

# NAWDO response to DEFRA consultation on introducing a Deposit Return Scheme in England, Wales and Northern Ireland

## About you

1. **Would you like your response to be confidential?**  
No.
2. **What is your name?**  
Gurbaksh Badhan, as Chair of the National Association of Waste Disposal Officers (NAWDO).
3. **What is your email address?**  
admin@nawdo.org.uk
4. **Please provide information about the organisation/business you represent.**  
Other – Local Authority Officer Association: National Association of Waste Disposal Officers (senior officers working full-time on waste disposal matters, representing 80% of the waste disposal and unitary authorities in the UK). Please refer to <https://nawdo.org.uk/about-nawdo> for further information.
5. **Please provide any further information about your organisation or business activities that you think might help us put your answers in context. (Optional)**  
Please see response details contained within Q.4, NAWDO is a Local Authority Officer Association of senior officers working full-time on waste disposal matters, representing 80% of the waste disposal and unitary authorities in the UK.
6. **Does your organisation have any recent experience of a DRS or related policy schemes? If so, can you please briefly explain your experiences?**  
Yes, via reporting on schemes operating abroad as well as through work WRAP has undertaken around DRS schemes.
7. **Are you content for the UK government, or in Wales, the Welsh Government, or in Northern Ireland, DEFRA to contact you again in relation to this consultation?**  
Yes, NAWDO is content.

## Basic principles for a DRS

8. **Do you agree with the basic principles for a DRS?**  
Yes, NAWDO agrees, but the principle of 'full net cost recovery' (FNCR) should also

be a key principle so that producers always have the full financial incentive to minimise the impacts of their products post-use. A DRS established as part of a wider EPR regime ensures clear responsibility for end-of-use management of resources and should have a positive impact on wider public and consumer behaviour.

We want the Government to be mindful of unintended consequences of a DRS scheme including bin-diving and theft of DRS containers. We would suggest suitable mitigation measures are put in place by the Government to prevent this resulting in more littering and anti-social behaviour.

## Proposed models for a DRS system

### 9. Should the following materials be-in scope of a DRS:

- a. PET bottles  
Yes – NAWDO notes these are already widely recyclable.
- b. HDPE bottles  
Yes - NAWDO notes these are already widely recyclable.
- c. Aluminium cans  
Yes - NAWDO notes these are already widely recyclable.
- d. Steel cans  
Yes - NAWDO notes these are already widely recyclable.
- e. Glass bottles  
Yes - NAWDO notes these are already widely recyclable.
- f. Other (please specify)  
NAWDO believes all reasonably foreseeable substitutes for the above should be included, as Q.10 below

### 10. Should the following materials be-in scope of a DRS:

- a. Cartons e.g. Tetrapack  
Yes. NAWDO notes these are already widely recyclable and a foreseeable substitute for the materials at Q.9 to which producers might switch if it were not in scope.
- b. Pouches and sachets, e.g. for energy gels  
Yes. NAWDO notes these are a foreseeable substitute for the materials at Q.9 to which producers might switch if it were not in scope.

### 11. If a DRS were to be introduced, should provisions be made so that glass bottles can be re-used for refills, rather than crushed and re-melted into new glass bottles?

Yes. NAWDO believes incentives to refill should not be limited to glass. Waste prevention should be clearly treated as superior to recycling in the architecture of the DRS. In particular for water, schemes to promote water fountains and/or shops willing to top-up people's water bottles with tap water should be supported above recycling.

**12. Should the following drinks be in-scope of a DRS:**

- a. Water  
Yes. But NAWDO believes this should be with incentives and/or encouragement to reuse too, as all such bottles could be re-filled a number of times by the original consumer for his/her own use.
- b. Soft drinks (excluding juices)  
Yes. NAWDO believes these should be in-scope.
- c. Juices (fruit and vegetable)  
Yes. NAWDO believes these should be in-scope.
- d. Alcoholic drinks  
Yes (all). NAWDO believes these should be in-scope. We can see no rationale for exempting any types of alcoholic drinks.
- e. Milk containing drinks  
Yes. NAWDO believes these should be in-scope.
- f. Plant-based drinks (such as soya, rich almond and oat drinks)  
NAWDO believes these should be treated the same as milk bottles. From the resources and waste management perspective, plant-based drink bottles should be in-scope, but this may require other mitigating measures from a public health perspective, particularly when considering those who cannot consume dairy products. If such mitigating measures are considered by Government not to be appropriate, NAWDO notes that milk bottles and non-dairy equivalents are sometimes excluded from DRSs in other countries and would consider this acceptable for the UK. If these are not included in the DRS scheme, they should be covered within the EPR to ensure FNCR of packaging of this material placed on the market.
- g. Milk  
From the resources and waste management perspective, NAWDO believes milk bottles should be in-scope, but this may require other mitigating measures from a public health perspective. If such mitigating measures are considered by Government not to be appropriate, NAWDO notes that milk bottles are sometimes excluded from DRSs in other countries and would consider this acceptable for the UK. If these are not included in the DRS scheme, they should be covered within the EPR to ensure FNCR of packaging of this material placed on the market.
- h. Other (please state which):  
Yes – NAWDO believes the principle should be that all drinks containers are in-scope unless explicitly designated as being not in-scope, but they should

be covered within the EPR to ensure FNCR of packaging of this material placed on the market.

**13. Do you think disposable cups should be in the scope of a DRS?**

- a. Disposable cups made from paper with a plastic lining (such as those used for coffee)  
Yes – NAWDO understands the Government's main objectives to be improved resource management and reduced litter, so it would appear contrary to both of these to exclude such cups.
- b. Disposable cups made of plastic (such as those used in vending machines)  
Yes – NAWDO understands the Government's main objectives to be improved resource management and reduced litter, so it would appear contrary to both of these to exclude such cups.

**14. Do you agree with the proposed material flows as described above?**

No.

- 1) NAWDO believes the role of local authorities and our waste handling systems is missing, yet we will be collecting these drinks containers in litter, recycling and residual waste. It is essential that the EPR consultation's commitment to 'full net cost recovery' is implemented fully if LAs are not to receive the deposits, unless they act as 'vendor' or as a return point.
- 2) NAWDO suggests potential confusion may be avoided between DRS terminology and EPR/PRN terminology if the term "packer-filler" is used here rather than "producer".

**15. Do you agree with the proposed financial flows as described above?**

No. – NAWDO believes unredeemed deposits should not be retained by the DMO or their value returned to producers in a way that creates a perverse incentive not to maximise deposit returns, which may well be the most expensive form of producers' compliance. In essence, the flows as set out could be viewed as seen as an obstacle to the aims of DRS and could affect public acceptance because the 'producers' will get their money back to fund the DRS and potentially make a profit.

Additionally, we would like to flag that the local authority role is missing from Figure 1 (p.25), therefore it is not possible to determine how our role should be shown given that we do not know if/how the same drinks containers will be provided for in new EPR policies and structures. The key guiding principle however must be that of 'producer responsibility' such that through 'full net cost recovery' local authorities are no longer paying for these items.

## **Overlap with the packaging producer responsibility system**

**16. Should producers obligated under a DRS be:**

- a. Exempt from obligations under the reformed packaging producer responsibility system for the same packaging items?

No, NAWDO thinks not.

- b. Also obligated under the reformed packaging producer responsibility system for the same packaging items?

No, NAWDO thinks not.

- c. Other (please explain)

Yes, NAWDO believes any DRS should be fully integrated into a wider EPR scheme.

- d. I don't know/I don't have enough information

N/A.

NAWDO believes the possibility of creating loopholes and/or double-obligations appears too great in such a multi-faceted new regime, and the best way to avoid this risk would appear to have all such schemes run by a single body.

- 17. If producers were obligated under both a DRS and a reformed packaging producer responsibility system for the same packaging items, how could we effectively ensure that they would not be unfairly disadvantaged by a 'double charge'?**

NAWDO believes that all such schemes should be run by a single body to minimise both the double-charging risk and the possibility of creating compliance loopholes.

If the two schemes are not run by a single body the DMO will need to be fully linked to the EPR scheme, this could be done through shared representation across both schemes.

## **Deposit Management Organisation (DMO)**

- 18. Do you agree that the DMO should be responsible for meeting high collection targets set by government?**

Yes, NAWDO agrees. But there needs to be sufficient feedback loops (targets or financial instruments/measures) to ensure individual producers have every incentive to improve their own environmental performance. The targets should be published on a regular basis and set out responsibilities & accountabilities for meeting such targets

- 19. Should the DMO also be responsible for meeting high recycling targets set by government?**

Yes, NAWDO agrees. But there needs to be sufficient feedback loops (targets or financial instruments/measures) to ensure individual producers have every incentive to improve their own environmental performance.

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

**20. Should unredeemed deposits be used to part-fund the costs of the DRS system?**

No, NAWDO does not agree. Unredeemed deposits should not go back to the DMO in a way that then subsidises the cost of compliance to the DMO and producers. Rather they should be used as a contribution to ensuring local authorities' costs of managing these items, including collection, treatment and disposal, are fully covered under FNCR principles.

**21. If unredeemed deposits are not used to part-fund the costs of the DRS system, do you agree they should be passed to government?**

No, NAWDO does not agree. Unredeemed deposits should not go back to Government unless it is a way of ensuring they are used as a contribution to ensuring local authorities' costs of managing these items, including collection, treatment and disposal, are fully covered under FNCR principles.

**22. Do you have alternative suggestions for where unredeemed deposits could be allocated?**

Yes, NAWDO agrees. Unredeemed deposits should be used as a contribution to ensuring local authorities' costs of managing these items, including collection, treatment and disposal, are fully covered under FNCR principles.

**23. If the scheme is managed by the DMO, which of the following bodies should be represented on the management board:**

- a. Industry (drinks producers)?

Yes, NAWDO agrees.

- b. Government

Yes, NAWDO agrees.

- c. Trade associations representing those hosting return points (e.g. retailers, small shops, transport hubs)?

Yes, NAWDO agrees.

- d. Companies representing those hosting return points (e.g. retailers, small shops, transport hubs)?

Yes, NAWDO agrees.

- e. Other (please specify)

Yes, NAWDO believes Local authority representation needs to be included. We manage a large proportion of these items, and although we expect to manage a declining proportion, we will continue to have an interest from the litter and wider public health points of view.

Public perception is that it is their local council's duty to protect and be accountable for the local environment, and as such local authority representation is key.

**24. Should there be government involvement in the set-up/running of the DMO body?**

Yes, NAWDO agrees. The Government must remain the primary body to ensure the EPR targets are met, presumably in turn being held to account by the proposed Office for Environmental Protection (OEP). The Government may discharge its delivery responsibilities through a DMO and its regulatory responsibilities through the EA and DA counterparts, but NAWDO cannot see how the Government will not be involved in the set-up/running of any DMO.

**25. Do you agree with the government's proposals that a DMO would:**

- a. Advise government on the setting of the deposit level/s  
Yes, NAWDO agrees.
- b. Set producer/importer fees  
Yes, NAWDO agrees.
- c. Be responsible for tracking deposits and financial flow in the DRS – and ensuring those running return points are paid the deposits they refund to consumers  
Yes, NAWDO agrees, and suggests the DMO should be accountable for the funds.
- d. Set and distribute the handling fees for return points  
Yes, NAWDO agrees.
- e. Be responsible for ensuring that there are appropriate return provisions for drinks containers in place, and that these are accessible?  
Yes, NAWDO agrees.
- f. Be responsible for maintenance of reverse vending machines (RVMs) and provision of bags/containers to those running manual return points  
Yes, NAWDO agrees.
- g. Own the material returned by consumers  
Yes, NAWDO agrees.
- h. Reimburse those transporting returned drinks containers to recyclers/counting/sorting centres – and manage these contracts  
Yes, NAWDO agrees.
- i. Fund counting sorting/centres – and manage the contracts for counting/sorting centres  
Yes, NAWDO agrees.
- j. Be legally responsible for meeting the high collection targets set by government for drinks containers within scope of the DRS.  
Yes, NAWDO agrees.
- k. Measure and report recycling rates to government  
Yes, NAWDO agrees.



- I. Run communications campaigns to aid consumer understanding of the DRS  
Yes, NAWDO agrees. – Or alternatively this role may be given to WRAP, but only if they are in turn accountable, publishing and sharing data & evidence on a regular basis. Funding for these communications campaigns should be allocated by the DMO.

## Producers

**26. Do you agree with our proposed definition of a producer?**

Yes, NAWDO agrees. – See our response to Q.14

**27. Should there be a de minimis which must be crossed for producers and importers of drinks in-scope of a DRS to be obligated to join the scheme?**

NAWDO doesn't have enough information – especially regarding 'importers'; the financial material flow model does not reflect importers nor align with the requirements placed on the producer, both roles would need further definition.

**28. Should a de minimis be based on:**

- a. Number of employees
  - i. If yes, how many employees?
- b. Sales figures
  - ii. If yes, what figure? – NAWDO believes the 'craft' industry e.g. beer would benefit from this, say, with a low unit sales pa, especially as the business model for most of these businesses is based on ground breaking sustainable container & waste models. NAWDO does not have figures.
- c. Volume/weight of drinks put on the market
  - iii. If yes, what volume/weight?
- d. None of these
- e. Other

**29. If there is a buy back scheme for recycled materials, do you have evidence for how this could be effectively run?**

**30. In line with the principle of full net cost recovery, the government proposes that producers would cover the set up costs of the DMO? Do you agree with this proposal?**

Yes, NAWDO agrees. This is the only way for the DRS to be accepted and embraced by consumers.



**31. Should the DMO be responsible for co-ordinating the set-up of the DRS, including buying RVMs and an IT system?**

Yes, NAWDO believes it should. In relation to IT systems for drinks containers in LACW, we would hope that the DMO would supply local authorities with timely tonnage data such that we can include it in our submissions to WasteDataFlow in order to fully report on the overall recycling rate in our areas. If this was not to happen, there will need to be a requirement to report data so that this information is captured in order to measure if targets are being met.

## **Operational costs**

**32. Should producers of drinks within a DRS be responsible for DRS operational costs?**

Yes, NAWDO believes they should. This is an essential part of 'extended producer responsibility' and, as such, the costs cannot fall anywhere else without undermining EPR principles.

## **Retailers / return provisions**

**33. Which of the following should be obligated to host a return point?**

- a. Retailers who sell drinks containers in scope

Yes, NAWDO believes they should. This should include online orders and delivery services (i.e. delivery vehicles should be required to find ways to take used drinks containers back).

- b. Transport hubs

Yes, NAWDO believes they should.

- c. Leisure centres

Yes, NAWDO believes they should.

- d. Event venues

Yes, NAWDO believes they should.

- e. None of these

- f. Other (please specify)

NAWDO believes that for a DRS to be successful, it must be as convenient as possible for consumers to return their used drinks containers and receive their deposit back.

To this end the Government may also wish to think about a class of places which might be permitted (but **not** obliged) to host a return point. This could include educational establishments, places of worship, parks, museums, galleries, sports clubs, conference centres, car parks, etc.

**34. What might the impacts be on those hosting:**

(a) Reverse vending machines? Where available, please share evidence to support your view.

(b) Manual return points? Where available, please share evidence to support your view.

**35. Are there any Health and Safety-specific implications that may be associated with hosting return points?**

**36. Is there a de minimis level under which businesses who sell drinks in scope should be exempt?**

Yes, NAWDO believes there should be. See response to Q.28

**37. Should a de minimis be based on:**

a. Floor size

i. If yes, what floor size?

b. Sales figures for drinks in scope

NAWDO believes this may possibly work. See response to Q.28.

ii. If yes, what figure?

c. Number of employees

NAWDO believes this may possibly work. See response to Q.28. Or possibly to ensure there are enough staff who can deal with the return and storing of returned items, i.e. one staff member may not be enough, but it is for the retail sector to provide evidence.

iii. If yes, how many employees?

d. None of these

e. Other (please specify)

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

**39. Do you have alternative suggestions for return provisions that could be used to accept the return of drinks containers? Please provide details.**

**40. For consumers who would have difficulty returning empty drinks containers, what provisions could be put in place so that these consumers are able to return drinks containers and receive their deposit refund?**

NAWDO believes the DMO should take steps to ensure that the “rural broadband” situation is not repeated, enabling/funding local authorities to provide the service could be an option, but full cost recovery would have to be formalised.

**41. What provisions could be put in place for rural areas where there may be few small retail outlets spread over a wider area, in order to ensure that there are adequate return and collection facilities?**

See NAWDO response to Q.40.

**42. Do you have evidence that would help inform us about whether there is potential for siting RVMs outdoors e.g. in parks, at existing outdoor recycling centres, on highstreets?**

**43. Should online retailers selling drinks in in-scope containers be obligated to pick up and refund DRS material?**

Yes, NAWDO believes they should. Otherwise the DRS would be a failure in the public point of view and cause more confusion, effectively setting up a two-tier system from the start. It would also support accessibility to the DRS for those who may struggle to get to normal shops, and will likely improve the customer-service offering of these online retailers.

However, this should probably only apply to those using the distribution format most commonly associated with the “home delivery” model of online grocery shopping, i.e. staff make a delivery at a pre-allocated time when the resident is at home, using a trolley and crates that they then return empty to their bespoke truck. For drinks that are sold online but distributed through postal services, the provision of a take-back scheme would not be practicable. The containers would therefore have to be able to be returned via RVMs and other return centres.

**44. Should there be a de minimis under which online retailers would not be obligated to pick up and refund DRS material?**

No, NAWDO believes they shouldn't.

If yes, should a de minimis for online retailers be based on:

- a. Sales figures for drinks in scope
- b. Number of employees
- c. None of these
- d. Other (please specify)

NAWDO does not have sufficient information to advise on this.

**45. Should certain businesses which sell drinks in in-scope drinks containers host return points, e.g. pubs, hotels, cafes? Please provide details.**

Yes, NAWDO believes they should. – It appears to NAWDO that such businesses can either manage them on-site (as they probably already do for glass), or they should be helping reduce the OTG problems arising from the products they sell.

**46. Should there be an opportunity for retailers that don't stock drinks / those who may not be obligated to provide a return point to 'opt-in'?**

Yes, NAWDO believes there should. – This will maximise the capture and recycling of drinks containers. As at the response to Q.33 above, this could include educational establishments, places of worship, parks, museums, galleries, sports clubs, conference centres, car parks, etc.

**47. Do you have any further views, comments or evidence in relation to retailers not already covered above?**

No.

## On-trade Sales

### 48. How should a DRS account for 'on-trade' sites such as bars and restaurants?

NAWDO believes the "on-trade" is effectively a closed loop so should be an effective model for any DRS

## The deposit

### 49. What do you consider to be the optimum deposit level to incentivise return of drinks containers?

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

NAWDO believes the level of the deposit should be set by the DMO, so that it can be varied in the light of experience. However, it is essential that any additional costs falling to local authorities from bin-raiding by people seeking to claim the deposits from other people's discarded drinks containers (from litter bins or recycling bins left out for collection) should be included in the calculation of 'full net cost recovery' (FNCR) so that producers do indeed pay the full cost of managing their wastes.

Some charities may have useful data on the extent to which their collections of textiles and/or bric-a-brac have been targeted by other people for personal profit.

Similarly, the Government may wish to test if there is accurate historic data on the relationship between scrap metal prices and the number of abandoned vehicles removed by local authorities, as anecdotally such vehicles once stickered for removal would often be removed by third parties very quickly when scrap metal prices were high. The unintended consequence is leakage through various competing material flow routes and how this would be addressed in capturing performance as well and aligning back accordingly.

### 50. Should the deposit level be a flat rate across all drinks containers covered by the DRS?

Please see NAWDO response to Q.49.

### 51. Should there be an alternative deposit level for drinks containers in a multipack, rather than each container carrying the same deposit?

No, NAWDO believes they shouldn't. – Multi-packs are understood by NAWDO to be quite often used by families for packed lunches, and as such should be included in all types of DRS and at the same deposit level.

### 52. How do you think deposits should be redeemed? Please tick all that apply.

- a. Voucher (for deposit value, printed by the reverse vending machine or by the retail assistant at manual drop-off points)

Yes, NAWDO believes they should.

- b. Digitally (for example a digital transfer to a smartphone application)

Yes, NAWDO believes they should.

- c. Cash

No, NAWDO believes they shouldn't. – So long as vouchers are very widely available, so that those who do not have reliable access to a bank account are still able to redeem their deposits rather than just face an additional cost that they may struggle to bear.

- d. Return to debit card

Yes, NAWDO believes they should.

- e. Option to donate deposit to charity

Yes, NAWDO believes they should.

- f. Other (please state)

NAWDO believes local authorities should be able to redeem drinks containers found in its street cleansing wastes and its recycling and residual waste collections. NAWDO would be happy to engage in dialogue about appropriate mechanisms.

Also, NAWDO is aware that in the past charities collected items such as foil milk bottle tops and newspapers as a way of fund-raising. We therefore suggest that the redemption regime should not prevent registered charities or other organised groups (e.g. schools) from collecting drinks containers and redeeming the deposits.

- g. None of the above

No.

## **Sending material on for recycling and data recording**

- 53. Should the DMO be responsible for ensuring that there is evidence that drinks containers have been recycled?**

Yes, NAWDO believes it should.

- 54. In addition to reporting on collection rates, should the DMO also be obliged to report on recycling rates of in-scope drinks containers?**

Yes, NAWDO believes it should.

## **Transparency**

- 55. How do you think transparent financial flows in a DRS could be achieved most effectively?**

NAWDO believes there should be regular publication of data /evidence setting out internal costs and payments to listed parties in line with public bodies. Clear transparency is needed.

# Monitoring and enforcement

## The DMO

- 56. Would Environment Agencies in England, Wales and Northern Ireland be best placed to monitor/enforce a DRS covering England, Wales and Northern Ireland?**

If no, why and is there another body that would be better suited to perform this function?  
Yes, NAWDO believes the EA is best placed.

- 57. How frequently should the DMO be monitored?**

(This monitoring would look at, i.e., financial accounts, material flows, proof of recycling rates, setting of deposit level (if done by the DMO))

- Other (please specify)

Yes. – Assuming the Government will want local authorities to include DRS data from their areas in WasteDataFlow (WDF) returns, NAWDO believes the DMO should be monitored quarterly (at least for tonnages), with data published in good time for local authorities to be able to include the performance in WDF.

- 58. How often should producers be checked for compliance with the DRS (if compliance is obligated)?**

b. NAWDO believes this should be done bi-annually, but clearly the regulator must be able to check for compliance at any time it wishes to outside of such routine checks.

- 59. Should enforcement focus on:**

b. NAWDO believes it should be all producers.

- 60. Should any penalties (fines) on the DMO or producers/importers be set by the regulator appointed to monitor the DMO?**

Yes, NAWDO believes they should.

## Fraud

- 61. Are there any points in the system which you think would be particularly susceptible to fraud? Please state**

NAWDO believes all points have the potential, however the pinch points are in effect those where the “expenses” are paid, and the DMO needs to take this into account.

- 62. Which labelling/markings on drinks containers in scope would best protect against fraud?**

Please select all that apply:

a. Deposit value amount

Yes, NAWDO believes they should.

b. Marking indicating inclusion in DRS

Yes, NAWDO believes they should.

- c. Existing product barcode (containing DRS information when scanned)  
Yes, NAWDO believes they should.
- d. Other (please specify)  
NAWDO cannot specify, but provision must be made for local authorities and their contractors in relation to drinks containers in street cleansing waste, recycling collections and/or residual waste streams.
- e. None of the above  
No.

- 63. How could return via reverse vending machines (RVMs) best be protected against fraud? We are particularly interested in any evidence you may have to support suggestions.**
- 64. How could the process of manual returns best be protected against fraud? We are particularly interested in any evidence you may have to support suggestions.**
- 65. How could a DRS best protect against fraud across Devolved Administrations in the event of similar schemes with common underlying principles (but not one uniform scheme)?**



## DRS Options – ‘all-in’ and ‘on-the-go’

### ‘All-in’ option

- 66. Should drinks containers over a certain size, for example beer kegs and containers used for water coolers, be excluded from an all-in DRS?**

NAWDO doesn't have enough information, but excluding such containers from the DRS would appear reasonable so long as these containers are captured under other EPR provisions, particularly producers' FNCR obligations. NAWDO suggests that any such exclusions should be set in a statutory instrument so that they can be amended in the light of experience.

- 67. If drinks containers over a certain size were excluded from an all-in DRS, what should the maximum cut-off size be?**

> 3 Litres

> 4 Litres

> 5

Litres

Other

Yes. – Please see excluded items as at NAWDO response to Q.66.

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

### ‘On-the-go’ option

- 68. Do you agree with our definition of ‘on-the-go’ as less than 750mls in size?**

Yes, but NAWDO supports ‘all-in’, not ‘on the go’ because producers can easily change the capacity of drinks containers if they think it economically advantageous to do so.

- 69. Do you agree with our definition of ‘on-the-go’ as excluding multipack containers?**

No. – Multi-packs are understood by NAWDO to be quite often used by families for packed lunches, and as such should be included in all types of DRS.

- 70. Based on the information above, and where relevant with reference to the associated costs and benefits outlined in our [impact assessment](#) (summarised below), which is your preferred DRS option?**

NAWDO's preferred DRS option is ‘All-in’.

NAWDO supports ‘all-in’, not ‘on the go’ because producers can easily change the capacity of drinks containers if they think it economically advantageous to do so, and the Government's objective to reduce litter disamenity indicates that the DRS should include the widest range of drinks containers possible (possibly except those containing just milk and milk substitutes). In calculating FNCR for local authorities, producers should be required to make a reasonable contribution to street cleansing costs, perhaps by reference to the volume of their wastes in litter bins.

# Summary of approach to Impact Assessment

## 71. Do you agree with our impact assessment?

No, NAWDO believes the funding model is a key piece of data and the current assumptions are vague and where they are stated to “un-monetised” they have never the less been given large social value in the model. Providing examples in the Impact Assessment would help provide meaning to the costs and savings given, which currently have little meaning to individual authorities. Further transparency is necessary for NAWDO in relation to the baseline data used to enable full consideration of the impact assessments

## 72. Do you think more data is needed? If yes, please state where.

Yes, NAWDO believes more data is needed, for example on household-like waste tonnages arising, and on the extent and range of local authority costs to be recovered under FNCR. It is not clear how local authorities can make strategic decisions with the current degree of uncertainty.

## 73. Are there other costs and benefits which we have not covered in our impact assessment?

NAWDO believes the whole area of unintended consequences is absent from the model & IA, especially those for local authorities.

## 74. Do you have further comments on our impact assessment? Please be specific.

## 75. The dual objectives of a DRS are to reduce litter and increase recycling. Do you wish to suggest an alternative model that would be more effective at achieving these objectives? If so please briefly describe it, making reference to any available evidence

Whilst NAWDO has reservations about the value-for-money of the currently proposed DRS, NAWDO believes a DRS can be an effective way of capturing a significantly higher proportion of these resources. Therefore believes it is important to consider final design and implementation as soon as possible, drawing on the lessons learned from the various UK retailers that are trialling this approach now and wider international experience, which we note has provided, mixed results.

## 76. A potential option for introducing a DRS could be to start with the ‘on-the-go’ model, and then expand/phase roll-out to ‘all-in’. Do you think this would be an effective way to introduce a DRS?

No, NAWDO believes it wouldn't. - The potential benefits from the nudge/culture change need to be realised with an ‘All In’ approach otherwise the DRS will not embrace all users /producers.

# Outcomes of what we are hoping to achieve

**77. Do you think a DRS would help us to achieve these outcomes? Please briefly state the reasons for your response. Where possible, please share evidence to support your view:**

- a. Reduction in litter and litter disamenity (include expected % decrease where possible)

NAWDO doesn't know, but it is essential that any additional costs/impacts falling to local authorities from the disamenity of bin-raiding by people seeking to claim the deposits from other people's discarded drinks containers (from litter bins or recycling bins left out for collection) should be included in the calculation of 'full net cost recovery' (FNCR) so that producers do indeed pay the full cost of managing their wastes. In calculating FNCR for local authorities, producers should be required to make a reasonable contribution to street cleansing costs, perhaps by reference to the volume of their wastes in litter bins.

- b. More recycling of drinks containers in scope of a DRS, especially those disposed of 'on-the-go'

Yes – but as at Q.75 NAWDO believes that a DRS can be an effective way of capturing a significantly higher proportion of these resources. Therefore believes it is important to consider final design and implementation as soon as possible, drawing on the lessons learned from the various UK retailers that are trialling this approach now and wider international experience, which we note has provided, mixed results.

- c. Higher quality recycling

Yes – but as at Q.75 NAWDO believes that a DRS can be an effective way of capturing a significantly higher proportion of these resources. Therefore believes it is important to consider final design and implementation as soon as possible, drawing on the lessons learned from the various UK retailers that are trialling this approach now and wider international experience, which we note has provided, mixed results.

- d. Greater domestic reprocessing capacity through providing a stable and high- quality supply of recyclable waste materials

NAWDO doesn't have enough information.

**78. Do you think a DRS, as set out in this consultation, is necessary in helping us achieve the outcomes outlined above?**

NAWDO doesn't have enough information, but as at Q.75 NAWDO believes that a DRS can be an effective way of capturing a significantly higher proportion of these resources. Therefore believes it is important to consider final design and implementation as soon as possible, drawing on the lessons learned from the various UK retailers that are trialling this approach now and wider international experience, which we note has provided, mixed results.

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

## Alternative approaches

### 79. Do you think the outcomes of what we are hoping to achieve could be reached through an alternative approach?

NAWDO doesn't have enough information, but as at Q.75 NAWDO believes that a DRS can be an effective way of capturing a significantly higher proportion of these resources. Therefore believes it is important to consider final design and implementation as soon as possible, drawing on the lessons learned from the various UK retailers that are trialling this approach now and wider international experience, which we note has provided, mixed results.

### 80. Do you think an alternative approach would be a better way of achieving the outcomes?

NAWDO doesn't have enough information, but as at Q.75 NAWDO believes that a DRS can be an effective way of capturing a significantly higher proportion of these resources. Therefore believes it is important to consider final design and implementation as soon as possible, drawing on the lessons learned from the various UK retailers that are trialling this approach now and wider international experience, which we note has provided, mixed results.

Please explain your answer, providing evidence where available.

## Further Detailed Questions

### 81. Are there particular local authority considerations that should be taken into account when considering whether to implement either an "all-in" or "on-the-go" model?

NAWDO believes that an 'all-in' model will be simpler for consumers to understand and will minimise the instances of out-of-scope materials just being littered around return points when consumers have been unable to reclaim a deposit on them.

A high-performing 'all-in' DRS may also give the recycling market clarity about which materials will come via the scheme and which via local authority services. An 'on-the-go' model, or indeed an 'all-in' scheme that does not perform well, will result in the materials continuing to be split between the two, and local authorities will continue to need to invest in communications about drinks containers while the DRS does the same.

NAWDO is concerned that the 'on-the-go' model may encourage producers to increase the sizes of their drinks containers to get them beyond the scope of the DRS and thereby save money (as the DRS appears as though it will cost more for the producers than the EPR regime). However, if on balance DEFRA is persuaded to implement an 'on-the-go' DRS notwithstanding representations to the contrary, NAWDO recommends that (1) such a scheme should be for drinks containers up to two litres as these are quite commonly consumed by families/groups in public places; and (2) the scheme must include multi-packs, as the drinks within them are consumed and disposed of as single containers (often 'on-the-go' in packed

lunches).

**82. Are there specific considerations associated with your local authority that DRS policy makers should consider?**

*(Specific examples and any cost estimates, where applicable, would add value to this response).*

NAWDO represents waste disposal authorities (WDAs - including unitary authorities here), and as such the primary impact of a DRS will be a reduction in the material that WDAs handle. The legally separate waste collection authorities are also principal litter authorities, and as such will deal with more of the direct impacts of a DRS being introduced. The loss of the value of drinks containers in the recycling stream and in the residual stream (some are recovered through MBT and EfW processes by some WDAs) is a matter for waste contractors/operators, so should not be borne by local authorities in the short term, subject to any contractual waste composition risk-sharing arrangements.

Many WDAs are in long-term integrated waste contracts, under which there are arrangements that require the WCAs to deliver all waste streams being received to facilities provided via those contracts. The payment mechanism for these contracts are complex, but in simple terms a reduction in materials received because of a DRS being introduced will normally just result in a reduction in the costs of the contract (subject to any contractual guaranteed minimum tonnages). The way in which this benefit is passed to residents directly or via arrangements with WCAs is however very varied across the country, noting the three principal statutory structures of (1) County Councils and District/Borough Councils, (2) Statutory Joint Waste Disposal Authorities and Constituent Councils and (3) Unitary Authorities.

**83. What benefits and/or disadvantages can a DRS provide to your local authority?**

*(Specific examples and any cost estimates, where applicable, would add value to this response).*

NAWDO believes that a DRS will increase overall recycling rates, as the financial incentive that the reclaiming of a deposit offers may be sufficient to engage and encourage those members of the public who would not otherwise recycle to do so via a DRS return point. As long as the Government establishes a performance reporting and indicator system that allows materials returned through the DRS to be counted towards local municipal recycling rates, the scheme should help to improve the performance of local authorities. Conversely, if DRS performance is not able to be counted towards local recycling rates then the introduction of the scheme could result in the reporting of reduced performance because of the diversion of materials away from local authority collections. If this occurs then NAWDO would expect the Government to acknowledge this in its expectations of local government in meeting national targets on recycling.

As noted in our response to Q82, any overall reduction in waste received by waste disposal and collection authorities because of a DRS's introduction should just result in reduced costs (albeit with recycling rates likely to be negatively impacted unless the Government introduces new data reporting



arrangements) where there are flat-rate integrated contracts in place at present. It is possible in such circumstances (given the wider impacts the accompanying EPR proposals would have), that a contractual 'qualifying change in law' process would be initiated by contractors because of the detrimental effect that the loss of material and revenue could have on them. As these contracts come to an end, such authorities could be more affected by the loss of access to material revenue than any such claims.

An additional consideration is that local authorities could have a benefit, depending on how the DRS scheme is implemented alongside EPR when it comes to materials that remain in the residual waste stream. No matter how much communications or incentives are put in place, there will still be DRS materials that will end up in the residual waste stream. In this case, there must be a mechanism (EPR or DRS) to ensure that local authorities' residual waste collection and treatment costs are covered when DRS materials end up in this stream, or local authorities will end up with the costs (which NAWDO accepts is not the intention of this system).

Finally, NAWDO requests that DEFRA notes the difficulties faced by local authorities whose contracts are nearing their ends and who are therefore starting to make strategies and plans for new municipal waste services. The potential impacts of DRS, and the wider proposals from elsewhere in the RWS, will be included as far as possible in the forecasting and modelling work associated with the development of this strategy, but it would be of great assistance to such authorities if the extent of sensitivities they might have to assess can be minimised as soon as reasonably possible, noting DEFRA will need time to properly digest and assess all the consultation responses and to then publish considered proposals for the way forward.

**84. Are there any specific considerations associated with local authorities that collect waste from designated DRS return points that we should consider?**

*(Specific examples and any cost estimates, where applicable, would add value to this response).*

NAWDO notes that the role of local authorities within a DRS has not been fully explained, particularly in relation to material and financial flows for in-scope materials that local authorities have to collect and manage through their services. This needs to be considered in more detail, as it may be that there are some opportunities for achieving efficiencies with these same authorities undertaking collections from DRS return points, such as small independent local retailers.

Current contracts for the bulking, sorting, treatment and/or disposal of material collected by local authorities may require guarantees that all relevant waste/recycling be passed to this contractor, so as to prevent alternative arrangements being set up that could be at the financial detriment of that contractor. NAWDO is aware that in some integrated contracts for recyclable and residual wastes collected by waste collection authorities (WCAs) and deposited at reuse and recycling centres (RRCs), there are long-term arrangements that bind these waste collection authority services (household and commercial) such that changes on the scale envisaged here will require

contract renegotiations, if they are possible at all.

Under such arrangements, if these WCAs wanted to compete to undertake collections of returned drinks containers from DRS return points, there may need to have been changes to both bulking/sorting contracts and facilities to allow this to happen, where this is physically possible. This will be particularly applicable where those WCAs currently offer commingled recycling services, but under DRS are required to keep materials separate in order to maximise quality.

The latter point also applies to collection infrastructure, such as vehicles and bins. WCAs may have established commingled recycling services for businesses, particularly those customers with limited space for a range of containers (commonplace on high streets and other denser areas where local authorities tend to have a larger share of the market). If DRS requires materials to be kept separate to maintain the highest levels of quality and/or to facilitate separate counting, local authorities may not be able to use existing collection vehicles to service those sites. Subject to appropriate business cases, funding available from elsewhere, and any changes already being implemented for household waste services under EPR/Consistency arrangements, it may or may not be cost-effective for the WCA to invest in the necessary specialist fleets to service DRS return points.

In relation to the wider regulatory and enforcement functions of local authorities, it will be important for DEFRA to clearly set out what regulations apply, and how, as used drinks containers are returned to DRS return points (and the deposit paid), stored at the DRS return point, transported to a sorting centre or other waste/resource facility, stored there, and then transported to a reprocessor. This is needed in relation to legislation on wastes management, waste carriers, food hygiene, public health, etc. and all those involved in the enforcement of these.

## Design of drinks containers

**85. How should a DRS drive better design of packaging? Please select all that apply:**

- a. Varying producer fees that reflect the environmental cost of the products that producers are placing on the market

Yes, NAWDO believes these should be included.

- b. An additional producer fee for producers using unnecessary and/or difficult to recycle packaging

Yes, NAWDO believes these should be included.

- c. Other (please specify)

Yes, NAWDO believes that in addition to the above, other fee structures should be possible, as seen fit by the DMO or other over-arching EPR body, in order to achieve Directive targets, subject to the regulator's consent where appropriate.



**86. Who should be involved in informing and advising on the environmental cost of products? Select all that apply**

- a. Government  
Yes, NAWDO believes these should be involved.
- b. Reprocessors  
Yes, NAWDO believes these should be involved.
- c. Producers  
Yes, NAWDO believes these should be involved.
- d. Local Authorities  
Yes, NAWDO believes these should be involved.
- e. Waste management companies  
Yes, NAWDO believes these should be involved.
- f. Other (please specify)  
Yes, NAWDO also believes environmental consultants and/or academics should be involved, in order that rigorous and independent life-cycle assessments and cost-benefit analyses can be undertaken on the information provided by the above.

## DRS and other waste legislation

**87. Do you agree or disagree with our assessment of other waste legislation that may need to be reviewed and amended?**

NAWDO doesn't know, but it may be necessary to review legislation as it would apply to retail outlets in order to ensure that they do not need to be permitted as waste transfer stations, and to understand what hygiene implications there may be, particularly in smaller shops where it may be difficult to keep returned used containers fully separate from new stock.

Clearly the Government will be looking at how it ensures imported products are managed and subjected to the same obligations as drinks containers filled in the UK. NAWDO is not aware of what specific measures will be needed in this regard.

Given the Government's stated objective to reduce litter, NAWDO suggests that the Government may also want to look into targeted EPR schemes for smoking-related litter and used chewing gum, as both are significant sources of litter/disamenity.

**88. Do you have evidence to suggest that we might need to revise any other waste-related regulations as part of introducing a DRS? Please specify.**

Please see NAWDO response at Q.87.

## Further comments

In addition to this consultation, we are also carrying out social research with the public and other analytical research to support our evidence base for decision making.

**89. Is there anything else we should be considering related to drinks container recycling and litter reduction which has not been covered by other questions?**

NAWDO has made all its contributions above.