

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

Northern Ireland Environment Link

3rd June 2021

Northern Ireland Environment Link (NIEL) is the networking and forum body for non-statutory organisations concerned with the environment of Northern Ireland. Its 65 Full Members represent over 100,000 individuals, 262 subsidiary groups, have an annual turnover of £70 million and manage over 314,000 acres of land. Members are involved in environmental issues of all types and at all levels from the local community to the global environment. NIEL brings together a wide range of knowledge, experience and expertise which can be used to help develop policy, practice and implementation across a wide range of environmental fields.

This response is made on behalf of Members, but some members may be providing independent comments as well. If you would like to discuss these comments further, we would be happy to do so.

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NIEL welcomes the opportunity to respond to the government's second consultation on introducing a deposit return scheme in England, Wales and Northern Ireland.

Q1. What is your name?

Jill Eagleson

Q2. What is your email address?

jill@nienvironmentlink.org

Q3. Which best describes you?

Non-Governmental Organisation

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

Northern Ireland Environment Link

Q5. Would you like your response to be confidential?

No

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

a.) Support

Please elaborate on your answer if you wish.

Given the context of the Covid-19 pandemic, we have seen to an even greater extent how human health is inextricably linked to environmental health¹. The many benefits that the environment brings to health, wellbeing and economic prosperity must be fully recognised in all aspects of government policy and practice. We need a green and resilient recovery and welcome the progression of DRS implementation.

There must be no further delays to scheme implementation. More than eight billion drinks containers were wasted across the UK in 2019.² In Northern Ireland, there are 3.3 million items of litter on our coastline at any one time and a further 1.3 million on our streets.³ With the pandemic leading to more people engaging with the outdoors⁴, the DRS will help protect those places by reducing litter and tackling the climate emergency. DRS is a key part of recovery from the Covid-19 pandemic and building back better.

However, a focus on recycling alone will not tackle the systemic problem of over-consumption of single-use packaging. This requires a clear focus on reduction and waste prevention to meet the UK's ambitious climate change targets.

The Waste Framework Directive requires that waste legislation and policy shall apply as a priority order the waste management hierarchy, where prevention is the top tier of that hierarchy. 'Prevention' refers to measures taken before a substance, material or product has

¹ https://ipbes.net/sites/default/files/2020-12/IPBES%20Workshop%20on%20Biodiversity%20and%20Pandemics%20Report_0.pdf

² <https://committees.parliament.uk/oralevidence/1895/html/>

³ <https://keepnorthernirelandbeautiful.etinu.net/keepnorthernirelandbeautiful/documents/007974.pdf>

⁴ <http://www.outdoorrecreationni.com/wp-content/uploads/2020/05/Engaging-with-the-Outdoors-during-COVID-19-Lockdown-in-NI-Report.pdf>

become waste. It forms the top tier of the waste hierarchy because it has the greatest potential to generate carbon savings as well as supporting job creation.

While public awareness is high regarding the need for urgent climate action and to reduce single use plastics, there remain considerable barriers to prevention activities such as convenience, competition with cheap new products and a lack of investment or financial support. To become a truly Circular Economy, and realise important carbon savings, considerable effort toward and investment in prevention measures is required.

Prevention measures should be prioritised in all policy actions and investment strategies including in the design and implementation of this DRS.

Highlighting prevention is necessary to combat any perception that the scheme is “a solution to the waste problem”, and to avoid perverse incentives such as a greater willingness to purchase single use bottles given that they will be recycled or to recover the value afterwards. It would also help improve the recycling rate (by decreasing the volume placed on the market) and tackle unnecessary waste in the first place.

DRS design should embed the funding of prevention projects and infrastructure to support prevention. For example, Publicly Accessible Water Dispensers on a free to use model. Unredeemed deposits may be a long-term funding source for such investment. Prevention measures should be a priority and require upfront investment.

DRS design should embed funding of awareness raising about the importance of prevention and what practical measures that can be taken, as a priority ahead of recycling in line with the waste hierarchy. Initiatives like Causeway Coast and Glens Borough Council’s free tap water scheme⁵ and NI Water’s Refillution⁶ demonstrate how this can be delivered.

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

b.) No, there will be no impact

Although we believe that Deposit Return will have a positive impact on people’s lives, this consultation has no positive option available.

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

c) Yes – because of both economic and social impacts

Please elaborate on your answer if you wish.

As before, the impacts of the Covid-19 pandemic have shown to an even greater extent how human health is inextricably linked to environmental health. Meeting demand cannot be by the continued diminution of nature⁷. We need a green and resilient recovery. We welcome DRS implementation and its objectives to increase recycling rates, increase recycling quality,

⁵ <https://cbcni.maps.arcgis.com/apps/MapJournal/index.html?appid=de529bd0ae5e41e3b1e52dcc0eecd0df>

⁶ <https://www.niwater.com/refillution/>

⁷ <https://www.gov.uk/government/publications/final-report-the-economics-of-biodiversity-the-dasgupta-review>

increase closed loop recycling and circularity, reduce littering and the associated wider benefits such as job creation and increased environmental awareness. Progressing a fully inclusive DRS scheme will send a strong message about a positive and more sustainable future.

Chapter 1: Scope of the deposit return scheme

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

- a) Plastic bottle caps on plastic bottles – yes
- 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

Note: For questions 10, 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.

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

- b.) No

Please elaborate on your answer.

We would question why Defra has reverted to a neutral position on an all-in vs on-the-go DRS compared to its response to the first consultation, which indicated a preference for the all-in scheme.

The 'On-the-go' term refers to a concept that does not reflect the reality that it is not possible to determine where drinks containers, regardless of size, will be consumed. The consultation acknowledges this, referencing research which found that people were more likely to consume drinks in all types of containers at home than away from home.

Regarding the limitation of size of in scope containers, we would add that system operators from other countries often explain how arbitrary size restrictions limit the impact, efficiencies and effectiveness of deposit systems and provide loopholes for producers. Producers may change the size of bottles and cans that they sell if only certain sizes are included in the system, as they have done in other countries. Also, excluding multipacks creates the risk of producers wrapping just two cans or bottles in plastic as a way to avoid being part of the system.

Furthermore, an intended aim of DRS is to reduce littering of drinks containers, so restricting the system does not make sense, particularly when litter picks, such as

CPRE's Green Clean, repeatedly show that all sizes of drinks containers are found.⁸ 58% of bottles found on UK beaches would be excluded from an 'on-the-go' DRS.⁹

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

a) Yes

Please elaborate on your answer.

As per the May 20th 2021 DAERA/CIWM webinar, 'A Northern Ireland perspective on EPR and DRS', differences between the schemes will lead to uncertainty for consumers and for all players in the supply chain. The DRS schemes must be interoperable across the UK.

The Environmental Audit Committee, (EAC), is also calling for consistency across the four nations of the UK, to make it easier for consumers to understand and simpler for the drinks industry.

Furthermore, as raised by the Irish Beverage Council, which has an all-Ireland mandate, there must be an all-island solution for an all-island market. A successful and sustainable DRS system must be interoperable, complimentary and have compatible system(s) to protect the integrity of DRS and to ensure it delivers on its environmental objectives.

A successful DRS should avoid 'soft borders' to prevent cross-border arbitrage, eliminate anti-competitive behaviour and maximise consumer engagement.

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

a) All-in

Please elaborate on your answer.

We recommend that Defra pursues an all-in model for England and Northern Ireland, as indicated as its preference following the first consultation, following the lead set by Scotland and the preference shown by Wales. A well-designed all-in system will maximise the environmental benefits over an on-the-go scheme, collecting most high-quality material for recycling, improving resource circularity, and reducing litter.

Given the strong arguments in favour of an all-in model put forward by Defra in response to the first DRS consultation and that no on-the-go deposit return schemes currently exist, it is not clear why an on-the-go model is still being considered.

An on-the-go DRS limits the scope of the scheme leading to consumer confusion, diminishing engagement, limits the amount of material captured for closed loop recycling

⁸ <https://www.cpre.org.uk/news/a-comprehensive-deposit-return-scheme-is-vital/>

⁹ <https://www.sas.org.uk/depositreturnscheme/>

and limits the environmental benefits such as reducing emissions and stimulating a domestic circular economy. An on-the-go system would mean a reduction in tonnes of materials recycled to the highest quality and an associated reduction in the creation of secondary jobs¹⁰, as acknowledged by DEFRA's own analysis.

Differences between the schemes will lead to uncertainty for consumers and for all players in the supply chain. DRS in England, Northern Ireland and Wales must be all-in to align with Scotland, to be interoperable across the UK and to fully deliver on DRS primary objectives.

The consultation states that an all-in DRS would 'provide a higher net benefit, leading to higher levels of recycling, increased litter reduction and greater carbon savings.' An all-in DRS will result in a £5.8 billion per year boost to the economy and environment, and will support a system that does more to tackle the climate emergency.

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?

b) No

Introducing DRS in England, Wales and Northern Ireland is still the right approach post-covid, but in order to achieve its primary objectives it must be an all-in scheme. The consultation also points out that no concerns have been raised by Public Health England, aside from pointing to the relevant guidance for retailers and other industries potentially operating DRS under covid-related restrictions.

The consultation states that it considers an on-the-go scheme to be 'conscious of not imposing further burdens on those consumers who may find it difficult to engage with a deposit return scheme, particularly when existing recycling infrastructure at home is already in place.'

A well-designed all-in DRS should not impose further burdens on consumers, with recognition within the consultation that many consumers will build in returns to their existing shopping/travel habits and that DRS continues to function well throughout the pandemic in other jurisdictions.

Also, an on-the-go DRS will allow only for drinks containers of 750ml in volume or greater to continue to be recycled through existing recycling infrastructure at home but will not remove the need for in scope drinks containers consumed at home to be returned to a DRS to redeem the deposits. The consultation acknowledges this, referencing research which found that people were more likely to consume drinks in all types of containers at home than away from home.

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)?

b.) No

¹⁰ https://www.cpre.org.uk/wp-content/uploads/2019/11/from_waste_to_work.pdf

The 'On-the-go' term refers to a concept that does not reflect reality as it is not possible to determine where drinks containers, regardless of size, will be consumed. The consultation acknowledges this, referencing research which found that people were more likely to consume drinks in all types of containers at home than away from home.

Regarding the limitation of size of in scope containers, we would add that system operators from other countries often explain how arbitrary size restrictions limit the impact, efficiencies and effectiveness of deposit systems and provide loopholes for producers. Producers may change the size of bottles and cans that they sell if only certain sizes are included in the system, as they have done in other countries. Also, excluding multipacks creates the risk of producers wrapping just two cans or bottles in plastic as a way to avoid being part of the system.

Furthermore, an intended aim of DRS is to reduce littering of drinks containers, so restricting the system does not make sense, particularly when litter picks, such as CPRE's Green Clean, repeatedly show that all sizes of drinks containers are found.¹¹

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?

b) No

Whilst drinks containers less than 750ml in size are commonly consumed out of the home, the consultation references research which found that people were more likely to consume drinks in all types of containers at home than away from home. Again, litter picks, such as CPRE's Green Clean, repeatedly show that all sizes of drinks containers are found littering our countryside and that containers larger than 500ml in size account for more than one in four bottles that litter our countryside¹².

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

It is vital that a deposit return scheme includes glass. Arguments against including glass are unfounded. Broken glass around a reverse vending machine will be quickly and safely dealt with, whereas broken glass in parks or on beaches is a danger to people and wildlife. Glass is a high-energy material, meaning it is crucial to recycle. It is also easier to recycle than plastic.

The technology to collect and compact glass exists in schemes around the world, and it would not be a problem to adopt these technologies in the UK.

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

Yes

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

No

¹¹ <https://www.cpre.org.uk/news/a-comprehensive-deposit-return-scheme-is-vital/>

¹² <https://www.cpre.org.uk/news/a-comprehensive-deposit-return-scheme-is-vital/>

There are strong environmental arguments in favour of collecting cartons, with existing capacity within the UK for cartons to be properly recycled and repurposed. Failure to include cartons from the outset would result in greater costs if then added at a later stage.¹³

19. Do you consider there will be any material switching as a result of the proposed scope? Please provide evidence to support your response.

Yes

The benefits of a wide material scope are maximising the amount of material collected to be recycled and associated litter reduction, preventing market distortion and the risk of associated environmental impacts from material switching, and making the system easy for consumers to use and understand. This shows the importance of including cartons in DRS scope to reduce the risk of material switching¹⁴.

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?

d) 80% in year 1, 85% in year 2, 90% in year 3 and thereafter

21. 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

22. 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?

No

Please provide any evidence to support your answer

An on-the-go DRS limits the scope of the scheme leading to consumer confusion, diminishing engagement, limits the amount of material captured for closed loop recycling and limits the environmental benefits such as reducing emissions and stimulating a domestic circular economy. An on-the-go system would mean a reduction in tonnes of materials recycled to the highest quality and an associated reduction in the creation of secondary jobs¹⁵, as acknowledged by DEFRA's own analysis.

¹³ <https://www.circularonline.co.uk/news/deposit-return-scheme-should-be-consistent-across-uk-eac/>

¹⁴ <https://committees.parliament.uk/oralevidence/1895/html/>

¹⁵ https://www.cpre.org.uk/wp-content/uploads/2019/11/from_waste_to_work.pdf

Differences between the schemes will lead to uncertainty for consumers and for all players in the supply chain. DRS in England, Northern Ireland and Wales must be all-in to align with Scotland, to be interoperable across the UK and to fully deliver on DRS primary objectives.

The consultation states that an all-in DRS would 'provide a higher net benefit, leading to higher levels of recycling, increased litter reduction and greater carbon savings.' An all-in DRS will result in a £5.8 billion per year boost to the economy and environment, and will support a system that does more to tackle the climate emergency.

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

a) The producer/importer

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

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

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

We would like to see concrete proposals to ensure the majority of these valuable materials are recycled within the UK. The deposit system will deliver a reliable high volume, high quality flow of materials, which in turn should attract investment in improved and additional recycling facilities across each home nation.

Accurate data recording and evidence that containers have been recycled is essential to preventing fraud and ensuring the primary objectives of the scheme are being fully delivered. All reporting and data should be available for public scrutiny and should be independently audited. At present, Northern Ireland does not have an independent Environmental Protection Agency (EPA) unlike other parts of the UK. NI has also experienced particular challenges around environmental governance and regulation. The challenges are typified by the uncovering of extensive illegal landfilling and criminal waste disposal practices.

NI urgently requires an independent EPA to ensure effective environmental governance, and given their distinct but complementary remits, functions and enforcement powers, NI requires an independent EPA as well as the Office of Environmental Protection (OEP).

In the meantime, this function should fall within the remit of the NIEA.

Chapter 3: Scheme governance

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

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

We have no strong preference but feel that the length of contract should be no less than 5 years to allow for stability and accountability.

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

Yes

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

Regarding composition of the DMO, this should also include representation from relevant NGOs and charitable organisations to input expertise and ensure that the social, environmental and community benefits of the scheme are being realised, assisting with meeting the schemes primary objectives and secondary benefits.

The role of the DMO listed includes: 'i. Run communications campaigns to aid consumer and retailer understanding of the deposit return scheme'. In addition to this, in line with our response to Question 6, the DMO should also run communications campaigns to aid consumer and retailer understanding of prevention as the best environmental option, and what practical measures that can be taken, in line with the waste hierarchy.

Again, in line with our response to Question 6, the role of the DMO should also include being responsible for the funding of prevention projects and infrastructure to support prevention through the DRS. In addition to the issues listed to be covered by the tender process, the requirement to fund prevention projects and infrastructure and to promote prevention should also be included.

27. 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 .

In line with our response to Question 6, the DMO should also run communications campaigns to aid consumer and retailer understanding of prevention as the best environmental option, and what practical measures that can be taken, in line with the waste hierarchy. The role of the DMO should also include being responsible for the funding of prevention projects and infrastructure to support prevention.

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

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

28. Do you agree that 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

This is important for accessibility, transparency, accountability and stability throughout the duration of the DRS.

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

Yes / No

Chapter 4: Financial flows

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

- Taxable Turnover
- Drinks containers placed on the market - Yes
- Any other

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

Yes

Please explain your answer.

A high level of unredeemed deposits represents a failure of the DRS with resultant failure to meet its objectives to increase recycling rates, increase recycling quality, increase closed loop recycling and circularity, reduce littering and the associated wider benefits such as job creation and increased environmental awareness

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

Option 2

Option 2 reduces the risk of the creation of a perverse incentive whereby the DMO gains more revenue from unredeemed deposits whilst the scheme fails to meet its collection targets as a result of lower return rates. Option 2 would ensure that no matter what the collection rate is, producers would have to contribute to a set proportion of the costs of running the scheme.

Within Option 2, the consultation states that 'We ask a question in the tender process regarding the utilisation of any excess funds so that that contract management team within Defra can hold the Deposit Management Organisation to account should there be funds that go above and beyond the required annual spend to meet the targets.' The DMO should also run communications campaigns to aid consumer and retailer understanding of prevention as the best environmental option, and what practical measures that can be taken, in line with the waste hierarchy. The role of the DMO should also include being responsible for the funding of prevention projects and infrastructure to support prevention.

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?

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

- a) 25% of net costs
- b) 33% of net costs
- c) 50% of net costs
- d) Other

Please provide any evidence to support your response.

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

Other environmental causes.

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

- c.) 20p

This is in line with the deposit set for DRS in Scotland.

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

No

A maximum deposit level should not be set in legislation. Deposit levels must be significant enough to incentivise return but proportionate to retail cost. Flexibility should be at the core of a successful deposit return scheme. Responsibility to devise and set deposits should lie with the DMO.

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?

As put forward by the EAC, there may not be one specific solution. The Deposit Management Organisation (DMO) should be given the ability to adjust the fee structure (which could be based on any available evidence on impacts on multipacks from international schemes) to both minimise impacts from the outset, and counteract undesired consumer responses as they arise.¹⁶

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?

No.

This is a poorly worded question. Yes, the DMO must be given flexibility to set deposit levels as this is crucial for a successful DRS. However, deposit levels must be variable based on the size of the container. A variable deposit level helps to maximise scheme performance by maximising consumer engagement and ensuring inclusivity, while minimising the risk of unintended economic and environmental consequences.

A variable rate deposit level is the foundation of a well-designed DRS, as it allows individuals to manage their own consumption, without incentivising the purchase of larger containers in the interest of saving money. In relation to multipacks, a variable deposit level will help to reduce the risk of shifting people away from infinitely recyclable aluminium cans into large format plastic bottles, resulting in significantly more plastic bottles on the shelf than at present.

New research released disproves the claim that a variable rate DRS would be too complex for consumers. The YouGov insight suggests that 85% of people in the UK consider a variable system easy to understand and support higher deposits for larger containers¹⁷.

Chapter 5: Return points

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

Please provide any evidence to further explain your answer.

¹⁶ <https://committees.parliament.uk/publications/5968/documents/67668/default/>

¹⁷ <https://metalpackager.com/2021/03/deposit-return-schemes-alupro/>

Yes. It must be as easy to return an item as it is to purchase it. However, there should be scope for exemptions granted by the DMO in certain circumstances, e.g., if it is physically impossible to operate a return point without compromising other legislations, including health and safety or food standards. This must be counteracted by the DMO undertaking strategic mapping of return point distribution to make most efficient use of these expensive resources balanced against consumer convenience.

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

No.

42. 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 1.

Both physical and online retailers should be obligated as part of a well-designed DRS. This maximises convenience and choice for consumers by allowing for people's different preferences around how and where they shop. This also provides a large number of return points and ensures a level playing field for retailers. It is also important for accessibility that online retailers are obliged to accept returns.

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

Yes

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

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

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

- Close proximity - Yes
- Breach of safety – Yes

Any further comments you wish to make

There should be scope for exemptions granted by the DMO in certain circumstances, e.g. if it is physically impossible to operate a return point without compromising other legislations, including health and safety or food standards. This must be counteracted by the DMO undertaking strategic mapping of return point distribution to make most efficient use of these expensive resources balanced against consumer convenience.

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

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

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

- a.) Signage to demonstrate they don't host a return point; Yes
- b.) Signage to signpost consumers to the nearest return point; Yes
- c.) Anything else?

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

Please explain your answer.

48. 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

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

We recognise that a digital element could contribute to world-leading DRS across the UK, potentially building on existing kerbside infrastructure and allowing for flexibility in the scheme in the future. We welcome the steps taken to run pilot schemes across the UK, and look forward to seeing the results of these, and especially await dissemination of the findings from the 'proof of concept' trial carried out in Whitehead¹⁸. However, we would strongly discourage the prospect of a digital DRS delaying DRS implementation, and instead recommend that flexibility is given to the DMO to be able to adopt new technologies such as app-based systems and smart bins into a DRS in the future. The use of technological solutions being incorporated as a method of return must be in tandem with collection systems that will deliver the same food-grade quality recyclate as reverse vending machines and manual return points. Co-mingled kerbside collections should not be seen as an alternative route for collecting DRS materials and meeting collection targets as this is effectively a failure of the DRS system.

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

¹⁸ <https://reward4waste.com/our-trial/>

The use of technological solutions being incorporated as a method of return must be in tandem with collection systems that will deliver the same food-grade quality recyclate as reverse vending machines and manual return points. Co-mingled kerbside collections should not be seen as an alternative route for collecting DRS materials and meeting collection targets as this is effectively a failure of the DRS system. Further information from the aforementioned trials is required.

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

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?

No

Please explain your answer.

The use of technological solutions being incorporated as a method of return must be in tandem with collection systems that will deliver the same food-grade quality recyclate as reverse vending machines and manual return points. Co-mingled kerbside collections should not be seen as an alternative route for collecting DRS materials and meeting collection targets as this is effectively a failure of the DRS system. Further information from the aforementioned trials is required.

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 answer.

The use of technological solutions being incorporated as a method of return must be in tandem with collection systems that will deliver the same food-grade quality recyclate as reverse vending machines and manual return points. Co-mingled kerbside collections should not be seen as an alternative route for collecting DRS materials and meeting collection targets as this is effectively a failure of the DRS system. Further information from the aforementioned trials is required.

Given that the majority of LA kerbside collections in NI are co-mingled, costs are likely to be significant to adapt systems to be able to ensure collected DRS materials are of the same food-grade quality as when returned via reverse vending machines and manual return points.

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

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

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

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

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

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

c) the deposit price. - Yes

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

Ensuring we have compatible systems across the UK nations will be essential to mitigating fraud.

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, in terms that the mandatory labelling requirements will facilitate the operation and success of the DRS in England, Wales and Northern Ireland. However, a successful and sustainable DRS system must be interoperable, complimentary and have compatible system(s) to protect the integrity of DRS and to ensure it delivers on its environmental objectives. A successful DRS should avoid 'soft borders' to prevent cross-border arbitrage, eliminate anti-competitive behaviour and maximise consumer engagement. This refers to interoperability with both DRS in Scotland and R.O.I.

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? Please provide any evidence to support your answer.

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

No. There must be mandatory labelling to ensure there is consistency. This makes the scheme easier for consumers to understand and simpler for the drinks industry. This will reduce consumer confusion which would lead to diminished engagement, a reduction in material captured for closed loop recycling and would limit the environmental benefits such as reducing emissions and stimulating a domestic circular economy.

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

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

a.) Yes

Can you provide any evidence to support your answer?

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

N/A

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

Yes

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

Chapter 7: Local authorities and local councils

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

- No

Please explain your answer

Local authority collections shouldn't be seen as an alternative route for collecting deposit return scheme material and meeting collection targets as this is effectively a failure of the deposit return scheme system. Given that the majority of LA kerbside collections in NI are co-mingled, it is highly unlikely that LAs could ensure collected DRS materials are of the same food-grade quality as when returned via reverse vending machines and manual return points. This will mean a reduction in tonnes of materials recycled to the highest quality and an associated reduction in the creation of secondary jobs, as well as failure to meet the primary objectives of DRS, including reducing carbon emissions and tackling the climate emergency.

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.

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?

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

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

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

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

Local authority collections shouldn't be seen as an alternative route for collecting deposit return scheme material and meeting collection targets as this is effectively a failure of the deposit return scheme system. Given that the majority of LA kerbside collections in NI are co-mingled, it is highly unlikely that LAs could ensure collected DRS materials are of the same food-grade quality as when returned via reverse vending machines and manual return points. This will mean a reduction in tonnes of materials recycled to the highest quality and an associated reduction in the creation of secondary jobs, as well as failure to meet the primary objectives of DRS, including reducing carbon emissions and tackling the climate emergency.

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?

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

Yes

Please give any alternative suggestions.

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?

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. reprocessors or exporters.

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

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

No. It must be clear that non-compliance will result in immediate escalation to the Regulator.

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

Yes. However, at present, Northern Ireland does not have an independent Environmental Protection Agency (EPA) unlike other parts of the UK. NI has also experienced particular challenges around environmental governance and regulation. The challenges are typified by the uncovering of extensive illegal landfilling and criminal waste disposal practices.

NI urgently requires an independent EPA to ensure effective environmental governance, and given their distinct but complementary remits, functions and enforcement powers, NI requires an independent EPA as well as the Office of Environmental Protection (OEP). In the meantime, this function falls within the remit of NIEA, which must be adequately resourced to deliver enforcement response.

Chapter 9: Implementation Timeline

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

Given the context of the Covid-19 pandemic, we have seen to an even greater extent how human health is inextricably linked to environmental health¹⁹. The many benefits that the environment brings to health, wellbeing and economic prosperity must be fully recognised in all aspects of government policy and practice. We need a green and resilient recovery and welcome the progression of DRS implementation – without any further delays to scheme implementation. In Northern Ireland, there are 3.3 million items of litter on our coastline at any one time and a further 1.3 million on our streets.²⁰ With the pandemic leading to more people engaging with the outdoors²¹, the DRS will help protect those places by reducing litter. DRS is a key part of recovery and building back better.

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? Please provide evidence to support your answer.

¹⁹ https://ipbes.net/sites/default/files/2020-12/IPBES%20Workshop%20on%20Biodiversity%20and%20Pandemics%20Report_0.pdf

²⁰ <https://keepnorthernirelandbeautiful.etinu.net/keepnorthernirelandbeautiful/documents/007974.pdf>

²¹ <http://www.outdoorrecreationni.com/wp-content/uploads/2020/05/Engaging-with-the-Outdoors-during-COVID-19-Lockdown-in-NI-Report.pdf>

a.) 12 months

Reloop publishes a bi-annual survey of every deposit system in the world - Reloop's Global Deposit Book - most recently published in December 2020.²² The Book includes information on when each deposit system was mandated to when it was implemented. Interestingly, the most recent systems introduced in Australia were all implemented within 12 months of being mandated, as were Croatia and Estonia.

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

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?

The consultation states that whilst there may be potential to implement an on-the-go model quicker than an all-in DRS that 'this is unlikely to be by much as the process to appoint a scheme administrator and number of return points (to ensure ease of returns for consumers) will be the same under the all-in or on-the-go model.'

Given that the consultation states that an all-in DRS would 'provide a higher net benefit, leading to higher levels of recycling, increased litter reduction and greater carbon savings,' will result in a £5.8 billion per year boost to the economy and environment, and will support a system that does more to tackle the climate emergency, any slight reduction in implementation time for an on-the-go DRS is irrelevant.

Chapter 10: Summary of approach to Impact Assessment

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

Yes

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

We trust the Government's assessment which conclusively demonstrates that all-in is the preferable option - with over £5.5 billion in additional benefits to the other option.

²²<https://www.reloopplatform.org/wp-content/uploads/2020/12/2020-Global-Deposit-Book-WEB-version-1DEC2020.pdf>