paper, card, steel and aluminium.

In the case of deposit-bearing drinks containers, in-scope material could be extracted by the local authority at the kerbside or at the MRF using hand-sort or other technology.

Any containers recovered via a MRF would need to be returned to the deposit system in the same manner as the system accepts and counts all other returns – by unit (ie. by container). Therefore, those received at a waste sorting facility should be picked off unit by unit and, as would be the case with any type of manual returns, be bagged, tagged and collected via the deposit system's logistics.

They can then be properly counted, maintaining the data transparency of the system and ensuring the highest possible volume of materials are flowing through it, in turn keeping the producer fees as low as possible.

The redeemable deposits attached to the containers should be returned to the waste sorting facility and the local council can be reimbursed for their handling of the containers via a negotiated share of the redeemed deposits as part of their contract with the facility.

**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.**

Local authorities will be able to negotiate agreements with material recovery facilities that allow for the equitable sharing of the deposits received by the MRF from the DMO, redeemed from the beverage containers that the MRF sorted from its waste streams and returned to the deposit system via an agreed process. We outlined more detail on this process under Q64.

**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?**

This question is somewhat unclear however we have attempted to respond.

To avoid the risk of double payments, the point of redemption will happen when the bottles and cans returned to the deposit system by the MRF (following the process for collection, sorting and redemption as outlined in our response to Q64) are counted at the DMO's counting facility.

At the point of counting, the composition of each container will also be known, so it will be possible to analyse data of containers returned via local councils/MRFs to understand whether there are particular material types or beverage types that are more commonly not be returned to the deposit system via the more common route of the 'return to retail' network.

It would also be possible to determine from this data whether there are particular districts where a greater number of containers are being returned via local council collections, which could be

relevant in terms of recommending a greater number of return points in that area, or a targeted communications campaign.

**67. How difficult do you think option 3 would be to administer, given the need to have robust compositional analysis in place?**

**Please explain your answer.**

We suggest you don't need option 3 and that option 2 is preferable for the reasons stated in Q66.

**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?**

**Option 1**

**Option 2**

**Option 3**

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

For the rationale outlined in Q66.

**[Chapter 8: Compliance Monitoring and Enforcement](#)**

**69. Are there any other producer obligations you believe the Environmental Regulators should be responsible for monitoring and enforcing?**

The Environmental Regulators in each UK nation already regulate current producer responsibility on packaging and it is proposed that they also regulate the new proposed EPR scheme for packaging (which is subject to a separate Defra consultation). As EPR is extended to other products such as fishing nets and textiles, there is potential for the Environmental Regulators to also oversee these schemes, subject to sufficient funding being made available for expansion of their current capacity.

**Please explain your answer.**

**70. Are local authorities (through the role Trading Standards and the Primary Authority Scheme) best placed to enforce certain retailer obligations?**

**Yes**

**No**

**To what extent will local authorities be able to add on monitoring and enforcement work for the deposit return scheme to existing duties they carry out with retailers?**

Local authorities will be best placed to answer this question. However, as a sector they have been subject to a substantial reduction in operating budgets and any new burdens must be supported by new income to increase capacity within local authorities.

**71. In addition to those in the table, are there any other types of breaches not on this list that you think should be?**

We are not aware of any additional breaches that need to be captured.

**73. Do you see a role for the Deposit Management Organisation to seek compliance before escalating to the Regulator?**

Developing clear guidance on what constitutes minor technical breaches compared to major technical breaches or fraud will be key. Minor administrative or technical breaches that lead to little or no harm or financial impact could be dealt with by the DMO. Major, significant breaches or repeated minor breaches could be escalated to the regulator. So, providing a proportionate response, particularly in the early stages of implementation when a higher proportion of minor infringements might be anticipated.

**74. Do you agree with the position set out regarding enforcement response options?**

**Yes**

**No**

**If no, please explain your answer.**

**[Chapter 9: Implementation Timeline](#)**

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

For the UK Government to suggest that the scheme will potentially be delayed until 2024 is unacceptable. There has been no explanation given for this and, with the introduction of Scotland's deposit system occurring much sooner than that and with the industry groups affected saying they also don't want to delay, there is no credible reason why the delivery timeline has been changed.

**76. How long does the Deposit Management Organisation need from appointment to the scheme going live, taking into account the time required to set up the necessary infrastructure?**

**12 months**

**14 months**

**18 months**

**Any other (please specify)**

**If other, please specify.**

**Please provide evidence to support your response.**

Reloop publishes a bi-annual survey of every deposit system in the world - Reloop's Global Deposit Book - most recently published in December 2020.<sup>13</sup> The Book includes information on when each deposit system was mandated to when it was implemented. Interestingly, the most recent systems introduced in Australia were all implemented within 12 months of being mandated, as were Croatia and Estonia.

With the work already completed by Circularity Scotland, there will be a clear template available as to how the system can run across the other UK nations. It should be possible for the system to be up and running within 12 months.

It may also be of interest that the European Court of Justice ruled that a deposit system can be established within 12 months.

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<sup>13</sup> <https://www.reloopplatform.org/wp-content/uploads/2020/12/2020-Global-Deposit-Book-WEB-version-1DEC2020.pdf>

**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?**

If the UK Government's decision recognises the ongoing majority support for an all-in system, implementation will be made easier because the scope of the system will be consistent across the UK.

Also, as Scotland will have developed an all-in system in advance of the rest of the UK, it will be possible to learn from the steps they've taken and ensure a consistent scheme across the UK. Large retailers who operate across the UK will also already have experience of operating with a deposit system.

If the UK Government decides on an OTG system, then it is likely that this will make implementation more difficult. No other country in the world has implemented an OTG system and there is no template as to how it could be made to work in practice, both in terms of the practical set up of the system, as well as the related communications work that will be needed.

**[Chapter 10: Summary Approach to Impact Assessment](#)**

**78. Do you agree with the analysis presented in our Impact Assessment?**

**Yes**

**No**

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

We trust the Government's assessment which conclusively demonstrates that all-in is the preferable option - with over £5.5 billion in additional benefits to the other option. This raises further questions over why the Government remains 'neutral' on scope when its own evidence couldn't be clearer.