

DRS Consultation – Warwickshire Waste Partnership final draft, 26 May 2021

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Local Authority
- Q4 Organisation Detail
This consultation response is submitted on behalf of the Warwickshire Waste Partnership and should be read as equal to six responses from: North Warwickshire Borough Council, Nuneaton and Bedworth Borough Council, Rugby Borough Council, Stratford District Council, Warwick District Council, Warwickshire County 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? (P16)
- a.) Support**
 - b.) Neither support nor oppose*
 - c.) Oppose*
 - d.) Not sure*

Assuming that Government go ahead with a countrywide DRS scheme, we would like to see it rolled out as soon as is feasible to sit alongside the collection consistency and Extended Producer Responsibility policy changes starting in 2023. Assumptions made, and responses given in the 2019 consultations, will naturally have altered now, since the pandemic. Householder shopping and working habits have greatly changed and behaviours may change long term after social distancing is eased. Greater home delivery of groceries and other shopping is likely to continue. Therefore, fewer householders will make regular visits to supermarkets and civic centres and the RVM model for DRS is less applicable, especially if the 'All in' model is adopted. New modelling is needed to assess this change in consumer habits, triggered to move faster due to Covid. Many businesses, especially SMEs are under greater pressure than before and placing additional burdens of a DRS before the economy has settled must be taken into account. The outcome of digital kerbside trials; feedback from the EPR and consistent collections consultations and further work around householder behaviour post Covid must feed into the scheme design.

Q7 Do you believe the introduction of a deposit return scheme will have an impact on your everyday life? (P16)

a.) Yes, a detrimental impact

b.) No, there will be no impact.

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

a.) No significant impact

b.) Some impact but manageable

c.) Large impact but still manageable

d.) Large impact and impossible to comply with

Warwickshire Waste Partnership believes that local authorities will be on the receiving end of many of the enquiries about DRS when it is rolled out, especially regarding any Reverse Vending Machines that are sited in public spaces (as opposed to in commercial buildings). We will have to provide extra customer service support to cope with this.

Many residents, especially in flats, apartments and houses of multiple occupancy have very limited storage within the dwellings to separate and store multiple waste streams for recycling. Adding an additional waste stream which needs to be transferred to a collection point may cause problems for households where space is limited and they may complain to the council. If residents have limited storage, they may choose to place beverage containers in the kerbside recycling and then ask the council for this money back. Or their purchasing habits will change to choose products which do not have a deposit and therefore most likely to be harder to recycle, reducing the council's recycling performance.

If residents are generally making fewer journeys to stores post Covid-19, journeys may be made solely to redeem deposits which may adversely impact local air quality and increase carbon emissions. The councils of Warwickshire Waste Partnership are seeking to improve air quality and reduce local carbon emissions, and this will undermine these efforts. If people are making fewer journeys, the need to redeem a deposit could also be discriminatory against social groups which may rely on a regular deposit return for cash flow or have limited space for storage and need to make additional journeys to redeem the deposit or free up storage space.

Q8 Have your views towards implementation of a deposit return scheme been affected following the economic and social impacts of the Covid-19 pandemic? (P17)

a) Yes – because of economic impacts

b) Yes – because of social impacts

c) Yes – because of both economic and social impacts

d) No

e) Not sure

Kerbside recycling services across the UK have continued throughout the pandemic whereas the deliverability of a DRS over the past 12 months would have failed and moreover supply chains dependent on material flows would have been significantly disrupted.

Scope

Q9 Do you agree that the cap should be included as part of the deposit item in a deposit return scheme for: (P19)

a) Plastic bottle caps on plastic bottles – yes/**no**

b) Aluminium bottle caps on glass bottles – yes/**no**

c) Corks in glass bottles – yes/**no**

d) Foil on the top of a can / bottle or used to preserve some drinks – yes/**no**

*Caps which can easily be secured back on the packaging could be included as there is potential for this material to also be recycled and reduce the litter risk. So including the lid in any case should be allowed and encouraged via improved packaging design and national communications to prevent litter, but it should not be required.

To make it easier for the consumer, the systems should enable containers to be taken back with the cap on or off and the deposit to be paid regardless of whether a cap is present or not. The collections and sorting systems supporting RVMs must be capable of dealing with caps and lids. Further clarification is needed on how this could be managed at RVMs or digital solutions if redeeming the deposit is reliant on the lid being present.

Communications could be designed to tell householders not to include corks, to help reduce non-target materials. But as with kerbside systems now, sorting systems need to be able to cope with realistic levels of non-target items, as consumers do not always follow guidance.

Q10 Do you believe we have identified the correct pros and cons for the all-in and on-the-go schemes described above? (P26)

a.) Yes Please elaborate on your answer

b.) No Please elaborate on your answer

The DRS proposed requires extensive investment and will only result in good value for money in terms of gain in total recycling, recycling quality and reduced littering if designed well.

Warwickshire Waste Partnership is less convinced by the benefits of an 'all in' model than by the 'on the go' concept. We believe that a very comprehensive and universal recycling kerbside service led by the collection consistency policy, alongside much improved packaging labelling enforced by the EPR policy, will lead to large improvements in both the quantity and quality of household packaging material presented at the kerbside. Demand for recycled content, including plastic through the plastic tax policy, will lead to improvements in MRF technology, further enhancing quality. Consumers should not be in any way confused if there is clear and unambiguous labelling for in-scope containers, alongside a national promotional campaign. An 'on the go' solution will be cheaper and quicker to implement in terms of RVM infrastructure and will have less impact on established kerbside collections.

Areas where we do not think enough consideration has been given are:

The impact of Covid-19 and change in behaviours long term.

Impact of an 'all in' system on small shops with little storage space operating a manual return system.

The impact on families on low income of the cost of the initial shop the first week or month that an 'all in' DRS is introduced and further impacts if they are not able to frequently redeem deposits. 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 partially emptied in search of redeemable containers, which again can lead to littering.

Other items, such as takeaway cups, food packaging and plastic films are also commonly littered. These items will need to be cleared and the impact on 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.

There is no information about whether, when a network of external RVMs is installed, the risk of anti-social behaviour (theft, vandalism and littering due to broken RVMs etc) is increased. 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.

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.

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. (P26)

a) Yes

b) No

This would add another layer of complexity to managing the system if there is a mix of 'on the go' and 'all in' systems. Communications could be challenging and could lead to confusion especially for areas where there is regular movement across borders. The system could be less efficient and could lead to additional costs as multiple systems are managed. These issues could also apply between Scotland and England where schemes could also be different.

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? (P27)

a) All-in

b) on-the-go

Please elaborate on your answer.

A DRS should be part of an integrated system of resource and waste management that does not compete with existing recycling services which have proven to be highly successful in delivering significant increases in recycling. Recycling rates for some materials within scope of the proposed DRS, such as metal and glass, are already high. Warwickshire Waste Partnership therefore believes there is likely to be little net overall gain in the capture of glass through inclusion in a DRS.

One of the key objectives for the scheme is to reduce littering. An 'on the go' scheme will contribute to this whereas an 'all in' scheme is likely to have less benefit, as the items will be more commonly consumed at home and therefore the potential for it to be littered very low.

We are concerned that an 'all-in' scheme would change the public's perception of recycling. People may prioritise recycling DRS material as there is a financial incentive and think that, because other materials do not have this incentive, recycling those materials is less important.

Warwickshire Waste Partnership considers an 'on the go' scheme is a fairer system for residents where there is a greater choice in whether to pay a deposit, by giving the option to use reusable items from home. An 'all in' system will also include more frequently purchased items where the deposit is therefore much harder to avoid, having a greater impact on those on lower incomes.

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? (P27)

a) Yes

b) No

*An 'on the go' DRS would be less disruptive, on the grounds it would have fewer materials and therefore less tonnage in scope. The footprint of an 'on the go' DRS would be smaller, the installation and ongoing costs would be lower, and the logistics of managing closed loop systems would be smaller.

Warwickshire Waste Partnership believe consumers have greater opportunity to choose to avoid paying the deposit by changing behaviours with an 'on the go' scheme. An 'all-in' system reduces this potential and could be more disruptive to those especially on lower incomes, who, given the impact of COVID-19, could be struggling more.

It is probable that people will continue to make more online purchases than they did pre Covid-19, with fewer trips to retailers. Also more people are likely to be working from home. at least some of the time. This may therefore require an additional journey specifically to redeem deposits.

An 'all in' system will require residents to separately store this material until a visit to a return point or potentially require an additional journey. 'On the go' is likely to be less disruptive, as there is potentially greater opportunity to return the item before returning home.

Q14 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)? (P27)

a.) Yes

b.) No - If no, how would you change the definition of an on-the-go scheme?

Warwickshire Waste Partnership believes that the size should be altered to less than 700ml, as this would make sure that spirit bottles of 70cl capacity would be excluded. This would ensure that the majority of glass containers would be outside of scope and would alleviate a lot of the health and safety concerns over broken glass and noise at deposit points. It would also make sure that most 'on the go' type plastic and metal containers were still within scope.

Warwickshire Waste Partnership thinks that multipack containers should be in the 'on the go' scope, as these items are regularly consumed away from the home and littered. It is also a clearer message for residents that all cans and individual-drink plastic bottles are covered under the scheme.

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? (P27)

a) Yes

b) No

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 littered.

Materials

Q16 Please provide any information on the capability of reverse vending machines to compact glass? (P29)

Warwickshire Waste Partnership does not have knowledge of the suitability of RVMs to compact glass. There are concerns about how intact the glass will remain and if it is broken too much this may preclude it then being used for remelt and may cause quality issues for other materials placed in a RVM.

Q17 Do you agree that the scope of a deposit return scheme should be based on container material rather than product? (P31)

a. Yes

b. No

*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. The system needs to be easy to use, if consumers have a poor understanding of materials in scope and regularly have products rejected, this could lead to low engagement with the scheme and increased complaints to local authorities.

In general, local authority recycling information details the types of products that can be recycled without referring to polymer resin codes, as these can be confusing and misleading. If the DRS in-scope items are to be determined by the material rather than the product, this could be confusing to residents and would rely heavily on clear labelling and the vast majority of consumers being able to understand the label, including those where English is not their first language. A poor understanding of what materials are in scope could potentially lead to an unintended consequence of out of scope containers being returned and rejected at RVMs or return points which may then be littered rather than returned to the home for correct disposal/recycling.

There is a greater incentive provided to producers to use different materials in the product to avoid the DRS charges. The alternatives, for example greater use of cartons, cups, pouches or bioplastics may not be recyclable through kerbside and could lead to greater contamination levels and rejected loads.

Q18 Do you agree with the proposed list of materials to be included in scope? (P31)

a. Yes

b. No

*Cartons

Warwickshire Waste Partnership recognises that cartons are to be excluded due to potential capacity issues of current recycling infrastructure. This raises concerns because cartons are included in scope for kerbside collections in the consistent collections consultation. We would only support cartons being excluded from DRS and included in kerbside collections if sorting and reprocessing infrastructure is in place and a guaranteed long-term market is available for the material. There is the potential for the use of cartons to increase, if out of scope, as there could be a 'material shift' to any out of scope material to avoid applying a deposit, including cartons, cups, pouches and bio-plastics.

Glass

Warwickshire Waste Partnership thinks that the inclusion of glass drinks containers in a DRS can naturally be reduced by reducing the maximum size to **below** 700ml. We are aware that there is a potential health and safety issue around the noise associated with collecting glass via DRS, as well

as the potential for broken glass at collection points. However, there is a strong desire to retain smaller glass containers in a 'on the go' scope, as littered glass causes fires and is a danger to people and animals.

Q19 Do you consider there will be any material switching as a result of the proposed scope? Please provide evidence to support your response. (P19)

- a. Yes
- b. No

Warwickshire Waste Partnership is concerned that producers could switch to materials out of scope of a DRS for the drinks packaging and consumers may seek out non-scope packaging to avoid the deposit fee. This could be a switch to cartons, cups or pouches or to novel paper or bioplastic bottles. A similar example is where supermarkets have shifted to using bioplastics due to customer demand for less plastic use. This has created contamination of kerbside recycling systems where it is not compatible in either the organic or the dry recycling collections.

Consumers may also choose to buy larger containers to avoid the deposit fee. For less healthy options such as fizzy 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 will be wasted as a result of buying more than is needed.

Targets

Q20 Which of the following approaches do you consider should be taken to phase in a 90% collection target over 3 years? (P33)

- a) 70% in year 1, 80% in year 2, 90% in year 3 and thereafter
- b) 75% in year 1, 80% in year 2, 90% in year 3 and thereafter
- c) 75% in year 1, 85% in year 2, 90% in year 3 and thereafter
- d) 80% in year 1, 85% in year 2, 90% in year 3 and thereafter

*The investment required for the DRS to operate is significant. An ambitious recycling rate is necessary to achieve the outcomes anticipated, whilst generating the required income to manage the scheme. There are doubts about such targets being achieved in the UK, when there is already a comprehensive kerbside collection system for the vast majority of containers and material recycling rates of 65% to 70% are already being achieved.

Q21 What collection rate do you consider should be achieved as a minimum for all materials after 3 years? (P33)

- a) 80%
- b) 85%
- c) 90% collection rate should be achieved for all materials

*To make the DRS system worthwhile, it should achieve a high capture rate. The less effective a DRS is in collecting targeted material, the more duplication it will have with the existing kerbside collection system and the higher producer costs will be.

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? (P33)

- a. Yes
- b. No

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 either proposed scheme. If the scheme is to operate without a digital option, it is likely a higher rate of capture would be achieved from 'on the go' as it is likely to be more convenient to return the product.

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? (P34)

a) **The producer/importer**

b) *The retailer*

c) *Both the producer/importer and retailer*

The producer should be responsible for reporting volumes placed on the market. The in-scope items are unlikely to be held in storage for any considerable period and is therefore likely to be a reasonably representative annual figure. Reporting by 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? (P35)

The waste Duty of Care applies, it is therefore 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.

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? (P39)

a) *3-5 years*

b) *5 – 7 years*

c) *7 – 10 years*

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? (P41)

a. **Yes**

b. *No*

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 case for the digital option for kerbside collections will depend on the results of the trials in Wales and Northern Ireland.

Q27 Do you agree that the above issues should be monitored as Key Performance Indicators? (P42)

a. Yes

b. No

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

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. Warwickshire Waste Partnership would like to see KPIs that measure the availability of RVMs – how much time they are available for use and not full etc.

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? (P43)

a. Yes

b. No

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.

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? (P43)

a. Yes

b. No

Financial Flows

Q30 What is an appropriate measure of small producers for the purposes of determining the payment of registration fees? (P45)

a. Taxable Turnover

b. Drinks containers placed on the market

c. Any other

Q31 Is a high level of unredeemed deposits funding the scheme problematic? (P46)

a. Yes

b. No.

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 has low recycling rates, is operating inefficiently and is costing producers more than envisaged.

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.

Q32 Which option to treatment of unredeemed deposits do you support? (P48)

Option 1

Option 2

*Producers should not benefit from low capture rates by having lower fees and 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.

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? (P48)

No

Q34 If a floor is set do you consider that this should be set at: (P48)

a) 25% of net costs

b) 33% of net costs

c) 50% of net costs

d) Other

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

Invested in the scheme

other environmental causes? (P48)

*Any excess funds should be used to increase the environmental outcomes of the scheme, which could be to increase the recycling rate or other positive environmental outcomes such as providing support to local authorities to improve kerbside collections or support to producers to reduce carbon emissions. The DRS only considers the waste aspects; in line with the 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.

Q36 What should be the minimum deposit level set in legislation? (P50)

a.) 10p

b.) 15p

c.) 20p

d.) Other

Q37 Do you agree that there should be a maximum deposit level set in legislation? (P50)

a. Yes

b. No

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

a.) 30p

b.) 40p

c.) 50p

d.) Other

If the level is set too high, those on lower incomes will 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. 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.

Warwickshire Waste Partnership believes that 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 things such as setting deposit levels.

There are concerns regarding how deposit levels may vary from those 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 the reasons are communicated.

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? (P51)

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

Q39 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? (P51)

Warwickshire Waste Partnership would support the DMO being directed to introduce a variable deposit to minimise the multipack impact. A variable deposit level on multipacks could help to minimise the deposit cost of multipacks and larger beverage packaging.

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? (P54)

No

Warwickshire Waste Partnership agrees that all retailers should be obligated to ensure a wide network of return points. That said, there does need to be consideration of how very small businesses and on-street sellers are impacted. It seems reasonable that “retailers” on this scale are treated separately to larger retail sites.

The consultation outlines that the third sector could host voluntary return points. 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? (P54)

Yes

It is almost inevitable that there will be delays some of the time for high demand return points such as supermarkets, especially during busy periods. The equipment could experience technical malfunction or become full. 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 - more likely if an ‘all in ‘ system is adopted. This also relates to potential changes in behaviours post Covid-19 and the potential incorporation of a digital solution.

Q42 Do you have a preference, based on the 3 options described above, on what the schemes approach to online takeback obligations should be? (P57)

Option 3 is preferred.

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.

Q43 Do you agree with the proposed criteria for the calculation of the handling fee? (P57)

a. Yes

b. No

If no, would you propose any additional criteria are included for the calculation of the handling fee?

Q44 Please tick which exemptions you agree should be included under the scheme: (P60)

a. Close proximity

b. Breach of safety

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 its ongoing validity would need to mitigate these sort of free rider circumstances.

Breach of Safety – Yes under a suitable system

Warwickshire Waste Partnership 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.

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? (P60)

No comment

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? (P60)

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

a.) Signage to demonstrate they don't host a return point;

b.) Signage to signpost consumers to the nearest return point;

c.) Anything else?

No comment

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? (P61)

Yes / No

Please explain your answer.

No comment

Q48 How long do you think exemptions should be granted for until a review date is required to ensure the exemption is still required? (P61)

a.) 1 year

b.) 3 years

c.) 5 years or longer

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? (P64)

a. Yes

b. No

*Warwickshire Waste Partnership thinks that technological solutions will be vital to ensure that online shopping customers are able to collect deposits on containers that they have previously bought online. A handheld device can be used to scan items when the next delivery is delivered. If a 'on the go' system is adopted, then returns via the kerbside system that are digitally enabled would be an unnecessary additional step. If 'all in' is adopted and digital forms a significant part of the strategy, many people will not have the smartphone necessary, or the ability to get and use the app to scan their items.

Adding digital deposit return to an already extremely expensive scheme to set up, would likely involve adding a barcode or chip to the recycling bin or bins of every household. It is felt that the public will not welcome this. It would also be necessary to give every beverage container an unique code and the ability of the system to know that the items had been purchased, otherwise some unscrupulous people will scan bottles in the shop to redeem deposits on items that they have no intention of buying. A digital kerbside method, with the scanning of a recycling bin, gives no guarantee that the item will subsequently be put in the correct bin. Nor will it ensure any kind of improved quality, as it will not prevent contamination.

We can see that a digital solution for the kerbside would be easy for residents and would increase capture rates and reduce carbon emissions of special trips to return containers, especially in rural areas. However, we do not know if any digital method that can surmount the problems listed above.

If a digital kerbside DRS were to be taken forward, then there would 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, being 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, which is the payment system Warwickshire Waste Partnership supports.

Q50 How could a digital deposit return scheme solution be integrated into existing waste collection infrastructure? Please explain your answer. (P64)

Most local authorities collect all of the types of beverage packaging that is in scope for DRS.

However, there is so much potential for accidental or deliberate misuse of a very simple scan and bin digital method, that a lot of extra infrastructure and tracking would have to be in place to prevent deposits being paid for material that has not been correctly deposited.

Each household would require a unique bar code or chip to be provided (preferably on the recycling bin/crate) to allow the deposit to be redeemed. This would be needed at roll out and for replacement bins. This bar code would have to be indelible and not possible to copy, so an unscrupulous person could not just take a photo of it and then use it in the park and still litter their items.

It would also be necessary to give every beverage container an unique code and the system the ability to know that the items had been purchased, otherwise some unscrupulous people will scan bottles in the shop (taking a copy of their bin barcode with them) to redeem deposits on items that they have no intention of buying.

If the different material types were required to be collected separately, that would require a significant additional investment.

The digital system would need a mechanism for dealing with faulty or damaged bar codes or the only option would be to redeem these products by return to store, creating complaints to local authorities.

There would be issues associated with blocks of flats, making sure that the correct bin barcode is allocated to the correct household.

Due to the above points and other likely un-envisaged issues, Warwickshire Waste Partnership does not believe that a workable digital kerbside DRS will be possible in the near future.

Q51 What are the potential fraud control measures a digital deposit return scheme could bring?
Please explain your answer. (P64)

Warwickshire Waste Partnership does not believe that a workable digital kerbside DRS will be possible in the near future, as we cannot envisage that the many fraud challenges it poses can be overcome.

The barcode the container would need to recognise when the deposit has been redeemed to prevent multiple deposit requests being made, so each product would need a unique code. 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 wrong container, residual waste, or littered. It would need to be impossible for the bin barcode to be copied for misuse. There would need to be controls that prevent 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.

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? (P64)

Yes

No

Please explain your answer.

Warwickshire Waste Partnership thinks that a digital return system without some very complicated controls in place could lead to containers being littered yet still having the deposit returned. Equally, the container could still be placed in the residual waste or litter bin, or be put in the wrong recycling bin in a kerbside sort system. If in-scope materials were captured through a comingled dry recycling scheme, MRFs could generate material streams of sufficient quality for most end market recycling. However, a Reverse Vend Machine will naturally produce greater quality, as the equipment should be able to prevent contamination and ensure a one, two or three material stream only.

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. (P64)

Local authorities have efficient collecting systems in place, providing an acceptable quality recyclate to reprocessors. Including a digital solution to the DRS system to incorporate kerbside collections could reduce the running costs of the scheme, as most of the infrastructure is already in place to collect this material. However, Warwickshire Waste Partnership thinks that the areas for fraud are great and therefore, very expensive measures would need to be put in place to prevent fraud and the costs fully covered. This would likely be so costly it would outweigh the saving made on potentially needing fewer RVMs.

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? (P65)

a. Yes

b. No

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

Warwickshire Waste Partnership believes that RVMs should require planning permission. This will allow councils to apply strict criteria for size, location and design for installation and ensure that this is adhered to. The work that will need to take place to grant planning permission in a controlled way is envisaged to be considerably less than the resources that would have to go into dealing with complaints arising from RVMs being placed in unsuitable locations or being an unsuitable design or size.

Labelling

Q55 Do you agree that the following should be part of a mandatory label for deposit return scheme products? (P68)

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

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

c) *the deposit price.*

Yes.

**The labelling serves two purposes, consumer information and then audit trail/repayment.*

Warwickshire Waste Partnership believes that an OPRL-style label could fulfil the consumer information aspect, providing 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.

Q56 Are you aware of further measures that can be taken to reduce the incidence and likelihood of fraud in the system? (P68)

No

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? (P69)

a. Yes

b. No

**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.

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? Please provide any evidence to support your answer. (P69)

Mandatory labelling should minimise the potential for fraud or confusion. 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.

Q59 Do you consider leaving any labelling requirements to industry to be a better option than legislating for mandatory labelling requirements? Please explain your answer. (P69)

Warwickshire Waste Partnership believes that the scheme should mandate the labelling content and design. 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.

Q60 Are you aware of any other solutions for smaller producers who may not currently label their products? Please explain your answer. (P69)

Providing smaller producers with stickers is a reasonable approach and would allow for any digital solutions to be easily adopted.

Q61 We believe 18 months is a sufficient period of time for necessary labelling changes to be made. Do you agree? (P70)

a.) Yes

b.) No

Can you provide any evidence to support your answer?

Q62 Will your processes change as a result of mandatory labelling? (P70)

a. Yes

b. No

c. Don't know

Please explain your answer.

This question is not applicable to Warwickshire Waste Partnership.

Q63 Do you agree that our proposed approach to labelling will be able to accommodate any future changes and innovation?

Yes / No / Don't know

Are you aware of any upcoming technology in the field of labelling? (P70)

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? (P75)

a. Yes

b. No

Please explain your answer

Warwickshire Waste Partnership does not support Option 1.

Warwickshire Waste Partnership thinks that it would be prohibitively expensive to separate DRS containers at the kerbside, as well as being inconvenient and confusing for the householder. Some MRFs will have the ability to identify and separate some DRS material, but none will be able to do this comprehensively and most will not be able to at all. Even with the most sophisticated equipment, some DRS containers will be missed as they will be broken, dirty or unrecognisably crushed. If in-scope items are required to have the caps on to be eligible for the deposit, this is not something a MRF would be able to check for. It is likely that agreements with the MRF could also be difficult.

Compositional analysis which will be in place for EPR will help to identify averages for DRS scope material over time, which fits with Option 2.

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.

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? (P75)

a. Yes

b. No

Warwickshire Waste Partnership does not support payment option one.

We are not confident that agreements could be easily or equitably renegotiated. If MRFs need to put in place additional sorting infrastructure 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. If additional sorting is required at the MRF, these costs should not be met by the local authorities in terms of higher gate fees.

Local authorities should receive the deposit for the material collected by them and will rely on accurate reporting from the MRF. If a digital solution is adopted for kerbside collections, the deposit will have been redeemed by the resident and so will not need paying to the local authority. Instead, it is the costs for collecting and processing the material that would need to be covered. With the digital system, there is an issue of the kerbside containers containing some items that have been scanned and the deposit redeemed and some where they have not been scanned. How would the amount that the LA should get back for the unscanned items be worked out?

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? (P77)

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 local authority 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 local authorities may receive a relatively constant payment and the MRFs claim any excess deposits if there are any. It should not be the local authority having to undertake the compositional analysis.

It is noted that an assumption has been made that the proportion of 70% of recycling of drinks beverage packaging would continue once the DRS material has been removed. Warwickshire Waste Partnership believes this is unlikely to remain constant as residents who currently recycle well may be more likely to use the DRS return options. The 7% estimation for the kerbside recycling may therefore not be representative if the high DRS rate of 90% is achieved, furthermore the proportion in the residual stream could also be higher. Further modelling and compositional analysis once the DRS system is in place would be required to ensure LA payments were representative of the materials being collected.

Q67 How difficult do you think this option would be to administer, given the need to have robust compositional analysis in place? (P78)

Please explain your answer.

This option is only a potential approach if the majority of LAs 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 is 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 be in the kerbside recycling, residual bin or littered. Occasional compositional analysis could be completed to confirm this. Warwickshire Waste Partnership considers it will be difficult to administer this option and does not support it.

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? (P78)

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.

Warwickshire Waste Partnership strongly supports option 2.

Option 2 maximises the potential return of DRS material and offers a fair system of payment to cover all the DRS material local authorities 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 local authority 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 local authority should not be financially disadvantaged for failures in the DRS that the local authority cannot control.

Compliance Monitoring and Enforcement

Q69 Are there any other producer obligations you believe the Environmental Regulators should be responsible for monitoring and enforcing? (P81)

Warwickshire Waste Partnership agree that the proposed areas for monitoring and enforcement by the Environmental Regulators is reasonable.

Q70 Are local authorities (through the role Trading Standards and the Primary Authority Scheme) best placed to enforce certain retailer obligations? (P82)

a. Yes

b. No

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?

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

The consultation proposes that the cost burden of enforcement undertaken by local authorities is largely addressed through the Primary Authority scheme. However, this is voluntary and does not necessarily ensure that enforcement would not be needed against participating retailers (with the cost of this not covered in that event). The businesses that are most likely to commit offences are less likely to be involved in the scheme (either individually or through a trade association).

Local authority Trading Standards are best placed to enforce these requirements. It needs to be recognised that this would be a new burden and so should be funded by obligated producers (as is proposed with enforcement of the EPR requirements by the Environment Agency).

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. (P84)

TBD by Warwickshire Trading Standards.

Q72 Are there any vulnerable points in the system? (P84)

Please explain your answer.

TBD by Warwickshire Trading Standards.

Q73 Do you see a role for the Deposit Management Organisation to seek compliance before escalating to the Regulator? (P84)

Yes, there should be an informal approach by the DMO to establish if less significant issues can be resolved before escalating to the formal enforcement process. 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. (P85)

Warwickshire Waste Partnership agrees to the tiered approach to enforcement, offering resolution of increasing significance before relying on more time-consuming legal approaches.

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? (P87)

Warwickshire Waste Partnership think that the DRS scheme should be rolled out as soon as possible, to work alongside the new EPR and consistent collection changes. It is important that the system is designed well, but any unnecessary delays will not address the litter issue, which is one of the most important drivers for this policy. Delays will not escalate an improvement in capture and quality and the environmental and climate change improvements that come with increased quantity and quality of recycling.

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. (P88)

a.) 12 months

b.) 14 months

c.) 18 months

d.) Any other (please specify)

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 and the changes under EPR and consistent collections also taking place, it would be seem that a period of 24 months is more realistic.

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? (P88)

The impacts on the implementation period depends on which option is selected regarding data requirements for local authorities. For an 'all in' system, this needs 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.

Q78 Do you agree with the analysis presented in our Impact Assessment? (P94)

a. Yes

b. No

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

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.

Warwickshire Waste Partnership does not agree with the analysis presented on littering and thinks 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, litter 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.

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. It is difficult to comment fully as the scale and cost of key scheme requirements, such as compositional analysis and 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.