

RESPONSES TO CONSULTATION QUESTIONS

Introduction

Q1 What is your name?

Jennifer Stephens

Q2 What is your email address?

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Q3 Which best describes you?

Local Authority

Q4 If you are responding on behalf of an organisation, what is its name?

Belfast City Council

Q5 Would you like your response to be confidential?

No

A Deposit Return Scheme in a post-COVID context

Q6. 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?

Whilst we support the principle of a DRS as part of a wider EPR regime, we have concerns around the proposed timings of its introduction. We suggest that implementation of a DRS scheme should be deferred until a later date than 2024, post introduction of the EPR scheme and the plastics tax in order to allow time to assess the impacts of these policy instruments, and determine if they are delivering increases in recycling.

People's working and shopping habits have changed substantially during the pandemic and it is unclear how behaviours will change long term, even after lockdown restrictions and social distancing are eased. The move to greater online shopping, home delivery of groceries and working from home may continue. This means that the traditional system of a DRS might be less applicable to a post Covid-19 world and could be more inconvenient for many. The modelling in the impact assessment on recycling levels and returns could therefore be overestimated if behaviours in a post Covid-19 world are different to pre Covid-19.

The impact of lockdowns and peoples changes in behaviours has also put significant financial pressures on many businesses, especially SMEs. Placing additional burdens of a DRS may be premature before the economy has settled.

Furthermore, the research being undertaken in Wales and Northern Ireland that utilises digital technology to allow residents to claim back a deposit when recycled through their kerbside collection adds a new dimension to the scheme design. The potential to claim deposits via the kerbside is a very interesting and important development.

The outcomes of the digital trials, EPR, and further work around people's likely behaviour in a post Covid-19 situation are key to the scheme design. This provides a strong justification for decisions to be deferred until these results and considerations can be included in the assessment to inform the scheme design.

Q7. Do you believe the introduction of a deposit return scheme will have an impact on your everyday life?

Yes : A large impact but still manageable.

Whilst overall, the introduction of a DRS should have a positive social and environmental impact on everyday life, as a result of the likely reduction in littering and increase in recycling, there may be negative impacts on certain sections of society (e.g. older people and lower socio-economic groups without access to a car). Consideration will need to be given to how these issues could be addressed.

Depending on the final scheme design, (i.e. if it includes RVMs only or incorporates in-scope kerbside containers) additional storage requirements may prove problematic for many residents (e.g. those living in flats, apartments and HMOs), where space is limited.

Any lessened ability to engage with a DRS cannot be ignored, and solutions must be developed to assist engagement under these circumstances.

Q8. 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 both economic and social impacts

It is recognised that Covid-19 has had a negative impact on some socio-economic groups more than others. There could be a risk, if the DRS is implemented too soon after the pandemic, that some people may not have had a chance to recover from the social and economic impacts of Covid-19 and could be hit with a further burden during what are already challenging and unpredictable times. We consider that deferring the implementation timeframe, as proposed by Government, a step in the right direction. We would encourage Government to seriously consider how long an appropriately extended timeframe should be and to ensure it is one which would allow many of the social and economic impacts of the pandemic to be realised and addressed before planning the introduction of a DRS.

In addition, there will be lessons to learn in how society and public services responded to the Covid-19 pandemic and the lasting impacts it may have on services and on public behaviour. Reviews about this will take time to be completed but could have useful insights in relation into how a future DRS might need to be designed to take account of changes and lessons learned.

For example, during the pandemic the tax on carrier bags was rescinded. If a DRS had been in operation it is very likely that calls for that to be withdrawn would have been made as people would not have been able to visit a RVM to redeem the deposit. Under a digital DRS they may have been able to continue to redeem the deposit and the whole system may well have been more resilient.

1. Scope of the Deposit Return Scheme

In-scope containers

Q9. Do you agree that the cap should be included as part of the deposit item in a deposit return scheme for

- a) Plastic bottle caps on plastic bottles – Yes**
- b) Aluminium bottle caps on glass bottles - Yes**
- c) Corks in glass bottles – Yes**
- d) Foil on the top of a can/bottle or used to preserve some drinks – Yes**

These answers are provided on the basis that redeeming the deposit is NOT necessarily dependant on the cap etc. being included as part of the deposit item.

We consider that all items associated with single-use drinks containers should be included within the collection scheme in order to increase recycling and to reduce confusion for consumers. Additionally, it could reduce the prospect of littering in general as well as the potential problem of having to deal with discarded items, such as caps and corks in and around collection points like RVMs and recycling banks. Given their small nature, such items could perhaps end up in drains and waterways more easily, when detached from containers and could result in detrimental effects on wildlife and the environment.

We recommend that industry is engaged with, in how best to incorporate these items within the DRS collection, sorting and recycling process. And also that the systems should be designed to enable containers to be taken back, regardless of whether the cap is on or off.

Whilst it would be best practice for all caps etc. to be accepted in the return scheme, we would stress that the deposit should be paid back to the consumer regardless of whether or not such items are present.

Size of Container

For questions 10, 11, 12, 13, 14, 15 respondents should note that these questions are only applicable to the outstanding decision on the final scope of a deposit return scheme to be made in England and Northern Ireland, since the Welsh Government have already presented a preference for an all-in deposit return scheme.

Q10. Do you believe we have identified the correct pros and cons for the all-in and on-the-go schemes described above?

Whilst Belfast City Council is in support of the concept of an “all in scheme”, we propose that there is more investigatory research to be conducted and appropriate timing to be considered to fully inform the design of the scheme. We welcome the acknowledgement, in the consultation document that consideration will need to be given of the impact of a new scheme on local authorities (regardless of whether the all-in or on-the-go system is the eventual decision).

The introduction of a DRS in 2024 may be too premature, to allow for the EPR reforms. It could inhibit Government’s ability to establish which policy instruments are best at influencing and improving recycling performance and consumer behaviour change. Rushing the introduction of the DRS scheme risks confusing its design and undermining its measures of success. Unlike the EPR proposals, a DRS only concentrates on the collection of material and no incentive is provided for waste hierarchy principles to be encouraged for producers to design packaging to reduce resource

use or for consumers to change behaviours to reduce and reuse. Other measures would therefore be required in addition to DRS to reduce overall material use.

The scheme could have the unintended consequence of increased littering where some people may leave items in easily accessible and visible locations enabling others to collect and redeem the deposit. There could be an increase in 'bin diving' where bins are partly emptied in search of redeemable containers, which again can lead to littering.

One of the key objectives of the scheme is to reduce littering. Whilst it is recognised that the in-scope items are regularly littered, other items such as takeaway cups and food packaging and film plastics are also commonly littered. These items will require to be cleared and the costs to local authorities of reduced litter does not directly correlate with a reduction in cost as crew have to make the same number of journeys and cover the same area to collect the litter.

It is unclear how the carbon savings have been calculated: there is reference to calculations being based on landfill and energy from waste. If the landfill proportion has been overestimated this will significantly reduce the emission savings. Similarly, savings have been based on closed loop recycling, it is not clear if the material displaced from kerbside collections has been factored into this calculation or if it is assumed all has been diverted from the residual.

The potential for schemes to be different across nations and varying costs of deposits, such as multipacks could be confusing for residents. Whilst the DMO will have responsibility for communications local authorities will inevitably receive direct liaison from residents for complaints and queries which will be an additional burden.

We would also question if a full equalities impact assessment has been undertaken for a DRS based on RVMs. There are likely to be accessibility concerns for some members of the public and it could be that people with access difficulties, for whatever reason, are unduly impacted by a DRS based on RVM. People will be unable to avoid the deposit but might not then be able to reclaim their money.

Q11. Do you foresee any issues if the final scope of a deposit return scheme in England and Northern Ireland does not match the all-in decision taken in Wales? E.g. an on-the-go scheme in England and an all-in scheme in Wales.

a) Yes

With both Scotland and Wales opting for an all-in scheme, the potential for consumer confusion and other dis-benefits would be greater than desired, particularly if England should opt for an on-the-go scheme. Although geographically removed from the other UK jurisdictions, we recognise the advantages to producers and retailers if a common approach is taken.

A mix of schemes would add another layer of complexity to managing the system. Communications could be challenging and could lead to confusion especially for areas where there is regular movement across boundaries. The system would be less efficient and could lead to additional costs as multiple systems are managed.

We are aware of the high levels of cross border activity that occur within the agri-food industry on the island of Ireland and that a number of our larger producers (e.g. Coca-Cola) operate on an all-island basis. This poses some practical challenges, and a NI-only DRS on the island of Ireland could create some unmanageable complexities for producers, limit packaging innovation and choice for NI consumers and potentially encourage cross-border fraud. It could also fail to incentivise packaging weight reduction and further place NI at competitive disadvantage in relation to the Republic of

Ireland (which is particularly problematic when NI is endeavouring to maintain industry confidence during a time of great societal and economic uncertainty).

We are also aware of growing concerns regarding the potential for cross-border fraud arising from the difference between the scheme proposed for Republic of Ireland (no glass) and that for Northern Ireland (including glass). It may be the case that areas close to boundaries between GB jurisdictions, similar issues could be experienced; a lot will depend on effective labelling and management of the systems throughout all jurisdictions.

Q12. Having read the rationale for either an all-in or on-the-go scheme, which do you consider to be the best option for our deposit return scheme?

a) All-in

Belfast City Council, at its People and Communities Committee meeting in May 2021 agreed to support an all-in scheme. Such an approach would provide more consistency and less complexity across jurisdictions. Less consumer confusion should result in higher engagement in the system and drive higher recycling rates for in-scope drinks containers. In our response to the 2019 DEFRA consultation we did consider the merit of an incremental model of implementation, starting with an on-the-go scheme and working towards an all-in scheme. Such an approach might allow for the new EPR and DRS systems and administrators to 'bed-in' before expanding the scheme. However, given the approach being taken in both Scotland and Wales, we would acknowledge that it would now be more consistent to develop an all-in scheme from the start.

Q13. 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?

b) No

The introduction of any new scheme will be disruptive to consumers, but if a new scheme is to be implemented then it would be preferable that it is easily understood, easy to participate in and resulting in the greatest benefit to society.

An on-the-go scheme might cause unnecessary confusion for consumers, as to what is in and what is out of the DRS. Additionally, not all in-scope products may be consumed on-the go and might have to be stored at home, where for many residents such as those living in flats and HMOs, storage capacity may be limited. Consideration would also need to be given to those households with limited access to transport who would have to bring their items to return points in order to redeem their deposits.

An additional knock on effect of an on-the-go scheme could be a shift in consumer behaviour patterns towards purchasing larger drinks containers (in order to avoid the associated deposit charge) which could result in longer term health implications for society as a whole.

Q14. Do you agree with our proposed definition of an on-the-go scheme (restricting the drinks containers in-scope to less than 750 ml in size and excluding multi-pack containers)?

b) No

Including multi-packs in-scope provides consistency throughout the scheme and a clear message to consumers. Whilst we agree that multipack containers should remain in scope (due to these items being regularly consumed away from the home and littered), we would stress that no household, (e.g. in particular, those from certain socio-economic backgrounds) should not be discriminated against with higher deposits to pay as a result of purchasing multipacks in order to provide for their families. The DRS should be designed in such a way to take this consideration into account.

If reduction in litter remains one of the aims of the DRS scheme, larger drinks containers should also be included. *On-the-go* plastic drinks bottles can be larger than 750ml (e.g. 1 litre sports-type bottles) and manufacturers may seek to replace 750ml containers with larger 1 litre plus plastic bottles, in order to avoid paying the deposit.

Q15. 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?

c) Difficult to say

Research would be needed to analyse people's behaviours to show if this is more commonly the case. The size of containers proposed for 'on the go' are items which are regularly littered, although larger plastic bottles are also commonly littered.

As per our answer to Q 14, it might be appropriate to include containers up to 1 litres as products, such as 1 litre sports drinks are regularly consumed 'on the go'.

Q16. Please provide any information on the capability of reverse vending machines to compact glass?

We have no relevant information in relation to this issue and would advise Government to engage with the glass industry to explore this option further. (e.g. if the glass gets too compacted within the RCM, this might affect its ability to be re-smelted)

Q17. Do you agree that the scope of a deposit return scheme should be based on container material rather than product?

Yes, although clear labelling will be required to ensure that good communication of what is included is easily understood by the consumer. The scheme needs to be easy to use as, if consumers have a poor understanding of materials in scope and regularly have products rejected, this could lead to disengagement and increased complaints to councils. This highlights the importance of ensuring that the labelling is simple, easy to understand and consistent in order to minimise potential confusion. If consumers do not understand the label, including those whose first language is not English, could lead to the unintended consequence of out of scope containers being returned/rejected at RVMs or return points. This may then be littered rather than returned to the home for correct disposal/recycling.

The DRS scheme should align with EPR and consistent collections policies to be clear which products are covered under each respective programme. If the consistent collections requirements and EPR are based on products rather than material type, there could be confusion and duplication. An approach based on materials, combined with an ability to keep the scope under review, makes it easier for the DMO to administer the DRS and for communications/education campaigns to be developed to drive behaviour changes.

Furthermore, concerns about producers changing packaging in order to avoid an item being in the scope could be addressed by modulated fees as part of any EPR scheme. This highlights the need for an EPR System Administrator (SA) to have the ability to review and modulate fees quickly and the potential for complementary interaction between the DRS and EPR schemes.

Q18. Do you agree with the proposed list of materials to be included in scope?

Yes, although consideration could be given to additional materials, for example cartons.

Also, it is highlighted that there may be confusion and in all likelihood fraudulent activity, arising from the fact that Northern Ireland shares a land border with the Republic of Ireland. The Republic is developing a DRS excluding glass, and this could result in cross-border consumers attempting to dispose of glass containers (many of which are currently identical north and south, distributed on an island-wide basis) in return facilities in Northern Ireland.

Q19. Do you consider there will be any material switching as a result of the proposed scope?

This is certainly possible, and it would be useful to examine the operation of schemes in other places, to assess the likelihood of this being an issue in the UK. Some producers could product switch to materials out of scope of a DRS for the drinks packaging and similarly consumers may seek out of scope packaging to avoid paying a deposit fee. A similar example is where supermarkets have shifted to bioplastics due to customer demand for alternatives to plastic. This has contaminated kerbside recycling systems where it is not compatible in either the organic or the dry recycling collections. Likewise, consumers may choose to buy larger containers to avoid paying a deposit fee. For less healthy options such as carbonated drinks, this could have unintended health consequences as more of the product would be consumed than normally would have been through purchasing the smaller bottle. There is also the likelihood that more product could be wasted as a result of buying more than is needed.

2. Targets

Q20. Which of the following approaches do you consider should be taken to phase in a 90% collection target?

b) 75% in year 1, 80% in year 2, 90% in year three and thereafter

We would consider option b) as it concurs with the findings of the DEFRA Impact Assessment, to guard against optimism bias during and immediately following pandemic recovery, to give time for the economy to stabilise and to assist councils in reconfiguration of services.

Sufficient feedback loops (targets or financial instruments/measures) will be required to ensure individual producers have every incentive to improve their own environmental performance.

Also, the ongoing statutory role for councils (both collection & disposal functions) needs to be taken into account to prevent unintended consequences of different bodies “chasing target materials” such that the costs to society are not minimised.

Q21. What collection rate do you consider should be achieved as a minimum for all materials after 3 years?

c) 90% collection rate should be achieved for all materials

In order to make the DRS system worthwhile it should achieve a high capture rate. However consideration may need to be given to defer the scheme, until the outcomes of EPR and the plastics tax are realised before making additional investment for a DRS. Again, as outlined in other responses to questions, equality issues should be considered, to ensure that no one is disadvantaged or discriminated against, in order to achieve high capture and collection rates for all materials.

Q22. Is it reasonable to assume that the same collection targets could be met with an on-the-go scheme as those proposed for an all-in scheme for in-scope materials?

Yes, provided the scheme is well-communicated to consumers, and support to participate provided where necessary. For the DRS scheme to be effective and financially viable a very high return rate is necessary for either option. Further research would be required to establish people's behaviours and likely capture from both proposed schemes.

Targets by England, Wales and Northern Ireland

Q23. Who should report on the volumes of deposit return scheme material placed on the market in each part of the United Kingdom (England, Wales and Northern Ireland) for the proposed deposit return scheme, and what would be the implications of these obligations?

The producer/importer

The producer/importer should be responsible for reporting volumes placed on the market in order to provide a reliable annual figure. Such an approach would align the design of the DRS more closely with the EPR scheme and consequently permit easier interaction between both schemes.

Placing this responsibility on the retailer (especially small retailers) would be an additional burden and a considerable administrative addition for the DMO.

Q24. 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?

We are aware of monitoring difficulties associated with multiple changes of ownership of recyclate (particularly when export is involved). We also note that this issue forms part of a wider policy conversation, including in the EPR consultation exercise. It will be for Government, the DMO, producers and reprocessors, to develop and agree an appropriate system for calculating the rate of recycling from DRS material.

As the waste Duty of Care applies to all materials within this system, it is essential to track that all material is issued to an authorised reprocessor and it will undergo the correct processes until end of waste status is achieved. Reporting requirements could be similar to those required for local authorities for Waste Data Flow.

Given the scale, scope and geographical spread of infrastructure needed under the DRS scheme (and the EPR) we would request that the national reprocessing capacity (including that in Northern Ireland) is given greater prominence and discussed openly in the consultation document along with future requirements.

3. Scheme Governance

Q25. What length of contract do you think would be most appropriate for the successful bidder to operate as the Deposit Management Organisation

(d) 10 years +

A contract of this magnitude needs long term security to make the initial required investments for the scheme to operate successfully. After the first contract period consideration should be given to making the contracts 8 to 10 years in length to mirror the planned contract lengths of the EPR Scheme Administrator.

Q26. Do you agree that the above issues should be covered by the tender process?

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

The potential implications to local authorities of a DRS scheme could be significant. If local authorities are not represented on the DMO, then it is essential for the tender process to refer to the need to liaise with local authorities and have a formalised dispute resolution process.

The tender process might also consider an outline of how the DMO will work with local councils, and their planning offices, in relation to provision and siting of infrastructure, for example, for on street receptacles – front of house shops etc.

The digital option for kerbside collections should not be left to the discretion of the DMO. If the trials in Wales and Northern Ireland are proven successful this should be integrated into the scheme design and not be left as an option.

Contract Management

Q27. Do you agree that the above issues should be monitored as Key Performance Indicators?

Yes.

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

Examine everything that is measurable within the system, under the remit of the contract, and consider what is appropriate to include as a key performance indicator.

The contract for the DMO needs to be operated and assessed in a transparent and effective manner. KPIs and other measurements should be designed with this in mind.

Included within a suite of KPIs should be ones that encompass issues related to contamination and littering, including around RVMs. We would like to see KPIs that measure the availability of RVMs and how much time they are available for use and not full etc. This sort of measure would indicate how well the system is performing and also indicate how accessible it is for people to redeem their deposit easily.

Other measures could look at any sub-contracting from the DMO and how these arrangements are monitored. Also, consideration could be given to levels of in-scope items within retail waste streams (RCMs), household kerbside streams and litter bins etc.

Digital Infrastructure for the Deposit Return Scheme

Q28. Do you agree that 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

Please elaborate on your answer

If the arrangements for the DMO are to be timebound, i.e. with a tender for a specified period, there is potential for the successful bidder to change over time. It is vital that the intellectual property and digital operating systems developed can be maintained, irrespective of who wins the tender at any given time. (One example where lessons learned could be utilised is from the National Lottery, when it changed its contract management from Camelot). This would indicate that government should be the owner of the digital infrastructure required. The designer and developer are also likely to be appointed from the private sector, through a separate tender process, at the behest of government.

Also, there needs to be consistency with other data reporting systems such as Waste Data Flow, so it makes sense for Government to initially control the digital infrastructure for reporting. This is also key to the potential digital infrastructure for local authority kerbside collections, as referred to in Q26, this should not be at the discretion of the DMO.

Q29. 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

4. Financial Flows

Producer Registration Fees

Q30. What is an appropriate measure of small producers for the purposes of determining the payment of registration fees?

Consider measuring both taxable turnover and drinks containers placed on the market as a way of ensuring transparency and fairness.

Unredeemed Deposits

Q31. Is a high level of unredeemed deposits funding the scheme problematic?

Yes

Please explain your answer.

A high level of unredeemed deposits for any DRS would be problematic, as it means that the scheme is not working as envisaged. This would mean the scheme is not achieving high recycling rates, operating inefficiently and costing producers more than anticipated.

It is vitally important that the deposit return scheme is viewed in the context of the size of the investment required (by the public and private sector, and individual citizens), compared to the contribution it is likely to make towards national targets. If there is a high level of unredeemed deposits, producers could argue that their fees are unfair and unnecessary. The biggest financial contributors to the scheme would be citizens, 'paying' for the scheme through unrecovered deposits. We cannot assume that it is only wealthier people who are prepared to lose their deposit. The elderly, disabled or disadvantaged people and those with little access to relevant transport might have to forego redeeming their deposits. This must be avoided, as noted in the consultation document.

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

Councils in Northern Ireland currently spend more than £31m p.a. on clear up of litter and illegal dumping activity, but have 'built-in' reliance on the revenue streams associated with recyclates that may negate any savings associated with litter reduction as a result of a DRS. A detailed Northern Ireland specific cost-benefit analysis would be vitally important prior to unpicking the current system – particularly in relation to the proposed 'all in' system.

Q32. Which option to treatment of unredeemed deposits do you support?

Option 2 – unredeemed deposits part fund the system but there is a minimum producer fee per annum and excess funds are asked about during tender

Option 2 seems the more sensible approach. Producers should not benefit from low capture rates by having lower fees. The proposal that a floor on producer fees is supported, with any surpluses being fed directly back into the scheme to improve the capture rate. Such a system could provide more potential for innovation.

Q33. 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?

If, e.g. due to a rapidly changing business environment, producers fall in number, there is potential for a greater burden to fall on a smaller number of producers. This falls back on managing how fees are apportioned out. Also, 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.

Q34. If a floor is set do you consider that this should be set at:

c) 50% of net costs

Limited information is provided within the consultation and we would welcome more detailed evidence to support various options.

Q35. Do you agree that any excess funds should be reinvested in the scheme or spent on other environmental causes?

If there is the possibility of investing in both, then we would support this option. Given the quantum of finance that should be available, it would appear likely that both will be possible.

Depending on monies available, the allocation of funds should be kept under review.

In terms of the environmental causes that the excess funds could support, this could be relating to increasing the recycling rate or other positive environmental outcomes such as providing support to local authorities to improve kerbside collections, reduce littering or support producers to reduce carbon emissions or make the processes more efficient. The DRS only considers the waste aspect but in line with waste hierarchy and circular economy principles, producers should also be encouraged to consider package design and reduction. Unredeemed deposits could be used to provide such incentives.

Start-up Costs and Operational Costs

Q36. What should be the minimum deposit level set in legislation?

a.)10p

The deposit should be sufficient to engage consumers but not be too much of a financial penalty for those unable to return the container. The level of the deposit should be set by the DMO, so that it can be varied in light of experience. Having local authority representation either as part of the DMO or very close links as a key stakeholder would be important when it comes to agreeing and setting deposit levels.

The findings of the Kantar research are noted as indicating a 15p minimum would be acceptable, with the 20p 'round' figure preferred. However, the DRS system should not disadvantage any social group, if the level is set too high those on lower incomes would be impacted the most. Although the deposit can be redeemed, there may be situations where the packaging cannot be redeemed immediately, or it makes the initial purchase price too high for some.

Q37. Do you agree that there should be a maximum deposit level set in legislation?

Yes. We welcome that these levels will be articulated in secondary legislation, and that they will require review in line with inflation.

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

Unsure

Whilst we understand the issues around allowing for either variable deposit levels or a deposit level to be set within stated parameters, there are concerns where this means it would vary from deposit levels in Scotland. Any differences will raise questions in the eyes of consumers and may lead to a drop in public confidence in DRS as a policy and therefore in the use of the DRS systems.

If deposit levels do differ from Scotland, then very careful consideration will be needed to be given to how this is communicated, the reasons behind it etc.

As outlined in Q36, consideration must be given to Equality issues and measures taken so as not to disadvantage any social group.

It should be noted that, if a variable deposit level is introduced, to take into account multipacks and larger beverage packaging so the charge is in proportion to the volume purchased, there is the potential for the maximum deposit level to be much higher than if a single rate is applied.

Q38. 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?

We would encourage Government to research the solutions to this issue employed in other countries with a DRS, which could be put in place in the UK.

We would support the introduction of a variable deposit to minimise the multipack impact. A variable deposit level could be introduced to help ensure that the deposit charge is in proportion to the volume purchased. This could help to minimise the impact of the deposit cost of multipacks and larger beverage packaging.

To assist in this there may then need to be consideration given to restricting “offers” on multipacks that could then skew the deposit level. This may require further thought and proposals but should not be seen as reason for not introducing variable deposits.

Variable deposit levels might assist in stopping the unintended consequence of material shift in beverage containers, from those that are currently easy to recycle to those that are less easy to recycle or not recyclable now.

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?

As per our answer to Q38, we would recommend that Government conduct further research on this topic as multipacks appear to be an obstacle within the proposed system.

We would support a variable deposit, in order to minimise the multipack impact on consumers, especially those on lower incomes. A variable deposit level on multipacks could help to minimise the

deposit cost of multipacks and larger beverage packaging. The deposit level still needs to be set at a level that will bring about behaviour change and mean that people do return the container for recycling.

The end point of the material would be a key consideration in a DRS and it is unrealistic to expect that all items in a multipack would be returned together.

5. Return Points

Q40. Do you agree that all retailers selling in-scope drinks containers should be obligated to host a return point, whether it is an all-in or on-the-go deposit return scheme? Please provide any evidence to further explain your answer.

Yes, however retailers would be better placed to answer on how they could be impacted upon.

It is essential to ensure that return of in-scope containers is as easy as possible for the consumer. All retailers selling in-scope drinks containers should be obligated to participate in provision of a return point, with a de minimis in place to exempt smaller retailers, however 'hosting' implies provision on the retail premises, which may not always be possible, for example in small-scale stores of large chain retailers/cafes.

Discussions will be required with local planning authorities, and with disability organisations in relation to the potential addition of more 'street furniture' to an already crowded landscape. We welcome the recognition that technological innovations may come into play, providing additional return points for consumers to use, and recognise that the DMO may enable collaborative approaches to provision of return points e.g. between neighbouring businesses in local high streets. Local Business Improvement Districts may be helpful stakeholders in this regard.

If kerbside collections are included such an extensive network may not be needed (see Q53).

The consultation outlines that the third sector could host voluntary return points and provides the example in NSW where over AU\$1 billion has been raised. The criteria outlined for return points for retailers covers costs only, it is therefore unclear and inconsistent how RVMs operated by the voluntary sector could raise funds. If the third sector may be required to provide an extensive collection network greater clarity on the payment mechanism is needed.

Q41. 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? If so, how long or how frequently would such delays be likely to arise for?

Provided consumers are not required to return containers to the place of purchase, inconvenience may be kept to a minimum. However, it is almost inevitable there will be delays at some point for high demand return points such as supermarkets, especially during busy periods. The delays will also largely be determined by the number of items being returned. As it is unknown what consumer behaviour is likely to be, i.e. will larger number of items be stored before being returned or more regularly it is unknown what delays may be incurred. We would recommend that these behaviours

and scheme design be better examined and understood before finalising the DRS scheme and number of collection points required.

Long term Covid-19 measures will need have to be considered. For example, the practicalities around social distancing, queuing and avoidance of crowds may need to be addressed.

Online purchases of in-scope drinks containers

Q42. Do you have a preference, based on the 3 options described above, 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. Please explain your answer

Option 2: Use a 'de minimis' based approach to obligate qualifying retailers selling in-scope containers to offer a takeback service

We view option 2 as being the most practical, with added considerations taken into account. For example, careful thought will need to be given regarding the carbon footprint of material movements.

Option 2 could be considered with the additional provision of a centralised takeback service or collaborative agreements and partnerships to facilitate the collection of containers purchased online.

Another exemption from the takeback obligations should be considered, in relation to those retailers selling bulk quantities directly to consumers e.g. wine merchants or breweries, which are operating nationally via direct online sales. The practical and environmental costs of these companies attempting a takeback scheme would be considerable, in contrast to national supermarkets who are operating local delivery systems.

Thought will need to be given in relation to how a takeback scheme would operate for local supermarket delivery services as it may be extremely difficult from a hygiene point of view to take back used drinks containers in the same vehicle in which fresh food is being delivered to multiple households.

Regular compositional analysis will be required to ensure appropriate knowledge is developed of how much of this packaging is disposed of via household collections. This analysis should be funded via the DMO.

Option 3 outlines the potential for extra journeys being required by the retailer to take-back in scope material, which could have negative environmental consequences. There is however also the potential that residents may have to make additional journeys to redeem the deposit if an online takeback solution is not an option. Option 2 therefore provides a reasonable and fair solution requiring all retailers over the de minimis threshold including online retailers to have responsibility to take back containers.

Handling Fee

Q43. Do you agree with the proposed criteria for the calculation of the handling fee?

Yes to a degree. We assume that if a council chose to host a return point they too could benefit from a handling fee?

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

We would highlight that there are other costs which should be covered, for example building control, planning permission fees.

Exemptions to hosting a Return Point

Q44. Please tick which exemptions you agree should be included under the scheme:

- Close proximity **No**

Whilst the rationale for this proposal is clear, an exemption on the basis of close proximity to a nearby return point could encourage free riders to the detriment of early adopters. For example, if there are two neighbouring retailers and one installs equipment early in the scheme mobilisation there is little incentive for the second retailer to follow suit if an exemption is available. The criteria that would be applied in determining the exemption and the robustness of any subsequent monitoring to ensure it's ongoing validity would need to mitigate these sort of free rider circumstances.

We would welcome a clear definition on what "close proximity" means.

- Breach of safety **Yes**

However, we would not want to see this reason for exemption used to circumvent retailer compliance and obligations. As above there needs to be in place a robust set of criteria that must be met in order for an exemption to be granted. This would need to include regular review and monitoring.

Any further comments you wish to make

It is noted that the UK is 'a nation of shopkeepers', many of which are small and micro-sized. Assessing exemptions will be a mammoth task and difficult to achieve without sufficient local knowledge. We are therefore concerned that the DMO (or indeed retailers) may turn to councils for assistance in relation to this exercise, and we are keen to ensure that suitable arrangements are put in place to cover any administrative or inspection costs incurred by councils in this regard.

It is also noted that at the outset of the scheme, the 'close proximity' information required by small retailers will not be available, as the location of 'alternative return points' is likely to be unknown. The provision and development of communal facilities should be explored for areas with large numbers of small retailers, potentially in liaison with e.g. town centre or Business Improvement District managers, and council planning offices.

The exemptions regime is a key aspect of DRS and Capacity also has to be considered in terms of an exemption. In light of Proximity and Capacity, a methodology will need to be developed to ensure that enough units are available in an area for a DRS to be viable. There is also the issue of allowing an inefficient host retailer to install RVMs which, when they reach capacity are not emptied and they simply claim not to be able to accept any further in scope items for deposit.

Q45. 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?

We do not have access to such data and other sectors may be in a position to provide a more detailed response. Such information may be available from trade organisations such as the Federation of Small Businesses, NI Hospitality Federation, the Chamber of Commerce, Retail NI and Hospitality Ulster, or could be collated from local authorities and Department of Finance (NI) LPS on the basis of rates payments and economic development data. Government could also look at data available on retailers registered under the single use carrier bag levy (whilst taking into account GDPR issues).

Obligations on exempted retailers

Q46. Do you think obligations should be placed on retailers exempted from hosting a return point to display specific information informing consumers of their exemption?

Yes

If yes, please tick what information retailers should be required to display:

- a.) Signage to demonstrate they don't host a return point; X Yes**
- b.) Signage to signpost consumers to the nearest return point; X Yes**

c.) Anything else?

Yes - Information on in-scope containers

The branding of the signage should be consistent for ease of consumer recognition, and the DMO should develop a methodology to ensure they were checked for validity, kept up to date and amended in the case where nearest points change or are out of action.

Digital technology could be used for this, for example, through an App with scan codes. This would remove the obligation on the retailer and place it on the DMO to ensure directions given via signage is maintained and accurate. This model could also be used to help consumers know the location of their nearest return point whilst "on-the-go".

Q47. 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

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. It is recognised however that small retailers should not be required to identify the nearest return point because it may be disadvantageous to them in terms of trade. This exemption should be reviewed regularly, and may be overcome through the provision of e.g. local/communal/community owned facilities, charity points and BID (Business Improvement District) solutions, which could overcome the issue of one retailer having to "advertise" another and would further support the development of an App as outlined above (Q46).

Revoking an Exemption

Q48. How long do you think exemptions should be granted for until a review date is required to ensure the exemption is still required?

a.) 1 year

b.) 3 years

c.) 5 years or longer

We consider that three years (or on change of ownership of the premises/return point host premises) is a reasonable period. This would allow sufficient time for data to inform potential changes to be gathered. Any longer and the system may suffer from a lack of agility and any shorter may prove too burdensome from an administrative viewpoint.

Three years would provide retailers with some degree of certainty for business planning. Consideration should also be given to the response time for where an exemption is removed and the time for any appeals process that might ensue where an exemption is required

For a DRS to remain effective in an area where a strategic return point has allowed a number of exemptions, the DMO should have the ability to end exemptions early when appropriate notice is given. This has to be considered for a scenario where that strategic return point may be closed (e.g. if a supermarket is closed or an area is redeveloped) and would support the development of an App as outlined above (Q46).

Using Technology in a Deposit Return Scheme

Q49. 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, however industry may be better placed to advise as to how such technological solutions may work.

As stated on page 53 of the consultation “The fundamental principle underpinning the proposed deposit return scheme is that returning an in-scope drinks container should be as easy as purchasing one in the first place”. Allowing residents to use the kerbside collection for in scope DRS material provides an opportunity to maximise capture rate as it requires the least amount of effort to redeem the deposit. In scope DRS materials consumed in the home is therefore likely to be redeemed via the kerbside collection as the easiest option.

Carbon emissions could also be potentially reduced if residents would otherwise choose to make trips solely to redeem deposits. This also represents a useful option for remote and rural areas where access to return locations will be limited and more costly to service, providing a fairer less discriminatory system.

Allowing DRS material to be deposited in the kerbside also provides an easy and fair way to return online purchases and therefore mitigating many of the potential disadvantages and difficulties of incorporating online returns.

By incentivising residents to use the kerbside collections for DRS materials could also have the knock-on positive benefit of increased recycling of other packaging items.

The material which is most likely not be captured via the kerbside includes those items purchased on the go which currently end up as litter or in public bins. Return points/RVMs to maximise the capture of 'on the go' materials would be required to ensure a comprehensive return system is provided. Having RVMs for just 'on the go' materials however would significantly reduce the number of return points required and therefore the running cost of the system.

If a digital DRS were to be taken forward, then there may need to be a review of how payments to local authorities worked under the DRS and EPR system. There could be merit in the DRS DMO, rather than being stand alone, is part of the EPR SA. A digital DRS would lend itself to option two of the DRS payments to local authorities, the option based on compositional analysis.

An added benefit of technological solutions could be the incorporation of waste tracking mechanisms and assurances around the end destinations of materials. This could potentially link into waste data flow and electronic monitoring of waste movements.

Q50. How could a digital deposit return scheme solution be integrated into existing waste collection infrastructure? Please explain your answer.

Improved provision of separate collection for in-scope containers will be necessary, with emphasis on cleaning the containers beforehand. It should be noted that not all householders have smartphones, and so an alternative return provision would need to continue unless another form of scanner is provided. Good communication of change will be required.

It is highlighted that the withdrawal of in-scope materials from household collections for a period of time, followed by resuming (an albeit altered) collection, will have significant impacts on council costs and contract arrangements. Suitable lead-in times will be required for changes of this nature, and provision should be made for councils to access the deposits lost from containers placed in household collection without householder redemption.

Each household would require a unique bar code to be provided (preferable on the recycling bin/box) to allow the deposit to be redeemed. Providing that the labelling allows for deposits to be redeemed digitally there would be no further adaption needed to the collection infrastructure (unless the material is required to be collected separately, which would require a significant investment).

The digital system would need a mechanism for dealing with faulty or damaged bar codes or would the only option to redeem these products be to return to a store? This could create a number of complaints which local authorities will be required to respond to.

There may be other challenges with a digital DRS that would need to be overcome. Bar codes on containers would need to be reproduced when residents request an additional/replacement bin (if theirs is damaged or lost) There could be issues associated with blocks of flats/housing estates requiring to be issued with bar codes and ensuring that the correct bin is allocated to the correct household.

These challenges can be met and are highlighted so that the additional administrative and operational burden on local authorities is taken account of when designing and implementing a digital DRS.

Given all of the potential issues, the DMO would need to consider how they could be addressed, with councils before a DRS became operable, meaning that lead in times for implementing a DRS could be well beyond those currently projected.

Q51. What are the potential fraud control measures a digital deposit return scheme could bring?

It is important that any DRS system is protected against fraud as much as possible.

A digital system could assist in managing the risk associated with bin-raiding by people seeking to claim the deposits from other people's discarded drinks containers (from litter bins or recycling bins left out for collection). It is essential that any additional costs falling to Councils from such fraudulent activity (particularly in the short term) should be included in the calculations so that producers do indeed pay the full cost of managing their wastes.

It is also noted that digital controls would assist in reducing the risk of cross-border fraud, but this would be further safeguarded by collaborative working between the government of the Republic of Ireland, DAERA and Defra, and the relevant DMO arrangements.

Systems would also be required to confirm that the product once scanned ends up in the correct recycling collection box/bin and not placed in the residual waste. Similarly, there would need to be controls that prevents items being scanned in the shop, but not purchased and then the deposit requested via the kerbside system.

Any enforcement over these elements should not be for local authorities to resolve and should fall to the DMO to manage.

We are aware that the trials that have been undertaken so far on a digital DRS have been small scale. Further trials will need to be undertaken at much larger scale to test and review the safeguards, systems and technology needed to minimise the potential of fraud in a digital DRS.

A deferral of a DRS would allow for these tests and trials to be undertaken and a digital DRS designed that will minimise fraud to levels below those seen in other RVM based DRS systems in other countries.

Q52. 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?

No

Please explain your answer.

This is unlikely in the short term - and will require good communication with householders in relation to their new collection arrangements. In Northern Ireland, for example, when separate food waste collections began, an uncompromising public messaging campaign was instigated. Some councils also found it useful to place large warning stickers on the bins of those residents who continued to placing food in the residual waste bin, to deter this and encourage take up of the new system. Suitable receptacles were provided for each household. New systems take time to bed in, and the DMO would need to factor in and allow for at least an initial dip in quality.

Q53. 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 answer.

Local authorities have mature collecting systems in place which are very efficient due to several years of austerity, providing an acceptable quality recyclate to reprocessors. Including a digital solution to the DRS system to incorporate kerbside collections would significantly reduce the running costs of the scheme as most of the infrastructure is already in place to collect this material (along with other non-DRS packaging). This is likely to result in fewer return points being required, reducing the potential burden especially smaller retailers which may have limited capacity to host a return point and online retailers which will require new processors to allow for returns.

There will be costs that need to be fully covered, such as those raised on the response to question 50. There is still a belief that the overall costs of a digital DRS will be lower than the cost of an 'all in' system based on RVMs.

If a network of external RVMs is installed, these will be at risk of anti-social behaviour (theft, vandalism and littering due to broken RVMs etc). It is unclear if this has been included in the running costs of the scheme and associated remedial work and the complaints local authorities would have to deal with associated to this.

Even though local authorities may not host many sites it is likely that they will end up dealing with queries and questions from the public relating to them. We see this now as people regard their local council as the place to go for advice on waste and recycling issues, regardless of whether the council provide the actual service the query is about. (A current example of in this in Belfast is the amount of queries received in relation to rogue textile banks throughout the city). This is an additional cost of a DRS based on RVMs that is not factored in anywhere as far as we can see. In a digital DRS utilising kerbside schemes these costs will be marginal on top of the existing costs associated with customer queries.

Planning Permission for hosting a reverse vending machine

Q54. 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

If RVMs require planning permission this will place significant burden on local authorities to process applications in a very short period, which potentially may not be achievable in the required timeframes. Providing that strict criteria for size, location and design for installation is developed LARAC would support new permitted development rights being introduced.

Within any permitted development needs to be proper consideration of the possible impacts of RVMs on the general street scene. RVMs must be sited in such a way that do not block sight lines of traffic or put pedestrians at risk through their location. There must also be thought into how they impact on the cleansing operations of local authorities and any disruption to this, including mechanical sweeping equipment.

There also needs to be thought given to the disruption causes during the installation of any RVM, impacts of pavement surfaces etc.

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

It should be noted that planning legislation in Northern Ireland is completely separate from that in England, and will require liaison with the Department for Infrastructure (NI) for change to be effected. The relevant legislation would be the *Planning (General Permitted Development) Order (Northern Ireland) 2015*.

6. Labelling

Q55. Do you agree that the following should be part of a mandatory label for deposit return scheme products?

a) an identification marker that can be read by reverse vending machines and manual handling scanners. Yes

b) a mark to identify the product as part of a deposit return scheme. Yes

c) the deposit price.

Yes, although it should be noted that any changes to the deposit price will require a lead in time for producers to alter labels appropriately.

The labelling serves two purposes, consumer information and then audit trail/repayment. OPRL (On Pack Recycling Label) can fulfil the consumer information aspect which provides essential public information that the product is in scope of the DRS and the price. Scanning capability on the labelling is also essential to minimise the potential for fraud and for audit trails.

Consideration may be required for dealing with circumstances where drinks containers get crushed and then stored before being passed on for collection and how robust and effective the label would remain throughout this process. (For example “can crusher” tools are quite popular with uniformed groups who collect and crush aluminium cans before storing them and passing on to recycling merchants as a means to raise funds for their groups).

Q56. Are you aware of further measures that can be taken to reduce the incidence and likelihood of fraud in the system?

It should be ensured that the labelling system is difficult/at least next to impossible to counterfeit.

UK Internal Market Act – Mutual Recognition of Goods

Q57. 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, Mandatory labelling should minimise the potential for fraud. However, we would defer to colleagues in Scotland on this issue, and the views of e.g. Scottish Whisky producers should be sought. The all-island agri-food market in Ireland, although a separate issue, must also be given careful consideration.

If there was any conflict, arising from the movement of in-scope items across different systems in Scotland, the rest of the UK and the Republic of Ireland, this could lead to an element of confusion. However, without the mandatory labelling in place the consequences could be greater with more widespread inconsistent messaging.

For very small businesses the option of a manually placed sticker where small amounts of DRS packaging are sold, could be explored.

Q58. 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?

As per Q57, mandatory labelling should minimise the potential for fraud. It is recognised this could potentially conflict with Scotland and lead to an element of confusion if there is cross nation movement of in scope packaging. However, without the mandatory labelling in place the consequences could be greater with more widespread inconsistent messaging. Research from OPRL has shown how well recognised and understood their labels are compared to other labels.

Please provide any evidence to support your answer.

Whilst we have no quantitative or qualitative evidence in this regard, but cross-border customer numbers may be available from relevant trade bodies.

Q59. Do you consider leaving any labelling requirements to industry to be a better option than legislating for mandatory labelling requirements?

No.

For the system to work effectively, labelling needs to be clear and consistent and it should not be left to industry alone to manage. Providing ad hoc labelling by industry could provide conflicting messages which may result in local authorities having to manage queries and complaints resulting from confusing packaging labels.

OPRL is a good example of labelling that is user friendly, clear and consistent and this could be considered for mandating.

Please explain your answer.

Mandatory labelling provides more clarity for all in the system and is less open to interpretation of requirements/style variations.

Impact on Small Producers

Q60. Are you aware of any other solutions for smaller producers who may not currently label their products? Please explain your answer.

Stickers provided by DMO seems to be an appropriate solution, which would allow for any digital solutions to be easily adopted. However, if easily removable, these may prove problematic.

Views should be sought on this matter from smaller producers and via appropriate trade bodies, e.g. NI Food and Drink www.nifda.co.uk.

Lead-in Times

61. We believe 18 months is a sufficient period of time for necessary labelling changes to be made.

Do you agree?

a.) Yes/ No

N/A – This matter would be up to industry to advise on.

Can you provide any evidence to support your answer?

We do not have sufficient information to enable an answer to be given to this question. It is noted that the industry previously indicated that 2-3 years was necessary.

Producer/Retailer processes

62. Will your processes change as a result of mandatory labelling? Yes/ No/ Don't know. Please explain your answer.

N/A

Future proofing

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

Don't know

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

No.

7. Local Authorities and Local Councils

Q64. 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?

- No

Please explain your answer

The cost to local authorities of source segregating DRS material at the kerbside would require significant investment in additional infrastructure to allow for the material to be kept separate and require more staff resources. This could become more difficult for co-mingled collections because householders themselves have no room for separate containers, such as in flats and communal premises.

It is likely that agreements with the MRF could also be difficult. Some MRFs accept multiple local authorities to one site, it would therefore not be possible to determine specific compositions for each local authority and would rely on averages or regular compositional analysis which are expensive and not a long-term viable solution for regular monitoring. Similarly, it would not be possible to establish in and out of scope containers, for example all PET would be sorted together regardless of the size of the bottle. Likewise, glass would not be distinguished between jars and in and out of scope bottles. If in scope items are required to have the caps on to be eligible for the deposit this is not something a MRF would necessarily be able to check for.

Litter and residual DRS material is excluded from Option 1, to align with EPR principles and full net cost recovery these elements need to be covered (see also Q10 regarding the costs to local authorities for litter collection).

It should be highlighted that the infrastructure deficit in Northern Ireland is likely to cause issues, with much greater reliance on contractors than preferred, and difficulty in complying with the proximity principle.

It should also be noted that in Northern Ireland, there is no Materials Recycling Facility code of practice in place, and that this will need to be addressed by DAERA as a matter of urgency. We are also awaiting the outcome of a recent 'Future of Recycling' consultation, which will have a direct bearing on the outcome of this question.

Q65. 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?

- No

Please explain your answer.

These are massive systemic changes, and both councils and MRF operators need to grapple with how they adapt to resulting changes in composition. A great deal of pre-planning will be required. It must be emphasised that all material collected at kerbside does not mirror all material gathered in EPR and the proposed DRS.

If MRFs need to put in additional sorting infrastructure in place to separate out DRS materials these costs would be reflected in the gate fees and therefore could represent a cost rather than a saving, especially in the short term.

Very few local authorities operate their own sorting facilities, so the vast majority have no operational control over the material collected. This means they will be relying on waste management companies to do this on their behalf.

In terms of material value, if councils are developing a gate fee contract they may not know what benefit they are getting in terms of reduced gate fee for that recycling element, but would get something offset against costs as if 'built in'. Councils could be in a precarious position as the market value for some of the products is extremely high, with uncertainty in relation to return if these are offset and councils are paying through a gate fee mechanism. Attention needs to be paid to composition and councils will need to explore data provision with some contractors. Also recycling targets may be affected, with implications for council legal obligations. There are issues for Northern Ireland arising from the ongoing infrastructure and policy deficit, as noted at Q64.

Q66. 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?

The principle of Option 2 sounds reasonable if material cannot be reasonably separated out, although the payment mechanism and associated costs for an 'efficient and effective collection' and the various payment groups would require further consultation and agreement. There should also

be capacity for an appeals system if a council can demonstrate it has been inappropriately categorised or the payments do not reflect the costs incurred.

Compositional analysis would be required at the MRF, checking individual bins is a very expensive process and is likely to be less representative due to a smaller sample size. Compositional analysis at the MRF does potentially open the system up to fraud where councils may receive a relatively constant payment and the MRFs claim any excess deposits if there are any. We would seek assurance and evidence from MRFs to ensure that this does not happen. This could include for example independent auditing/verification from a third party.

With regards to the compositional analysis, it should not be the local authority having to undertake, resource or fund this process.

It is noted that an assumption has been made that that the proportion of 70% of recycling of drinks beverage packaging would continue once the DRS material has been removed. This is unlikely to remain constant as residents who currently recycle well may be more likely to use the DRS return options. The estimation for kerbside recycling may therefore not be representative if the high DRS rate of 90% is achieved, furthermore the proportion in the residual could also be higher. Further modelling and compositional once the DRS system is in place would be required to ensure council payments were representative of the materials being collected.

Q67. How difficult do you think option 2 would be to administer, given the need to have robust compositional analysis in place? Please explain your answer.

This option is only a potential approach if the majority of councils can separate DRS material which will rely on MRFs to provide the data. Having reliance on compositional analysis is expensive and would need to be carried out on a regular basis to ensure it is representative. If a variable deposit is introduced, this would be very difficult to verify in a standard compositional analysis and would require even greater monitoring.

A simpler and cheaper alternative might be to consider mass balance. If it is known what has been placed on the market, the vast majority of this will have a relatively quick turnover. It would therefore be reasonable to assume that once the deposits have been reclaimed at return points most of the remaining material will be collected by local authorities either in the kerbside recycling, residual bin or littered. Occasional compositional analysis could be completed to confirm this.

Q68. 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?

b. Option 2

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

We support option 2, as this maximises the potential return of DRS material and offers a fair system of payment to cover all the DRS material that councils collect (recycling, litter, and residual).

The DMO will be able to determine the weight/quantity of all in-scope material placed on the market and, through return points, determine the proportion that has been redeemed. Assuming

that the system is sufficiently effective to minimise or eradicate material ‘leakage’, and that reporting timescales account for material that may be retained by the householder with the intention of redeeming deposits in future (stockpiling) it can be reasonably stated that all remaining material will fall upon the council to deal with, through kerbside recycling, residual waste containers, HWRCs, litter (on street and in litter bins) and also illegal waste disposal (fly tipping). A council should not be financially disadvantaged for failures in the DRS that the council cannot control.

8. Compliance Monitoring and Enforcement

Q69. Are there any other producer obligations you believe the Environmental Regulators should be responsible for monitoring and enforcing?

In Northern Ireland particularly, attention will need to be paid to cross-border (North/South) producer activity, as we are aware that producers may be operating on an all-island basis. This will be important, specifically in relation to appropriate labelling. Additional complexity may arise as a result of Brexit, and enforcement/monitoring activity may be necessary to include in checks at sea and air ports. Consideration should be given to the NI protocol.

Q70. Are local authorities (through the role Trading Standards and the Primary Authority Scheme) best placed to enforce certain retailer obligations?

Yes, with appropriate resources provided. It must be highlighted that in Northern Ireland, there is a split in responsibilities. The Department for Economy is responsible for Trading Standards (e.g. weights and measures), with the 11 district councils responsible for Consumer Safety/Protection.

Given the scale of the proposed DRS, and in light of ‘Better Regulation’ principles, the regulation of retailer obligations in Northern Ireland may be best delivered by councils, aligned with other responsibilities such as environmental health, which see council officers in retail premises on a regular basis in a regulatory role. It is important for both Defra and DAERA to note that at present, the New Burdens Doctrine applicable in other parts of the UK, is not in place yet in Northern Ireland and that appropriate resources will be required to ensure regulation by councils can take place.

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

Adequate resources, including set up charges and initial training, will be required. See response to Q70 above.

The additional obligations placed on Trading Standards and local council staff could be quite significant, particularly in the short term as the scheme is set up. The consultation refers to staff time being covered for managing return points. Further information should be provided on a payment model for this.

Q71. 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. reprocessors or exporters.

Producers: adding a label to product that doesn’t meet requirements

Importers (to NI from Scotland or Republic of Ireland): Non-compliance with labelling requirements

Exporters (from Scotland): Non-compliance with labelling requirements

Retailers: Not storing returned material safely – should include hygiene and pest proofing requirements

Councils, MRF operators: Fraudulent activity

Q72. Are there any vulnerable points in the system? Please explain your answer?

Materials movements, between UK regions and between NI and ROI, could cause complexities and potential confusion for producers, particularly small producers, as well as provide opportunities for fraudulent activity.

Storage of in-scope containers could lead to fraudulent activity.

The scale of the system will cause compliance and enforcement difficulties for the DMO unless sufficient and credible staffing is provided at local level. In Northern Ireland, this will require a sufficiently resourced regulator (which we believe should be independent rather than an offshoot of DAERA), and sufficiently resourced councils (in the absence of appropriate New Burdens arrangements). Provision of a regional office of the DMO should be considered.

The independent audit function we reference in Q66 may require a regional office to deliver this service

Glass- will fill up quickly. Even with crushing, there could be capacity issues. Also, emptying glass containers/RVMs will have H&S implications, for example shards, safety, clean-up, noise etc.

Q73. Do you see a role for the Deposit Management Organisation to seek compliance before escalating to the Regulator?

Yes, for retailers, producers and councils; early attempts to resolve issues can only assist in the smooth running of the system and development of good communications/working relationships.

The Regulator should be responsible for providing strict guidance around this to minimise the risk of inconsistencies which could create difficulties for potential prosecutions if incorrect information has been given by the DMO.

Q74. Do you agree with the position set out regarding enforcement response options? If not, please expand your answer.

Further to our response to Q73, if the DMO is a provider of advice and guidance, then an initial advisory/guidance stage from the regulator could prove duplicative and unnecessarily elongate the regulatory process. A regulation 'flow' should include any initial DMO activity in this regard.

We would be keen for confirmation that the costs of enforcement are fully covered, to ensure that enforcement can be delivered effectively. It is the experience of local government in Northern Ireland that a system reliant on fixed penalty payments for cost recovery usually requires supplementary resources to cover the accompanying burden of administrative and legal costs.

9. Implementation Timeline

Q75. Do you have any comments on the delivery timeline for the deposit return scheme? Please pose any views on implementation steps missing from the above?

The timeline seems very ambitious, and will need to take into account the lead-in times required by scheme participants, particularly where production or contracting changes are required.

Additionally, a number of key policy pieces are not in place in Northern Ireland, such as decisions on the future of recycling, 'TEEP' policy and a MRF code of practice; these will need to be agreed and published as soon as possible.

NB: The current NI Assembly mandate is due to end in 2022, with an accompanying period of heightened political sensitivity around the election and consequent constraints on time available for legislative passage. This may have an impact on timings for regulations required to be passed by the NI Assembly. Additionally, implementation of the Planning Act (Northern Ireland) 2011 is under review, which may impact on timing of changes to planning legislation (e.g. PD rights) that are necessary to the implementation of the DRS.

The introduction of the DRS could be deferred until the EPR policies have been implemented and the outcome of the plastics tax is better known. This would allow these policies and regulations to work and see if they deliver the desired increases in recycling before determining whether a DRS is needed.

The results of the digital trials being carried out here in Northern Ireland and in in Wales to allow residents to claim back a deposit when they recycle a container through their kerbside collection system is a very important element for the scheme design. This digital option could fundamentally change how most of the material is collected, reduce costs, simplify the process and make it more convenient for the public. Deferring a DRS would allow time for the research into the digital trials to be completed on a larger scale. This would help ensure that the UK has a well informed and designed scheme that is fit for purpose does not just cannibalise existing collection systems which may not be the optimal solution for the UK.

We would also recommend keeping a watching brief on Scotland and the developments of the DRS there.

Q76. 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? Please provide evidence to support your answer.

d.) Any other (please specify)

At least two years, if not longer.

There are so many unknowns at this point it is difficult to assess with any degree of accuracy how long it will take the DMO to set up the required infrastructure. However, given the size and scale of the task, that is intended to be undertaken as major change under EPR and consistent collections also take place, it would seem that a period of 24 months is more realistic.

Again, we would recommend looking at the lead in time it is taking for Scotland to implement the DRS system there and to gain any valuable learning from their experience.

Q77. Depending on the final decision taken on the scope of the scheme in England and Northern Ireland – all-in or on-the-go – what, if any, impact does this have on the proposed implementation period?

An all-in scheme is likely to take longer to set up and implement due to the wider variety of materials, container sizes, greater need for storage space/provision of reverse vending machines at retail outlets, more complexity in development of local circular economy jobs. There would also need to be a greater lead in time to amend contracts with MRFs to separate and report on the in-scope materials separated and issued to the DMO.

10. Summary of Approach to Impact Assessment

Q78. Do you agree with the analysis presented in our Impact Assessment?

Yes – broadly, but please see below.

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

We note that in the associated Impact Assessment, only limited data is available from the devolved administrations, and that “territorial data that will allow a bottom up compilation of estimations at that level is being sought”. Projections from England in relation to the impact assessment for Northern Ireland may or may not be useful, however we would recommend an Impact Assessment for each devolved administration.

If the digital solution is to be incorporated into the scheme design, this represents a significant change in how the scheme would be managed. This option should therefore be fully evaluated as it is likely to substantially change the impacts/costs. Without this information the impact assessment is incomplete.

We do not necessarily agree with the analysis presented on littering as there is unlikely to be a cost saving related to operational aspects of litter collection. The impact assessment makes a direct correlation between the reduction in litter and cost savings in terms of manual sweeping and picking and emptying bins. We do not believe this is an accurate reflection as staff will be required to cover the same area to litter pick and bins will probably have to be emptied with the same frequency. Similarly, it is unlikely there will be a reduction in transport movement either.

We have grave concerns about the values attached to litter disamenity in the impact assessment. This is especially relevant given how much impact this then has on the cost analysis put forward as justification for a DRS.

It is not clear to what extent post-pandemic behaviours/consumption patterns and limitations to return points have been incorporated into modelling. If as expected some of the behaviours observed during 2020 and 2021, which are reflected in kerbside yields and compositions, become sustained this could have a significant bearing on the feasibility of a DRS as currently modelled. These changes could make a digital DRS more effective still as well.

It is difficult to comment fully as the scale and cost of key scheme requirements such as compositional analysis, monitoring of return points differ across the scenarios. The information presented is not of sufficient detail to determine the impact of key scheme variables presented throughout the consultation.

The current impact assessment takes no account of the changes in consumption, packaging use, and waste collection services that the pandemic has brought about. Fewer drinks containers will be bought for consumption in offices etc. More drinks containers are now placed into household recycling systems rather than office and transport node residual waste containers.

The changes that have and will continue to be brought about by the pandemic fundamentally change the model of a DRS in the UK and the assumptions that the impact assessment was based on. It is no longer fit for purpose in a post Covid-19 situation.

We would also question if a full equalities impact assessment has been undertaken for a DRS based on RVMs. There are likely to be accessibility concerns for some members of the public and it could be that people with access difficulties, for whatever reason, are unduly impacted by a DRS based on RVM. People will be unable to avoid the deposit but might not then be able to reclaim their money.