

## INTRODUCING A DEPOSIT RETURN SCHEME (DRS) IN ENGLAND, WALES AND NORTHERN IRELAND CONSULTATION

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### About us

Heart of London Business Alliance serves as the voice of 500 businesses and 100 property owners in the Piccadilly and St James's, Piccadilly Circus and Leicester Square areas. Our purpose is to support the commercial wellbeing of the businesses and organisations we represent, and ensure our areas remain integral to London's West End offer as a place for people to visit, live, trade and work.

### Our Response

The basic principle of a DRS scheme in the UK is seen as a positive by the majority of businesses we represent, given the importance they place on recycling and sustainability more generally. It is accepted that DRSs encourage higher rates of recycling as demonstrated by those areas that already use a comprehensive DRS scheme, such as those in Europe. There is however as demonstrated by the consultation response by the Chartered Institute of Wastes Management (CIWM) a call for more in depth Impact Assessments (IA) to be taken in relation to DRS from industry experts.

It is recognised the introduction of a scheme would have the benefit of raised awareness towards a circular economy and the benefits of recycling as well as bringing about a positive behaviour change by the public. This positive behaviour change could encourage greater care taken to purchasing types of materials that can be recycled in a DRS, given the financial incentive to do so.

However, we approach this with great caution, as more detail is required in relation to logistics and practicalities of location and infrastructure for such a scheme, with particular consideration of a congested and space deprived West End of London in comparison to more spacious areas of the UK. There is also a call from businesses for more information on the expectations of being a host of a DRS unit.

The unanimously preferred option between the "all-in-one" model and the "on-the-go" model is the all-in-one. This is due to the wider scope of materials for the all-in-one model. It is believed that by having a restriction to container size as described in the on-the-go methodology that it could encourage a greater manufacture of out of scope to avoid the deposit return fund, such as 755ml bottles when the limit proposed is 750ml or below. Higher productions of these for an on-the-go model could lead to additional littering and conflict with the desired outcomes of introducing DRS schemes altogether.

In principle, including all the following items for DRS are of the highest preference, but only on the basis that the logistics of a space saving unit design is implemented; PET bottles, HDPE bottles, aluminium cans, steel cans, glass bottles, cartons, pouches and sachets and hot beverage cups. The view is that the wider the materials people can return to the units, the larger the understanding surrounding recycling will increase but additionally the more materials will be recycled. For all these items to be considered, space of the unit within any given building may be the restricting factor to the full range of materials. Additionally, the larger the range of materials the greater product design and purchase options are available for retail and hospitality sectors for including materials in scope of a DRS and thus supporting the implementation.

The belief is that a DRS scheme would decrease littering. This can only be seen as a positive to reduce plastic and materials entering water streams and keeping the streets clean, but also reducing the volume of refuse in public refuse bins. This in turn could lead to street cleansing resource efficiencies and generate less waste if there is less litter on the streets from a DRS implementation, in turn leading to savings for the BID and the local authority.

Consideration is needed for the high density of homelessness and people living on the street in central London. This is because if there is a value to be had for the materials in scope of DRS, it could either keep the streets clean with this population collecting litter for money/cashback or alternatively searching through street bins and sweeper sacks for in scope materials, leaving a bigger litter problem for out of scope materials. Again, supporting the all-in-one DRS model over the on-the-go.

In line with the Extended Producer Responsibility (EPR) consultation it is evident that producers may become liable for both packaging and DRS materials. This needs to be taken into consideration; however it may encourage a reduction of packaging altogether with production of items at the top of the waste hierarchy becoming more resource efficient. The monetary drive to reduce materials and any additional costings could see a shift in the current model of packaging supply chains in a more efficient way and ultimately if this saves businesses money, then it is supported. More detailed IA's need to be completed to further assess the interaction that DRS would have on EPR.

Consideration of the cost to any particular company needs to be made and reviewed in line with the environmental impact of the packaging being produced.

It is the general view that smaller businesses should not be exempt to either DRS responsibilities as well as the EPR responsibilities. If smaller businesses are exempt from the scheme it is the larger businesses that will need to cover the costs for any Deposit Management Organisation (DMO), which is unfair and inconsistent. This means that no small business should be exempt from either DRS implications or EPR. All businesses that sell any in scope DRS materials should be responsible for any government DRS scheme and the managing body associated with this.

It is agreed a DMO should be set up to regulate the scheme and be held responsible for the government recycling targets. Businesses would also like to see the DMO support them with implementation, logistics and maintenance of any unit as well as education to any staff that may need to use the machines. The DMO should also educate the public on how to use the machines and enforce against any members of the public incorrectly using the scheme or causing any anti-social behaviour (ASB) associated with public spaces. Any education materials need to be used in line with national resources currently in use for greater consistency across the waste sector.

It is understood from the proposals that businesses selling quantities of within the scope of materials covered by the DRS (in-scope materials) may be obligated to host a DRS unit. As previously mentioned, space in London is at a premium and this will be difficult to implement logistically. Considerations for London constraints have to be made in order for the scheme to be successful; this should include, but not be limited to additional compensation for central London businesses. Transport hubs, leisure centres and other public spaces should also be assessed for the potential to host units. This is to make sure that units are readily accessible for users. Unlike other parts of the UK, it is understood that not many people in London will drive to a DRS to return their materials given congestion and low car ownership of London residents. This means that many more points of access for smaller quantities of material need to be introduced in order to meet the needs of the users in central London and other densely populated and commercially led areas. By having community spaces also host a DRS it increases the accessibility to all users therefore sites such as leisure centres and transport hubs are widely supported.

Businesses that host units will need greater understanding of their obligations under the scheme, particularly in respect to health and safety and staffing. Questions raised from members are:

- Who will pay and cover any RAMS certification needed for the building owner with the DRS unit(s)?
- Will staff be required to man the unit full time? If so will these staff be employed by the DMO or the host business?
- Will any staff and ongoing running be financially funded?
- If there is any litter/out of scope material left by customers, will the businesses be required to dispose and pay for the disposal of the materials?
- How will the maintenance of the units be covered?
- Will London needs of the units be addressed (e.g. more frequent cleaning, security from the street population, difficult access and collection times of materials)?

In relation to the multiple logistical questions from businesses in central London it is the request that further consultation is undertaken specifically for the commercial sector before a final proposal for introduction is made.

Businesses that do not sell in-scope materials would like the option to opt-in for housing a unit once the logistic and practical questions are addressed and there is further clarity on the host obligations to the scheme.

As a Business Improvement District (BID), Heart of London (HOL) recommend that our businesses use preferred suppliers for waste that have environmental accreditations and aim to reduce air pollution in central London with efficient routing and collection methodologies. Collections to the DRS units need to take into consideration BID preferred supplier schemes in order to reduce additional freight movement needed to collect from the units and air pollution considerations. As a BID we would welcome use of the 2 preferred suppliers awarded in the area; Westminster City Council Commercial waste (run by Veolia) and Paper Round. This is because the 2 companies are already collection from many businesses within the BID footprint. Freight movements in central London are another consideration that should be addressed as part of the consultation given the London specific needs.

Business members do not agree that a de-minimis should be made in central London given space and freight consideration already addressed in this response. Some businesses have suggested that they share a unit given space constraints and if not already considered it should be included in the design of the scheme.

Additional businesses would be more supportive of hosting a unit if the returned deposit amount is set directly for their establishment, for example the monetary value can only be spent back within the specific business in the form of a voucher. Any unredeemed deposits should be used to compensate businesses for giving up their floor selling space for the units and all associated costs incurred for this.

The consideration to host DRS units in public spaces outside of buildings is not supported. This is due to the potential abuse of the units, particularly if monetary deposits are returned over an app or voucher credit-based system. Given the high level of recycling on-the-go contamination received in the area, dumping of out-of-scope materials may occur next to the units. Additionally, there is limited space in central London and the design of the units would need to be in fitting with the historic nature of the buildings and street scene.

In terms of the deposit value, it has been suggested that any material with a great carbon value to produce should receive a higher deposit return to incentivise a greater shift in behaviour for consumers to buy materials that have the least impact on global climate change. As this is a new scheme proposal it is unknown as to what the deposit return value for any material should be. If modelled, businesses would welcome the opportunity to review and share experience-based opinions.

Digital and app-based mechanisms for returning the deposit to consumers are the preferred methods. This is because it reduces the need for any further material (paper) and also reduces the potential for theft or damage of machines that a money-based unit would carry. Businesses would like consideration towards having a voucher system to encourage consumers to spend the deposit back within the store they have returned materials to.

In terms of maximum size of in-scope materials this needs to be considered in London on spatial grounds. Businesses would like the opportunity for their larger materials, such as beer kegs, to be considered for a commercial return scheme. This means that businesses would also take part in DRS schemes with their commercial waste chain, also complimenting and supporting consistency in waste consultation.

In terms of an overall DRS, businesses are supportive but in relation to central London, space and freight are issues that need to be addressed separately to the rest of the UK. This is also true for there being a lower residential population in central London where space is primarily commercial. Waste collection services by all London authorities are fully comprehensive and cover recycling of all the material highlighted in the consultation proposals, therefore the cost of a new system may take away from the lower uptake of current systems. If not already modelled the cost of a DRS in comparison to spending the money towards publicising and facilitating full use of current systems would be welcomed.

In light of Scotland's announcement for a DRS system this consultation should consider the implications of any DRS introduction to the rest of the UK. If the systems are different this would be contradictory to the consistency consultation and cause confusion in terms of publicity and education to using them. The system designed by Scotland should not limit any potential plans for the rest of the UK.

In summary, businesses are supportive of an all-in DRS scheme with the need for further information on host obligations, particularly in respect to Central London and its spatial and freight considerations.