

NOTE: same as submitted response ID: ANON-HJCY-MEZ2-C

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

Word template to help organisations formulate responses internally with colleagues.

Information included in the consultation document but not in the DEFRA Citizen Space.

Introduction

1. What is your name?

Steve Palfrey

2. What is your email address?

If you enter your email address then you will automatically receive an acknowledgement email when you submit your response.

steve.palfrey@suffolk.gov.uk

3. Which best describes you?

- ☐ Academic or researcher
- ☐ Business representative organisation or trade body
- ☐ Charity or social enterprise
- ☐ Community group
- ☐ Consultancy
- ☐ Distributor
- ☐ Exporter
- ☐ Individual
- ☐ Local government
- ☐ Non-governmental organisation
- ☐ Product designer/ manufacturer/ pack filler
- ☐ Packaging designer/ manufacturer/ converter
- ☐ Operator/ Reprocessor
- ☐ Retailer including online marketplace
- ☐ Waste management company
- ☒ Other

If other, please specify.

[Local government network](#)

4. What is your organisation? If you are responding on behalf of an organisation, what is its name?

Association of Directors of Environment, Economy, Planning and Transportation (ADEPT)

5. Would you like your response to be confidential?

No

If you answered 'yes' please provide your reason.

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.

ADEPT's strong advice to Government is that it absolutely needs to allow for new consumer and public behaviours and practices to be established as part of the Covid-19 recovery, and then once those are established evaluate the implications of those for future options around reuse and recycling. With an influenza pandemic still the highest risk identified by Government in its national risk register, and persistence of Covid-19 variants of concern, we cannot assume that the current pandemic is a once in a century or even once in a lifetime occurrence. Existing systems of collection of recyclables have minimum risk in respect of viral transmissibility and we would again argue government should look at EPR to meet the objectives of increased capture and quality.

ADEPT feels that it would be sensible for Government to wait and review the operation of the DRS in Scotland before deciding on the development of a scheme in other parts of the UK. If such a scheme is to progress, we would urge the full exploration of a potential role, if any, for a digital system.

Specific concerns driving ADEPT's views to oppose DRS are that:

- The capture rate of in scope containers is already high in many parts of the UK.
- The implementation of a DRS will be extremely expensive in relation to the marginal benefit derived from this.
- EPR provides an opportunity to fund other incentives to increase capture and quality of material.
- Existing infrastructure is already in place, or will be under the Government's plans for consistency (which ADEPT also supports), to collect a much wider range of material from households.
- Whilst the impact Assessment explains that initially 'In 2019 Defra consumer research, 74% of survey participants supported a DRS (10% opposed)' it goes on to explain that , 'after further consideration, most qualitative participants came to question the idea of a DRS,

which they felt asked a lot from consumers with no strong environmental benefit given the existence of kerbside recycling’.

- We have concerns around equity. The Impact Assessment notes that some parts of the community may be less able to engage with a DRS for practical and financial reasons.
- We note that over-the-counter return is an alternative to RVMs but we have concerns around the impact this will place on many SMEs in terms of adding an additional task and non-productive time and cost burdens.
- We have concerns around the impact on the urban environment, local amenity and community safety as result of locating reverse vending machines and concerns that RVMs might be provided under permitted development rights, this risks further degradation of the urban environment and rural locations.
- We have concerns around the potential impact of a DRS on litter. The in-scope material only forms a fraction of litter and there is no incentive for those who cause litter to change behaviour in relation to takeaway packaging, coffee cups, cigarette litter and the myriad of other items discarded in this way.

This much need re-evaluation may lead to a conclusion that DRS as originally envisaged is not appropriate or required at all, and that a DRS should only be considered as a supplement to and part of EPR and only implemented if EPR fails to deliver the anticipated outcomes for specified materials.

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

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

- ☐ No significant impact
☐ Some impact but manageable
☐ Large impact but still manageable
☒ Large impact and impossible to comply with

It would be impossible for local authorities to ensure that all materials in the scope of a DRS that ended up in the waste and recycling streams that local authorities manage would be returned via DRS.

At the time of introduction a DRS of any scope and type (for example based on reverse vending or a digital DRS), would be expected to have a very large impact on the quality and quantity of the materials in scope that are dealt with by local authorities, and consequently have a very large impact on the usage of existing infrastructure, equipment and vehicles that tax payers have already paid for through local authority services. Foreseeable large impacts on local authorities include: lost revenues, increased costs, underutilised facilities and contract change implications.

The design of a DRS also has the potential to create packing poverty in any parts of the community that, for whatever reason, are not able to return items and compound that potential impact by elevating the overall cost of products that are also having to factor in the overlapping implications of EPR. This impact could be most pronounced in rural areas and areas of deprivation, or within

households that do not have ready access to transport or individuals with mobility or health considerations.

The impact of reverse vending machines of up to 80m² being allowed as permitted developments also creates a real prospect of large detrimental impacts in many community settings.

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.

ADEPT's strong advice to Government is that it absolutely needs to allow for new consumer and public behaviours and practices to be established as part of the Covid-19 recovery, and then once those are established evaluate the implications of those for future options around reuse and recycling.

This much need re-evaluation may lead to a conclusion that DRS as originally envisaged is not appropriate or required at all, and that a DRS should only be considered as a supplement to and part of EPR and only implemented if EPR fails to deliver the anticipated outcomes for specified materials.

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:

- ☐ 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

In the context of either a reverse vending machine or digital based DRS a cap or foil should not be required to be present as part of an item being returned in to a DRS, but where they are present they should be included as part of the deposit item. An obligation to have a cap present though is inadvisable, as this would clearly present a barrier to many items being returned in to any type of DRS, as the expectation that a container and it's cap would stay together in all circumstances is unrealistic.

Where a 'cork' swing top is a feature of a bottle this should be expected to be included as part of the deposit item, however in relation to a natural cork or synthetic cork item this should be deterred from inclusion for a number of logistical considerations such as the organic nature cork, the variable heights of cork insertions and the reasonable expectations that bottles may become uncorked.

However, across the consideration of inclusion of any bottle or can top has to be the impact of a reverse vending machine based DRS on its immediate vicinity (ie in contrast to a digital DRS), and including caps would help deter the likelihood of littering in the vicinity of a return point and reduce the likelihood of any in the vicinity of a DRS picking up consequential costs of dealing with the waste if disposed locally.

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.

ADEPT's very strong view is that the role and placement of DRS in relation to the Resources and Waste Strategy objectives has been misplaced, and that consequently this has led to an over focus on all-in versus on-the-go which is inappropriate and unhelpful.

EPR is the centrepiece of the Resources and Waste Strategy and should be implemented first. DRS should be part of EPR, and one that is only implemented to address any limitations of EPR that are established once that EPR has been operational and its impact reviewed.

It is that reordering of initiatives which would then define the nature and type of any DRS, if any, and allow the appropriate exploration of the potential concept of a fully optimised Digital DRS, either as a significant part of DRS, no part at all or the central feature of DRS, that could then allow a refined interaction of DRS with the Consistency agenda and any future separation requirements established in statutory guidance.

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.

ADEPT's advice is to include DRS in EPR and delay any DRS until after the effects of the Covid-19 recovery on consumer and public behaviours have been re-established and evaluated.

Consequently, if Government follows that advice it would mean that EPR as the centrepiece of the Resources and Waste Strategy would be implemented first, and the scope of any subsequent DRS in England and Northern Ireland would be best defined by any limitations of EPR that are established once EPR has been operational and its impact reviewed, and not led by consideration of decisions taken about the approach in Wales or Scotland. Furthermore, recognition should be given to the relative population sizes and associated tonnages in different countries in the UK and that this consideration may, quite rightly, justify different approaches in different countries within the UK.

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.

ADEPT is fully aware, and believes that Government is too, that across the sector there are polarised views on all-in versus on-the-go, and that breadth of views is reflected within ADEPT too. ADEPT's very strong warning to Government is that this alone should be grounds to proceed with extreme caution and justify a fundamental review of the merits of any role for DRS in relation to EPR and the Consistency agendas.

This consideration is amplified by what ADEPT believes would be a very sensible approach of delaying any DRS until after the effects of the Covid-19 recovery on consumer and public behaviours have been re-established and evaluated. As if Government implements that justifiable approach it would mean that EPR as the centrepiece of the Resources and Waste Strategy would be implemented first, and the scope of any subsequent DRS would be best defined by any limitations of EPR that are established once EPR has been operational and its impact reviewed.

At this point it would have to be expected that the Consistency agenda would have led to a greater shift to Government's very clear preference for the kerbside separation of materials, meaning that if time is allowed for Government's full exploration of the potential for technological solutions, that may lead to establishing a role for digital DRS to incentivize better use of those refined pre-existing systems, would help address issues around litter, and could increase recycling and improve the quality of recycling collected without the need for reliance on a reverse vending based DRS.

It is this eminently justifiable sequence of events that makes the front-loaded distinction between all-in and on-the-go irrelevant; however, if Government is not swayed by any of those considerations then ADEPT is consistent in its view that it would be preferable for the scope of any DRS to be on-the-go.

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

If the comparison is only between the levels of disruption between on-the-go and an all-in then it reasonable to conclude that, at any time of introduction, an on-the-go DRS would be less disruptive, on the grounds it would have fewer materials and therefore less tonnage in scope, the footprint of DRS would be smaller, the installation and up keep costs of DRS would be lower, and the logistics of managing closed loop systems would be smaller.

However, ADEPT's strong advice to Government is that it needs to allow for new consumer and public behaviours and practices to be established as part of the Covid-19 recovery, and then once those are established evaluate the implications of those for future options around reuse and recycling.

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?

An upper limit of 750ml for drinks containers is reasonable, however, ADEPT believes that multipack items should be included.

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?

☐ Yes

☐ No

☒ Difficult to say

ADEPT is not sure, as many items within that scope are consumed within households and workplaces and it does not have access to comprehensive data on consumer behaviours that would fully validate any view. Consequently Government should consider taking steps to gather and consider this evidence before making a commitment to an implementation of a DRS of any type and scope.

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

ADEPT is not in a position to answer authoritatively on this technical aspect of reverse vending machines.

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

☒ Yes

☐ No

As addressing litter is a key objective of DRS, the DRS scope should have a credible link to materials found in litter, and in some items this is not the case, for example coffee cups. Despite that an approach based on material, combined with an ability to keep the scope under review, makes it easier for a DRS to be administered and for messaging driving behaviour changes to be easier as well.

Furthermore, concerns about packaging changes being made by producers to avoid a product being in the scope of any DRS could be addressed by modulated fees as part of any EPR scheme, which highlights the case for any DRS to be delivered as a part of EPR.

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

☐ Yes

☒ No

ADEPT's view is that an EPR that is implemented first should help define the scope and format of any subsequent DRS, once that EPR has been operational and its impact and any limitations have been established and reviewed.

However, if Government does not make decisions that allow this sequence of events ADEPT supports the inclusion of PET bottles, steel and aluminium cans and glass bottles, and the exclusion of HDPE, cartons, sachets and pouches based on the reasons given in the consultation document. However, with reference to the main goal of reducing litter ADEPT does not favour the exclusion of disposable single-use cups, unless it is on the basis that they are not readily and consistently recyclable and that this is why they are included within the scope of EPR with associated recycling targets.

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

- ☒ Yes
☐ No

Please provide evidence to support your response.

ADEPT's view is that this is precisely one of the reasons why a DRS should only be considered as a part of EPR. As it seems inevitable that there would be some material switch by some producers as a response to the implementation of a DRS of any scope, to avoid a product being in the scope of any DRS. However, any such pronounced switch could be addressed by modulated fees as part of any EPR scheme, which highlights the need for any EPR to have the ability to review and modulate fees relatively quickly and the sense in DRS being a part of EPR in terms of governance.

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

ADEPT is concerned that these targets specify collection rates and not recycling rates and suggest that this is an important and fundamental issue that needs to be addressed.

However, in relation to collection targets alone, ADEPT's view is that realistic targets recognising the scale of the system change, infrastructure roll out and consumer behaviour changes are advisable when setting targets, particularly in relation to a reverse vending machine based DRS as opposed to a digital DRS, and consequently has chosen from the options given a 70% year one target increasing by 10% in the subsequent two years to 90% in year three.

However, the timing of the targets and the levels they are set at should be refined with regards to the scope of the DRS, the type of DRS and furthermore the timing of its introduction in relation to the implementation of EPR, and also in relation to the changes to public services for recycling and waste and their timing as a consequence of the Consistency agenda. For example, a delayed DRS due to Covid-19 considerations, which was implemented as part of EPR and based on a digital DRS approach, could reasonably be expected to have more aggressive targets.

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

ADEPT is concerned that these targets specify collection rates and not recycling rates and suggest that this is an important and fundamental issue that needs to be addressed.

However, in relation to collection targets alone, ADEPT considers that for a DRS scheme of any scope and type to be considered worthwhile after three years it should achieve a 90% collection rate of the materials in scope, particularly when pre-existing local authority capture rates are at similar levels already (eg 92% on glass and 80%+ on aluminium). However, a delayed DRS due to Covid-19 considerations, which was implemented as part of EPR and based on a digital DRS approach, could reasonably be expected to have more aggressive targets.

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.

It is not just the scope of a DRS that could lead to a need for different collection targets, but also the timing of its introduction in relation to the implementation of EPR, and also in relation to the changes to public services for recycling and waste and their timing as a consequence of the Consistency agenda. The likelihood of these considerations leading to the requirement for different collection targets, is due to the variable scale of behaviour change required by producers and consumers that they generate.

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. Producers, importers and retailers are best placed to report on the implications for them of reporting. However, an approach based on producer / importer would appear to align the design of a DRS more closely with EPR principles of operation and thereby facilitate easier incorporation of any DRS within EPR.

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?

To calculate the rate of recycling, knowing the amount of any material placed on the market is as much a requirement as knowing how much is collected and passed to a reprocessor, and consequently the levels of evidence should be the same and come from the same sources.

In terms of evidencing the amount of material collected and passed to a reprocessor it is existing waste permitting requirements that would control the recording of materials and therefore could prove the suitable source for the data required.

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 +

ADEPT's view is that DRS should be a part of EPR. However, in the context of the options given ADEPT suggest that consideration is given to a longer initial term to oversee the delivery of a DRS and development of associated reporting infrastructure, followed by shorter operational periods for a DMO thereafter of between seven and ten years. Furthermore, the scope and nature of any DRS, for example reverse vending in contrast to digital DRS, should also be considered as influencing the length of any contract period.

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?

It should be undertaken within the remit of EPR and not separate to it.

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?

Local and place based and takeback blackspots KPIs.

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.

ADEPTS view is that this requirement should be placed on the initial DMO which ideally would be as a part of EPR, which would also justify the initial DMO contract being longer than any subsequent contract period.

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

TEXT NOT INCLUDED: ADEPT is happy to offer any support it can, although in relation to the development of a digital service for a DRS this may be limited, ADEPT can make contributions based on its members experiences of using digital services to record waste and recycling data.

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.

Using the amount of containers placed on the market is an appropriate and transparent measure to ensure that any involvement is proportionate to the amount of containers placed on the market.

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

☒ Yes

☐ No

Please explain your answer.

A high level of unredeemed deposits for any DRS would be problematic, as it would evidence that the scheme is not working as envisaged, which depending on the contract for the DMO may lead

to consequential actions and would in any event lead to the DMO having to determine how to spend unredeemed deposits whilst also preserving funds to ensure that any subsequent DMO was not left with a liability. However, it has to be recognised that in the early period of any DRS the levels of unredeemed deposits could be significant.

Either way, clear principles and processes should be established on how unredeemed deposits would be utilised, with the presumption and absolute expectation that such funds should be used to support the costs of local authorities, on the basis that they must be dealing with the cost of most of these items somewhere in their systems.

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

☐ Option 1

☒ Option 2

Option 2 offers more potential for innovation through competition and at a point when the scope of the DRS is established and its timing in relation to EPR and the approach to EPR is clearer.

33. With option 2, do you foresee any unintended consequences of setting a minimum percentage of the net costs of the deposit return scheme that must be met through the producer fee?

Are there any unintended consequences of option 2?

Having producer fees set at a certain minimum percentage of net costs could lead to stakeholders trying to drive down the cost of a system to reduce their exposure, but if appropriate performance measures are a feature for a DMO then that commercial tension may be effective in driving efficient processes and elevating accountability for the DMO.

34. If a floor is set do you consider that this should be set at:

☐ 25% of net costs

☐ 33% of net costs

☐ 50% of net costs

☒ Other

Please provide evidence to support your response.

It is very hard to form a view on the limited information provided, but if a percentage approach is to be used then consideration should be given to some sort of variable figure based on the operational aspects of the DRS over time, for example if more items are included in the scope of a digital or reverse vending machine based DRS at a future date or items are removed, or if the amount of material in scope or the costs relating to them changes abruptly.

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

NOTE: only one option allowed – so Environmental causes was highlighted – on grounds it was more consistent with supporting text.

Unredeemed deposits should also be included as subset of EPR, unless EPR will fully fund the costs of dealing with the cost of materials in the scope of DRS that are not collected.

The use of excess funds for Environmental Causes should linked to themes allied to the purpose of the DRS as set out by Government, namely *'to reduce the amount of littering, boost recycling levels for relevant material.....collect high quality materials in greater quantities..... promote recycling through clear labelling and consumer messaging.....push more material up the waste hierarchy and move towards a more circular economy.'*

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

- ☐ 10p
- ☐ 15p
- ☐ 20p
- ☒ Other

If other, please specify.

The information provided to justify any choice is limited and if a single figure is to be used then that should be established by the DMO and could be influenced by the materials in the scope of the DRS, ie whether it was full-scope or on-the-go, and also the nature of the DRS, ie whether it was a digital or reverse vending based DRS. However, from the figures provided ADEPT is inclined to support 20p, although any figure should be variable over time and the ability to modulate fees by material should not be overlooked.

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.

This is required to ensure that the impact of a DRS is not allowed to create an effect of packaging poverty.

The information provided to justify any choice is limited and if a single figure is to be used then that could be influenced by the materials in the scope of the DRS, ie whether it was full-scope or on-the-go, and also the nature of the DRS, ie whether it was a digital or reverse vending based DRS, and should be established by the DMO. However, from the figures provided ADEPT is inclined

to support 30p, although any figure should be variable over time and the ability to modulate fees by material should not be overlooked.

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?

There should be no differentiation made between the rate for a single or multipack purchase. This would also prevent inequitable pricing effects, which would allow some parts of society to benefit more greatly from bulk purchases when their financial capacity allows it, whilst others unable to purchase in bulk, or without the same need to, would be disadvantaged.

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.

There should be no differentiation made between the rate for a single or multipack purchase. The end point of the material is a key consideration in a DRS and it is unrealistic to expect that all items in a multipack would be returned together, and even if they were they would be presented as individual units of the same size with the equivalent considerations that would generate.

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 the context of a reverse vending machine based DRS, for the first generation DRS consideration should be given to there not being an absolute requirement for the ideal of a return point at every point of sale, but instead a de minimis trigger based on a combination of turnover of materials in scope of the DRS and the footprint of premises. This consideration becomes an even stronger one for a DRS that is not on-the-go but is instead all-in.

However, the DMO should be under obligations monitored through KPIs to ensure such an approach does not lead to takeback blackspots, and where such likelihood arises, be expected to work with local authorities on providing solutions.

ADEPT is mindful that a digital DRS may create opportunities that would not lead to the requirement for all retailers selling in scope products to host a return point, and consequently Government should explore the potential of a fully optimised Digital DRS, either as a significant part of DRS, no part at all or the central feature of DRS, to see which approach could best allow a refined interaction of DRS with the Consistency agenda and any future separation requirements established in statutory guidance.

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?

These considerations need to be considered as part of a reappraisal of consumer and public behaviours and practices established as part of the Covid-19 recovery. But whatever, it is inevitable that customers would experience delays and inconvenience by participating in a DRS of any type and scope - as it requires additional and or different actions and processes to those currently practiced by consumers.

This level of inconvenience may be more pronounced in some parts of the community than others, for example: rural and areas of lower density populations, areas with seasonality of population sizes, and those with home delivery services, mobility issues, lack of access to easy transport, lack of storage space etc. Unpredictable usage patterns, for example linked to weather or social and sporting events could create logistic issues for the capacity of a reverse vending machine based DRS to cope with spikes in demand where a system rolled out has a defined capacity that may be overload at a return point in totality or just for some materials, which is a consideration that would not feature in the same way in a fully optimised digital based DRS.

42. Do you have a preference, based on the 3 options described, on what the schemes approach to online takeback obligations should be? We welcome views from stakeholders on who this obligation should apply to, including if there should be an exception for smaller retailers or low volume sales.

- ☐ Option 1
☒ Option 2
☐ Option 3

Please explain your answer.

In the context of a reverse vending based DRS, use of a de minimis keeps the impact of a DRS obligation on a retailer proportionate to the impact it has of selling products to consumers.

And whilst a take back option should be considered as part of an on line shop with home delivery, a DRS scheme should not overlook the fact that some household behaviours may lead to DRS

materials in the household not being retained for that mode of return, but instead included in a household's recycling or waste collection or by a return to a reverse vending machine where that is viewed as a convenience of choice, as is recognised in option 2 in relation to in-scope materials from restaurant / takeaway outlets.

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?

ADEPT is concerned that whilst the explanation of the handling fee is that a retailer will receive a handling fee *'to compensate them for any costs incurred in hosting a return point'* and a list of criteria is given that is alongside a statement that the *'calculation and modelling'* of the fee will be left to the DMO; this approach creates a risk that some retailers may lose out where costs are not paid on actuals, and as such some sort of appeals procedure should be allowed for – to ensure that the intention is fully respected that any retailer should be compensated for *'any costs incurred in hosting a return point'*.

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.

ADEPT is not of the view, as stated in the consultation document, that *'all retailers selling in-scope drinks containers will be obligated to host a return point regardless of their size'*, as this inevitably creates an inequitable burden that could have a disproportionate effect on smaller independents, although it has to be noted that hosting a DRS could also act as an additional attraction for people to visit local convenience stores.

Consequently, the importance of the exemptions regime is a key aspect of a DRS based on reverse vending and as such it cannot be the case that it is only 'proximity' as a criteria, but proximity *and* capacity that has to be considered for an exemption.

This should extend to a methodology for prioritising those beneficiaries in an area from an exemption, so that enough units remain in an area for a reverse vending based DRS to be viable. Consequently, exemptions would need to be subject to review (for example as local supermarkets open or close) as well as appeal. This means that it cannot be optional for a DMO to undertake strategic mapping projects as stated, as this would have to be a fundamental part of a DRS and the implementation of an exemptions regime and relate to suggested KPIs addressing a potential DRS void / blackspot.

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?

Aspects of this question also relate to the previously stated need to allow for new consumer and public behaviours and practices to be established as part of the Covid-19 recovery, and then once those are established evaluate the implications of those for future options around reuse and recycling.

However, in direct response to the specific question ADEPT does not have access to information that allows a direct answer, but does highlight that it is also worth considering whether an all-in DRS, due to larger amount of materials in scope, would lead to more valid exemptions being sought on safety grounds, thereby reducing the density of return points available in any area as opposed to an on-the-go DRS, and consequently lead to a DRS network based on reverse vending that was at risk of being permanently suboptimal in its capture rates.

However, the DMO should be under obligations, monitored through KPIs, to ensure such an approach does not lead to takeback blackspots, and where such likelihood arises, be expected to work with local authorities on providing solutions.

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?

Branding of signage for a reverse vending based DRS should be consistent for ease of recognition, and thought given to how and how frequently they would be checked for validity and kept up to date, for example where nearest points change or are out of action.

For example, this could be delivered in a phone application based way compatible with scan codes, thereby removing the obligation on the retailer and place it on the DMO to ensure directions given via signage is up to date. This app based model could also be used to help consumers know the location of their nearest return point whilst genuinely on-the-go, for example as a visitor to an area.

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.

Any retailer with an exemption it is still participating in a DRS and signage requirements should be a pre-requisite of an exemption application.

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

Three years is a reasonable period and retailers will require some degree of certainty for business planning where change is required, so the review date is not the only timeframe to be considered here, but also the response time for where an exemption is removed and the time for any appeals process that might ensue where an exemption is required.

However, for a reverse vending based DRS to remain effective in an area where a strategic return point has allowed a number of exemptions, an ability to end exemptions early when appropriate notice is given has to be considered, eg for a scenario where that strategic return point may be closed, eg if a supermarket is closed or an area is redeveloped.

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

The consultation only hints at the potentially crucial and fundamental role that technology could play in the efficiency and ease of use of DRS and explains that some trials are under way that are currently linked to un-costed solutions.

Consequently, ADEPT's strong view is that further detailed thought should be given by Government to the technology required and its merits and limitations, and that subsequently Government should then explore the potential its application as fully optimised Digital DRS, either as a significant part of DRS, no part at all or the central feature of DRS, to see which approach could best allow a refined interaction of DRS with the Consistency agenda and any future separation requirements established in statutory guidance.

This process would therefore allow a full assessment of delivering a fully optimised digital deposit return scheme, which could utilise existing household collection infrastructure and be based entirely on that combination. In fact a fully optimised digital DRS may be the level of innovation required to ensure that across a DRS area all parts of the community have equitable options to avoid packaging poverty, for example those in more remote and rural areas, or parts of the community that do not have easy access to transport or those households without space to store items for longer periods or who don't want to, as it would open up the option of improved usage by consumers of local authority kerbside collections in line with the Consistency agenda and in step with Extended Producer Responsibility in a holistic manner consistent with the Resources and Waste Strategy. However, until detailed thought is given by Government to the technology required and its merits and limitations the feasibility or otherwise of that is unknown.

This is as opposed to, and in contrast to, a digital deposit return scheme, which could utilise existing household collection infrastructure as a supplement to a reverse vending based DRS, ie as implied in the consultation document, which could be seen by many as a failure of a reverse vending based DRS and create user tensions and preferences that undermined usage in the reverse vending aspect of DRS creating a system imbalance.

50. How could a digital deposit return scheme solution be integrated into existing waste collection infrastructure?

Please explain your answer.

ADEPT's view is that Government should consider reoptimizing the sequence of initiatives related to the Resources and Waste Strategy such that:

Firstly, Government allows for new consumer and public behaviours and practices to be established as part of the Covid-19 recovery, and then once those are established evaluate the implications of those for future options around reuse and recycling. This would inevitably delay the implementation of DRS beyond late 2024 and most likely until after EPR is operational.

Secondly, that EPR is implemented on the expected timeline or as soon as possible, and that DRS is included as a supplement to and part of EPR, which could then be implemented if EPR fails to deliver the anticipated outcomes for specified materials.

Thirdly, that within the remit of EPR, and before any aspect of DRS is implemented, Government should then explore the potential of technological solutions and their potential application as a fully optimised Digital DRS, which could lead to a technological solution being implemented as either a significant part of DRS, no part at all or the central feature of DRS. This important step would be to see which technological approach to DRS could best be deployed as a supplement to EPR from the outset, ie as opposed to retrofitted. It is this sequence of events that could leave the option open to deliver a focused digital solution compatible with improved usage of existing kerbside services, services that would be expected to change in line with Government's preference for separation requirements at the kerbside.

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

Please explain your answer.

As the volume of materials in the scope of any type of DRS are significantly vast, the potential for fraud could be considerable, whether that be by the accumulation of repeated instances of small scale fraud or larger scale organised fraud. Consequently the role of digital DRS needs to be fully explored and tested at scale before it can be relied upon to fulfil any credible part of a DRS, and as any role for digital DRS may be significant then until it is proven then it is advisable to delay delivery of a DRS of any type and scope.

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.

A suboptimal outcome in terms of quality may be a consequence that has to be expected for the achievement of a fully democratic DRS that features a digital deposit return scheme.

However, this quality concern has to be considered alongside a possible delay of a DRS to facilitate the delivery of a fully optimised digital DRS as part of EPR, which could reasonably be expected to lead to better alignment with an increase in the separation of materials at the kerbside in line with Government's apparent preference, meaning that the quantity and quality of materials collected at kerbside could be further improved.

However, despite this it reasonable to expect that the quality of the overall material in the scope of the DRS would be lower, due to the contamination levels inherent in co-mingled collections, but this effect would be counterbalanced by the benefit of having the quantity of material increased. In addition, the concern about quality levels should not be overstated, particularly for materials in the scope of an on-the-go DRS, which from modern MRFs are generally considered to be of a high enough quality.

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.

ADEPT's view is that it expects it would be, when compared with the DRS costs presented in the consultation, although there is not enough information available about the nature of the DRS or the format of a digital system to be able to answer this question authoritatively. But Government should not just consider the relative running costs, but also the implications for implementing a DRS that undermines the need for and efficiency of existing waste collection infrastructure that is paid for by tax payers, and replacing it at additional cost to consumers with alternative infrastructure in a way that is not compatible.

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?

In relation to a reverse vending based DRS, the use of permitted development rights would streamline processes and reduce costs for businesses and local authorities, however, the upper limit proposed of 80 square metres appears too high and the exclusion of location types needs to be expanded from the short list of SSSIs and the curtilage of listed buildings and scheduled monuments. Within any permitted development proper consideration needs to be given to the possible impacts of reverse vending machines on the general street scene. Reverse vending machines must be sited in such a way that does not block sight lines of traffic or put pedestrians at risk through their location. There must also be thought given to how they would impact on the cleansing operations of local authorities and any disruption to this, including mechanical sweeping equipment and thought also needs to be thought given to the disruption caused during the implementation of any reverse vending machine, for example impacts of pavement surfaces etc.

In terms of the relevant planning authorities, utmost clarity is required on which authority in two tier authority areas would be responsible for determining whether a DRS would be a permitted development, making a decision on any proposal that wasn't within the scope of any permitted rights, and any enforcement that may be necessary.

And in relation to the relevant planning authorities, the Consultation introduces 'Counting Centres' as reprocessing facilities where DRS material is collated before moving onto the relevant recycling facilities. Clarity is required on whether these reprocessing facilities would be considered an industrial use or a waste transfer station, as in two tier authority areas responsibility for determining applications for these different types of these facilities is split.

In addition, Waste Planning Authorities are required to plan for waste management facilities to ensure that there are sufficient facilities available to deal with the projected waste arisings, both from Local Authority and from Commercial and Industrial arisings, a process undertaken through a Waste Local Plan. If Counting Centres are considered a waste facility, then Authorities will require information and details, such as arisings and projections, from the DMO to ensure that these needs are included within the Local Plan and appropriate allowances are made for the provision of recycling and recovery facilities.

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

Note that although a deposit price is a very simple proposition that is widely used in DRS schemes, this approach should be weighed up against a more versatile approach of a 'deposit unit value' for materials, meaning that a deposit price in relation to the 'deposit value' could be set or changed by a DMO in a more fluid manner.

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

Bar code usage would appear to be a key part of efforts to reduce fraud. However, this approach means that some materials that users believe are 'in scope' of a DRS would not be accepted, perhaps due to the age of the material, for example material from a litter pick, or because it is an imported item, for example a Belgium beer bottle.

In terms of other measures Government should look to see what lessons can be learned from countries with a shared border that operate different systems, eg Belgium and the Netherlands, to help inform the evaluation of parties interested in operating as a DMO that would be responsible for implementing the anti-fraud measures as part of the DMO remit.

As there is a real possibility that, with good reason, different parts of the United Kingdom and indeed neighbouring countries could be operating DRS systems with different materials and deposit values and principles, there should be a compulsion on any DMO to enter reciprocal arrangements with a DMO in a neighbouring administration.

And as the approach to using technology to enhance a DRS is yet to be established it is important that any developments in this area have anti-fraud measures as a central consideration.

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

The risk as presented is a valid concern, but it has to be recognised that an alternative of not having a mandatory labelling approach in parts of the UK outside Scotland could undermine the efficacy of a DRS to such an extent it may not achieve its full potential and potentially extend the level of fraud, particularly in border areas with different approaches on either side of a border. Furthermore, it is also surely wrong to assume at this early stage that a point of convergence on materials in scope of a DRS is not attainable anyway, even if the methodology is different (ie a reverse vending machine based DRS in one area with a fully optimised digital DRS in another).

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.

Potentially yes, however ADEPT does not have access to data to validate that view and the consultation document does not provide enough information either. Even if it did that would only be based on historical flows of material, and the point being addressed here is really what changes to those flows may occur as part of different approaches being taken in different parts of the UK.

Consequently, it is the future flows of materials that have to be monitored and that information then used by a DMO to determine at what point an issue justifies additional measures and actions.

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.

Consistency of branding and simplicity of messages are key, and similar to the inclusion of bar codes on products, standard presentation and formatting should be a mandatory requirement.

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

Please explain your answer.

Small producers should continue to be engaged in the development of a solution, but it appears that the provision by a DMO of generic stickers for differing types of product, would be a workable solution, although a DMO may have to accept some de minimis level where a really small producer could sit outside a DRS.

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.

Whilst there is limited information in the consultation on which to form a view it really depends on when the 18 months for labelling changes starts as subset of the overall lead in period. As first of all a key decision is required about whether DRS should be a part of EPR, then on what type of DRS is being implemented, followed by when the DRS is to be implemented; then a DMO then has to be contracted and then establish an approach for labelling and how a DRS will operate in detail, and at each point in that timeline signals will be sent to producers on what to expect with increasing certainty.

However, the time to allow for the logistics of labelling changes is only one consideration, other considerations about stock rotation are also required to be factored in, as for some items the journey time from production to return will be shorter than for others and it may be that seasonality effects could also have an effect on how quickly the ramp up of a DRS occurs in its early months, ie not all 18 month periods are equal.

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

☐ Yes

- ☒ No
☐ Don't know

Please explain your answer.

This question does not relate to ADEPT in its role as a representative body of local authorities.

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

There is not enough information about the proposed approach and the terms of engagement of a DMO and its remit to justify a definitive view.

Are you aware of any upcoming technology in the field of labelling?

No, this theme does not relate to ADEPT in its role as a representative body of local authorities.

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.

Where a DRS is based on reverse vending, local authorities may be able to separate *some* DRS containers but not all, due to the way materials are collected and presented. For example, even for an on-the-go DRS, the issues could be significant as smashed bottles and crushed cans recovered by a MRF or collected separately at the kerbside, may make the principles of identifying whether a material is in the scope of a DRS impossible by normal means, unless those requirements are suspended for material going via this route; and this type of consideration would presumably be more significant for an all-in DRS.

Furthermore for a MRF to separate out materials in scope from similar materials not in scope would be expected to add costs of additional processing, with those costs expected to be higher in relation to an all-in as opposed to on-the-go DRS.

It should not be that a failure of a DRS or delayed benefits of a DRS should be possible of leaving a financial impact on local authorities. Consequently, rather than a DRS link to payments to local authorities, it could be that it is EPR that is used to meet all the costs of all packaging materials going via the kerbside route or recycling centres, such that producers pick up the cost one way or the other. This is an important point to consider, as it is the consumer that would on an item by item basis make the choice of using either a reverse vending based DRS or a kerbside collection,

for any material in the scope of a DRS, with the associated implications for them as a consumer in relation to the redeemable deposit

It is worth noting that many of these considerations would be irrelevant for a fully optimised digital DRS that was fully integrated with kerbside collections and the distinction of less import where DRS was delivered as a part of EPR, consequently these points should influence any future thoughts on the nature of any future DRS.

Either way local authorities should not be left with a funding gap for providing a service they are obligated to where neither DRS, EPR or new burdens funding is available for the new net costs, which for absolute clarity should also reflect losses. This is why this statement from the consultation could be unacceptable and worrying for local authorities: *'Local authorities would only receive funding for packaging covered under the Extended Producer Responsibility regime, excluding deposit return scheme 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.

The introduction of any DRS would be expected to be covered by Change in Law provisions which are a standard feature of modern contracts, this should allow contracts to be changed to reflect the introduction of a DRS. Furthermore, many MRF agreements have shifted to variable gate fees on a cost plus basis, thereby shifting the risk and reward effects towards the public sector for changes in commodity values.

However, although the question focuses on material recovery facilities it should also be noted that this change in law consideration would be expected to apply to Waste Disposal Authorities in relation to PFI, PPP and other residual waste treatment contracts (for example for MBT or EFW based solutions), with changes to composition, calorific value, tonnage pricing bands and minimum tonnage guarantees all potentially affected to varying degrees and extents.

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?

ADEPT is not of the view that there is any credible risk of local authorities seeking to benefit from double payments at all. Even where this view is not shared it is an easy concern to address by measuring material flows, firstly, at the point of delivery by the local authority to a MRF, and secondly at the export point from the MRF to the reprocessor or return point in to the DRS system. This approach would thereby allow money to flow back down the route the material came

from and auditability to concluded efficiently, as cashflow would have to match tonnages of material type throughout and evidence for that would be supported by the licencing requirements for movement of materials.

This approach would also allow local authorities a range of options too, firstly, return materials via return points where they have collected them separately (eg at the kerbside or by hosting a return point), as that weight would not be capable of being physically presented to a MRF for processing in the first place – unless some additional pre-sort is required. Secondly, material that had been delivered in to a MRF and separated as suitable for return to DRS, would have to be weighed out by material with appropriate waste movement paperwork to get it back to a DRS.

It is worth noting that the main consideration of the question would be irrelevant for a fully optimised digital DRS that was fully integrated with kerbside collections, and the distinction of less import where DRS was delivered as a part of EPR, consequently these points should influence any future thoughts on the nature of any future DRS.

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.

ADEPT does not support option 3, which appears to create additional costs and require additional processes to address a risk that is not clearly evidenced as being likely or significant, and in ADEPT's view there is not any credible risk of local authorities seeking to benefit from double payments. To answer the question directly, it probably would not be too difficult to administer a scheme on these principles, but the issue is more whether this additional difficulty is justifiable, and in ADEPT's view it is not.

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.

ADEPT has a strong preference for Option 2 from the limited options presented. Option 2 presents local authorities with a fairer, more stable and certain position, however it only protects local authorities financially to the extent that any EPR formula is thorough enough and fine-tuned enough to do so and agile enough to reflect consumer change and habits quickly.

Option 2 also allows local authorities the incentive, as stated in the consultation document, to redeem deposits where containers of sufficient quality can be separated, and importantly shifts the onus to producers to improve a DRS if needs be or pay the consequence of any partial failure through EPR. However, for local authorities to be left without the possibility of being short-

funded, option 2 does require that a DRS is implemented after, or at the same time as, an EPR and not before.

It is worth considering, that alongside the Government's consistency agenda a DRS may then also determine the change of collection services at the kerbside in a fundamental manner that is not fully predictable, as to benefit from full funding a service would need to be determined as efficient by those producers meeting costs. This consideration may mean that local politicians and Government may have to accept that these implications may not just be restricted to a further shift to kerbside sort, but that it may also lead to three or four weekly collections of residual waste unless Government funding is provided to maintain any increased frequency it deems appropriate.

Option 1 is unacceptable as it would appear to leave local authorities with an unmet cost for dealing with material that is in the scope of a DRS that cannot be separated out to the satisfaction of a DRS and without recourse to EPR funding or additional burdens funding. Consequently, Option 1 could leave local authorities with a risk created by a DMO only paying out for materials deemed to meet its quality criteria, that is only addressed by expecting *'local authorities to collect and sell on to reprocessors as they currently do'* which could create a risk to a local authority of additional and unfunded costs through no fault of their own.

To compound things further, this situation could facilitate an inequitable situation across the country, driven by different levels of participation in the reverse vending aspect DRS by consumers, linked to rurality or socio-economic considerations for example, meaning that some local authorities could see more in scope material in their kerbside collections than others for which they are not reaping the full benefit due to how it is presented or collected. Furthermore it makes no provision for any local authority to receive funds for materials in litter or residual waste, which many would consider unacceptable, and for local authorities appears to be the direct implication of the statement that *'Local authorities would only receive funding for packaging covered under the Extended Producer Responsibility regime, excluding deposit return scheme material'*.

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?

Please explain your answer.

The benefits of an appeal process for exemptions that are declined by the DMO should be considered, particularly if the grounds for exemptions are to expand as they probably should, and if the size limit allowed for under permitted developments is reduced as it probably should be. Furthermore, where a DRS is not delivered as part of EPR, consideration should be given to a process for appeals and arbitration in relation to the interactions between the DMO and EPR systems, for example in Option 2 in question 68 of the Consultation.

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?

The proposed enforcement role for Trading Standards fits neatly within its current remit, complementing other environmental areas, for example single use plastic bags. However, given the current funding and staffing resource issues experienced by the Trading Standards profession, ring-fenced and sustainable funding would be required to ensure this work was appropriately prioritised with requirements of that funding fixed and clear from the outset and that have been developed in partnership with local authorities in advance.

71. In addition to those in the table, are there any other types of breaches not on this list that you think should be? If so, what are they? These may include offences for participants not listed e.g. reproprocessors or exporters.

The list seems adequate, and despite concerns about the risk of breaches by local authorities double counting being mentioned elsewhere in the consultation document, it is noted positively that this breach isn't repeated here.

For collating additional risks Government should seek insights from other schemes and when soft market testing or procuring a DMO should ask them to identify the potential breaches they could envisage from a scheme, whether on-the-go or all-in, and what their preferred measures would be to counter them and why.

72. Are there any other vulnerable points in the system?

If so, what? **Please explain your answer**

A system failure by a DRS to achieve a target may only be established some months after a target date has passed, thereby allowing a DRS to continue to perform at a sub-optimal way for that much longer and thereby protect it from accountability for that much longer too. As such intermediary measures on performance and trackers with triggers for action should be a feature of any DMO performance regime, otherwise it could be vulnerable to longer periods of poor performance without reckoning and consequence.

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

Yes / No Please explain your answer

Yes, that should be a key aspect of the DMO role and as such this accountability should encourage a DMO to design, refine and manage a DRS in a way that elevates compliance.

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

☐ Yes

☒ No

If no, please explain your answer.

Whilst the escalation of enforcement options is clear the financial and penal consequences are not, and until the picture is complete it is impossible to agree, as in many instances the penalties for environmental crimes are not onerous enough to deter criminality.

Furthermore, the prospect of a significant breach by a DMO is not addressed adequately, beyond saying that a '*discretionary requirement could address this*' by using a non-specified '*prescribed formula*'.

Chapter 9: Implementation Timeline

75. Do you have any comments on the delivery timeline for deposit return scheme?

The anticipated DRS delivery timeline is unrealistic, too simplistic, too fast and makes no distinction between the potential for timeframe differences between on-the-go or all-in, the need to reassess community and consumer habits as a part of the Covid-19 recovery, or the time to develop a technological solution for a fully optimised digital DRS.

Specifically, the 18 month period from the appointment of a DMO to a DRS being operational is very ambitious with the major concern being about the logistics of the roll out of the infrastructure for a reverse vending based DRS.

Furthermore, many stakeholders have identified a preference for delaying a DRS until after an EPR system is fully implemented, meaning that if justified as being required to supplement EPR then a DRS would only be implemented at some point after 2025, which would also facilitate the ability to combine a fully optimised digital DRS with kerbside services that would be developing in line with the Government's Consistency objectives.

Please pose any views on implementation steps missing from the above?

ADEPT advises that before any aspect of DRS is implemented, Government should explore the potential of technological solutions and their potential application as a fully optimised Digital DRS, which could lead to a technological solution being implemented as either a significant part of DRS, no part at all or the central feature of DRS. This important step would be to see which technological approach to DRS could best be deployed as a supplement to EPR from the outset, ie as opposed to retrofitted.

It is this sequence of events that could leave the option open to deliver a focused digital solution compatible with improved usage of existing kerbside services, services that would be expected to change in line with Government's preference for separation requirements at the kerbside.

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)

Longer than 18 months and determined by whether the scheme was on-the-go or all-in and whether it is a reverse vending based or digital DRS.

If other, please specify.

24 months seems more reasonable, but the period would be influenced by whether the scheme was on-the-go or all-in, whether it was a reverse vending based or digital DRS, and when the period was in relation to the roll out of any other DRS in Europe due to the consideration of competition for the provision of equipment.

Please provide evidence to support your response.

Establishment of an aspirational timeframe should be informed by soft market testing with potential DMO operators and then timeframes evaluated as part of proposals received from interested parties – evaluated in terms of timeframe and credibility of implementation plans.

For example, and on a purely practical consideration of recruitment, to fill some key posts in the DMO firstly it would have to go through a recruitment process to make appointments, which may then be followed by delays of up to several weeks before postholders could take up their new roles and start fulfilling their accountabilities – whether that is as the core management and staff, software developers or installers for example. And as another simple example, the process of establishing a network of delivery points for a reverse vending based DRS and dealing with exemption requests and appeals may be more lengthy than envisaged.

It is also important to note and accept that if a digital deposit return scheme solution is to be integrated into existing waste collection infrastructure, then that in itself would require considerable development and lead in time not just by the DMO but also by local authorities and their contractors.

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?

It is reasonable to expect that an on-the-go DRS could be implemented quicker due to its smaller size

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.

The impact assessment is presented in isolation and without the context of the effects of the Consistency and EPR agendas which are yet to be determined, in terms of both timing and nature, and should ideally be subject to a fully integrated impact assessment to help establish the optimal nature and sequencing of change.

The Impact Assessment is also UK wide whereas part of the UK is to implement a DRS which may or may not be the same as any introduced in any other part of the UK and is also expected to be delivered earlier, and it is noted that this distinction will not be undertaken until the final impact assessment which will render the process less meaningful.

Furthermore, much of the Impact Assessment is a presentation of the current policy landscape, an explanation of the DRS options and the views received to date and does not feature any possible effects of changes to community and consumer behaviours linked to the recovery from Covid-19. Whereas key points such as the fact that *'some of the material collected and sold by the DMO would not be additional recycling'* are significant points that are not explored fully and experiences where a DRS has been introduced after comprehensive kerbside collection services exist are not clearly explored.

In addition, the Impact Assessment itself notes that it is now on one year out of date as it assumes 2023, whereas the document expects the earliest any DRS could be implemented is late 2024, and there is a concern that by discounting multipack beverage containers from the impact assessment of the benefits of an on-the-go DRS have been understated, even if this is only limited to 750ml size containers.

However, and overriding concern is the scale of the financial numbers used in the impact assessment and the importance of assumptions such as capture rates on those numbers. They are derived from limited sources with minimal corroboration and without directly comparable precedent, therefore despite the emphatic way they are presented, they should be viewed with caution, and the conclusions they drive should be prudent, with the recognition that it will be easier to roll out from a smaller success than roll back from a larger failure where costs have been committed and existing local authority collection systems funded by tax payers have been replicated and undermined.

Your response ID is ANON-HJCY-MEZ2-C. Please have this ID available if you need to contact us about your response.

A receipt for your response has been emailed to you from the address **defra.gsi.gov.uk@mail1.citizenspace.com** with the subject

"Consultation response received - Response ID: ANON-HJCY-MEZ2-C".

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