

Delivering deposit return schemes during this Parliament

- Modern deposit return schemes are a proven tool for litter, waste and carbon emissions reduction, as well as creating green jobs.
- Deposit return schemes are scheduled to launch across the UK in October 2027.

 Polling for Reloop has found that 69% of the public support the implementation of a DRS.
- A <u>survey of 1,000 people</u> found that 69% of Labour voters, 71% of Liberal Democrat voters, and 77% of Conservative voters, back the policy.
- More than 50 countries and regions across the world operate successful deposit return schemes, with Germany showing the best results at 98% collection rate of bottles and cans, and Ireland having launched their scheme in February this year.
- However, in the UK, since being <u>announced in March 2018</u> we have seen year after year of Government delay, leading to billions of wasted bottles and cans.
- In light of the triple global crises of climate change, pollution, and nature loss, this new Parliament must ensure the delivery of this proven circular economy measure. As a first step, it is vital that the UK Government lays the necessary secondary legislation immediately for England and Northern Ireland to stay on track for the October 2027 start date. Welsh Government is due to lay legislation and Scottish Government has already passed its legislation.
- For beverage producers deposit return systems are the optimal form of extended producer responsibility (EPR), allowing them to collect and recycle the highest volume of beverage containers of the highest quality and at the best possible cost. Deposit return is also the best way to tackle litter and enable the set up of reuse.

Background

An estimated 31 billion single-use drink containers are purchased annually by consumers in the UK, comprising 12 billion plastic drinks bottles, 14 billion drinks cans, and 5 billion glass bottles. However, Defra reported in April that of the 70–75% of these that are being collected, a significant amount end up in landfills or littered in our parks, streets and beaches. Reloop estimate that more than 20 million plastic and glass bottles, and metal cans are wasted in the UK every single day.

The UK Government's intention to date with deposit return has been to raise single-use drinks container recycling rates to a minimum of 90%, drastically reducing littering, and creating more options for the collection and reprocessing of high-quality materials.

The Environment Act 2021 gave Ministers in England, Wales and Northern Ireland the ability to introduce deposit return schemes, and secondary legislation has been in place in Scotland since 2020. The enabling secondary legislation for deposit return in England and Northern Ireland has been drafted (see WTO notification) and now simply requires being laid before Parliament.

The previous UK Government removed glass bottles from the scheme for England and Northern Ireland in 2022, despite the strong preference found in the response to the public consultation.

The Welsh Government has committed to including the full range of glass, PET bottles, and metal cans. The Scottish Government was prevented from including glass in their system, due to a Westminster intervention through the post-Brexit Internal Market Act.

Timeline

Schemes are being rolled-out across Europe, with many of our neighbouring countries already enjoying the benefits of DRS. Recently implemented European schemes are outlined in the below table. These international examples show that a scheme can be operational within 18 months of legislation being enacted. This shows that the UK's current launch date of October 2027 is realistic and achievable. Several other European countries are preparing to deliver their deposit return schemes soon, including Austria, Greece, Portugal and Poland. Ireland's scheme launched on February 1st 2024.

Recently implemented European schemes

Country	Legislation Enacted	System Operator appointment	System start date	Scope
Slovakia	September 2019	February 2021	January 2022	plastic, metal
Latvia	August 2020	January 2021	February 2022	plastic, metal, glass
Malta	July 2020	September 2020	November 2022	plastic, metal, glass
Romania	October 2021	May 2022	November 2023	plastic, metal, glass
Hungary	February 2021	February 2022	January 2024	plastic, metal, glass

Benefits of Deposit Return Schemes

Higher collection rates

Most countries with modern deposit return schemes achieve return rates above 90% (with Germany showing the best results at 98%), diverting significant quantities of drinks containers from disposal and keeping glass, metal and PET plastic circulating in the economy. Reloop found that wastage levels in places with a deposit return scheme were on average 78.6% lower in 2017 than those without. The same report estimated that average return rates for countries with deposit return would be 91% for PET bottles, 89% for cans, and 97% for glass; significantly higher than the rates achieved by typical kerbside recycling schemes. The UK's current recycling rates for these materials sits at around an average of 70%.

Less litter

Keep Britain Tidy's National Litter Survey has demonstrated that, by volume, drinks containers make up 75% of the litter found on our streets. In Latvia, where deposit return has now been operating for two years, litter surveys have shown a 61% reduction of deposit bearing containers in coastal locations since February 2022. In Ireland, following the introduction of its DRS in February, initial surveys have already found a fall of 35% in the number of towns branded 'littered'. Defra's own reports predict an eventual 85% reduction of the littering of in-scope containers.

Improved circularity

The UK's <u>Plastic Packaging Tax</u> applies to plastic packaging manufactured in, or imported into the UK, that does not contain at least 30% recycled plastic. Current recycling schemes make this material difficult to source. There is not enough high-quality material being collected and recycled within the UK to meet demand. Deposit schemes generate a clean stream of materials by collecting and managing bottles in a way that minimises contamination and downcycling (i.e glass bottles becoming fibreglass).

High levels of public support

Exclusive polling for Reloop has found that 69% of the UK public support the implementation of a DRS. Voters are hugely supportive of recycling in general, with 83% of respondents expressing a positive view of the practice when polled and only 4% opposed. The polling suggests that 89% of the public believe that national government has at least a fair amount of responsibility for recycling, demonstrating that the public are looking to Government to act on waste.

Worldwide support for deposit return schemes remains high with, for example, 83% of Italians supporting the introduction of a deposit return scheme; 91.6% of Portuguese people are in favour of deposit return for all drinks packaging, and 86% of Slovakian poll respondents indicated they were in favour of the scheme.

What makes a "best in class" scheme?

- Return to retail infrastructure the highest level of convenience for consumers
- Deposit level high enough to create an incentive to return the containers
- Broad scope of materials and products glass, metal, PET; soft and alcoholic beverages. Including glass bottles in a deposit return scheme from the start will keep costs down and establish the infrastructure required to move towards reuseable glass in the future.
- Producer responsibility scheme paid for by the beverage industry via a non-profit company
- Meaningful collection and recycling targets, with oversight, enforcement and penalties
- Optimised logistics highest collection and processing of materials with lowest emissions

International Testimonials

"I am still amazed by the power of the deposit value itself. After people see the first results, they're really proud. It's a matter of national pride!"

Rauno Raal, Estonia (former CEO of Eesti-Pandipakend) scheme began in 2009.

"Go for it. You will make very many people happy if you get all that rubbish of the streets."
"It would have been easier if we'd been able to introduce everything at the same time."

Stientje van Veldhoven, the Netherlands (former minister of environment) scheme began in 2021.

"It is extremely efficient, almost 100% of the bottles are being returned. A circular economy needs to be our aim."

Thorbjørn Berntsen, Norway (former minister of environment) Introduced for cans and plastic bottles in 1999.

"Once you get a DRS in, it's incredibly popular, the beverage industry stops making noise and starts investing in bottle to bottle plants and you'll have an incredible example of the circular economy."

Jeff Angel (CEO Boomerang Alliance Australia), scheme began in 'South Australia' 1977.











