

Introducing a Deposit Return Scheme (DRS) Consultation

Q1.1 Q1.1. What is your Surname?

[Redacted]

Q2 Q2. What is your e-mail address?

[Redacted]@britvic.com

Q3 (ST) Q3. Which best describes you?

Product designer/ manufacturer/ pack filler

Q3.a Q3.a Other (please provide details...)

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

Britvic plc

Q.5 Q5. Would you like your response to be confidential?

No

UI Unique Identifier:

ANON-HJCY-ME6R-8

DRS in a post-Covid context

6 6. Given the context of the Covid-19 pandemic we are currently experiencing, do you support or oppose our proposals to implement a Deposit Return Scheme for drinks containers by 2024?

Support

6.a 6.a Please elaborate on your answer if you wish.

Britvic is a leading British soft drinks company that operates in and exports to more than 50 countries, is the number one provider of branded still soft drinks in Great Britain, and the number two supplier of branded carbonated soft drinks in GB. We combine our own leading portfolio of more than 30 much-loved brands including Robinsons, Tango, J2O and Fruit Shoot, with PepsiCo brands such as Pepsi, 7UP, Lipton Ice Tea and Mountain Dew which we produce and sell in GB and Ireland under exclusive PepsiCo agreements. Headquartered in the UK with major operations in Europe and Brazil, we have invested significantly in our supply chain, manufacturing sites, brand innovation and people to build on our rich heritage and deliver sustainable growth today and in the future. A key part of our Britvic vision is to 'create a better tomorrow' for all our stakeholders. We want to be a net positive contributor to the people and the world around us, and this means ensuring sustainable practices are embedded in every element of our business strategy. We have embedded Healthier People, Healthier Planet – a key tenet of our commercial strategy – into every part of our business, from manufacturing to marketing. Our Healthier Planet strategy is focused on protecting our planet through the thoughtful use of resources, for us and future generations. Its three principle components are: 1. Carbon: transitioning to a low carbon economy by maximising energy efficiency and using renewable energy sources where possible. 2. Packaging: minimising waste by making packaging fully recyclable, encouraging the right behaviours and supporting a circular economy. 3. Natural resources: working towards a truly sustainable supply chain, waging war on waste and championing the efficient use of water and other natural resources. Britvic is committed to creating a world where packaging never becomes waste. Key to achieving the vision is the creation of a circular economy for plastics and, as a founding signatory of the UK Plastics Pact, we are committed to playing our part. In October 2020, Britvic announced its intent for all plastic bottles made in GB to be 100% recycled plastic (rPET) by the end of 2022. In the meantime, all our bottles and cans are 100% recyclable in the UK system and we carry consistent recycling messages on bottles, caps and in our advertising. Britvic believes that an industry-led, not-for-profit deposit return scheme (DRS) would increase recycling levels, and improve the quality and increase the quantity of material collected for recycling and re-use as new packaging. Therefore Britvic supports a well-designed, GB-wide DRS for all can, glass and PET drinks containers. In Scotland, we are a founding member of Circularity Scotland Limited – the scheme administrator formed of producers and retailers appointed by the Scottish Government to be the



simple and works for consumers, producers and retailers. We also support the principle of introducing DRS in Northern Ireland – however Britvic, like the rest of the drinks market, operates an all-Island of Ireland model, with shared labelling, uniform distribution networks and an integrated supply chain. Therefore we also support consistency between Ireland and Northern Ireland schemes. We continue to work with our industry partners and the Irish Government to create an effective DRS in Ireland, and fully support interoperability/compatibility between Ireland and Northern Ireland DRS. We strongly encourage the UK and Irish Governments to work closely together to achieve the optimal environmental outcomes, and mitigate the risk of fraud.

7 7. Do you believe the introduction of a Deposit Return Scheme will have an impact on your everyday life?

Not answered

7.a 7.a If you answered yes the scheme would have a detrimental impact, how significant would this impact be?

Large impact but still manageable

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

Yes - because of both economic and social impacts

8.a 8.a Please elaborate on your answer if you wish.

We remain committed to the earliest possible implementation of a DRS that is compatible or interoperable with the DRS in Scotland, ultimately working towards the facilitation of a 'single scheme' across the GB drinks market that is efficient, simple and works for consumers, producers and retailers. Recovery from the Covid-19 pandemic will require significant resource and capacity from obligated sectors, so we recommend that Government works closely with obligated sectors to assess a pragmatic timeline for implementation.

Chapter 1: Scope of the Deposit Return Scheme

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

Aluminium bottle caps on glass bottles ✕ Corks in glass bottles ✕ Plastic bottle caps on plastic bottles ✕
Foil on the top of a can/ bottle or used to preserve some drinks ✕

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

No

10.a 10.a Please elaborate on your answer.

We disagree with extent of the benefits described for an 'on-the-go' scheme – which we do not support, as it does not support our ambitions for packaging circularity, and will not achieve the same environmental outcomes as an 'all-in' DRS. An 'on the go' scheme: • Would result in a different scope of DRS in England and Northern Ireland vs Wales and Scotland. Any differences in scope, fees and financing are likely to fragment the single UK drinks market • Would not collect as much packaging material for recycling • Would create consumer confusion and risk market distortion • Would be less effective at improving consumer recycling behaviour overall

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

Yes

11.a 11.a Please elaborate on your answer.

Yes. Governments across the UK should commit to a single coherent scheme design, ensuring that any schemes introduced are compatible and interoperable – and work towards a single scheme that is efficient, simple and works for consumers, producers and retailers. Any differences in scope or financing will fragment the single drinks market that exists in GB, creating consumer confusion and increased costs and complexity within the drinks supply chain.

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

All-in

12.a 12.a Please elaborate on your answer.

We are supportive of a DRS that covers all sizes of obligated beverage containers up to 3 litres, and supported the "all-in model" as presented by the previous Government consultation. An 'all-in' scheme supports our ambition for Governments across the UK to ensure that any DRS introduced is compatible and interoperable with the system planned for Scotland, looking towards a single scheme in the future that is efficient, simply and works well for consumers, producers and retailers alike.

13 13. Given the impact Covid-19 has had on the economy, on businesses and consumers, and on everyday life, do you believe an on-the-go scheme would be less disruptive to consumers?



14 14. Do you agree with our proposed definition of an on-the-go scheme (restricting the drinks containers in-scope to less than 750ml in size and excluding multipack containers)?

No

14.a 14.a If no, how would you change the definition of an on-the-go scheme?

We do not support any further consideration of an 'on-the-go' DRS – which does not support our ambitions for packaging circularity and will not achieve the same environmental outcomes as an 'all-in' DRS.

15 15. Do you agree that the size of containers suggested to be included under an on-the-go scheme are more commonly consumed out of the home than in it?

No

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

Consistent with our belief that governments across the UK should commit to a single coherent scheme design, ensuring that any schemes introduced are compatible and interoperable – and work towards a single scheme that is efficient, simple and works for consumers, producers and retailers – we are supportive of glass being included in the scheme, aligned to the Scottish DRS. We understand that reverse vending machines capable of collecting glass are in use in other DRS schemes, and will be available for in use the Scottish DRS. The Government should regulate so that the DMO is empowered to determine and set the producer fees for containers depending on their material and size – which would allow for the specific costs of handling glass to be fairly apportioned.

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

Yes

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

Yes

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

Yes

19.a 19.a Please provide evidence to support your response.

While it is difficult to predict any material switching, particularly as DRS is only one of many forthcoming changes to packaging policy, the impact of a DRS is less likely to be significant if the DRS is well-designed, (e.g. the DMO has control over critical levers such as the deposit level and producer fees) and well communicated to consumers.

Chapter 2: Targets

20 20. Which of the following approaches do you consider should be taken to phase in a 90% collection target over 3 years?

70% in year 1, 80% in year 2, 90% in year 3 and thereafter

21 21. What collection rate do you consider should be achieved as a minimum for all materials after 3 years?

85%

22 22. Is it reasonable to assume that the same collection targets could be met with an on-the-go scheme as those proposed for an all-in scheme for in-scope materials?

No

22.a 22.a Please provide any evidence to support your answer

We do not support any further consideration of an 'on-the-go' DRS – which does not support our ambitions for packaging circularity and will not achieve the same environmental outcomes as an 'all-in' DRS.

23 23. Who should report on the volumes of DRS material placed on the market in each nation?

Not answered

23.a 23.a What would be the implications of obligations to report on volumes of deposit return scheme material for producers/ importers and retailers? Please provide evidence to support your answer.

Most of our initial customers (e.g. retailers, wholesalers) operate UK-wide, and themselves decide how they distribute stock across their stores within the UK once it is delivered to them. While we could report UK sales to the DMO for the purpose of calculating our obligation, we do not have any



chain, i.e. from the final sellers of in-scope products to consumers. However such a requirement may be highly onerous for many businesses. Government should therefore reflect on the costs and benefits of such a requirement.

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

The DMO, as the owner of all collected material, should have full control over what it chooses to do with that material – in order to best support obligated producers' circular packaging demands. This could allow for the DMO to support closed-loop recycling and domestic reprocessing, rather than being tied to using existing re-processors or exporters. It will also support manufacturers in exercising their rights of access (on a competitive, first-refusal basis) to the material, without being constrained on how or where they reprocess and utilise that material.

Chapter 3: Scheme Governance

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

10 years +

▼

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

Yes

▼

26.a 26.a Please list any further issues you believe should be covered as part of the tender process.

The tender / assessment criteria should require applications to demonstrate widespread support of obligated industries, i.e. producers. This support will be critical to ensuring the DMO is industry-led, independent not-for-profit body.

27 27. Do you agree that the above issues should be monitored as Key Performance Indicators ?

No

▼

27.a 27.a Please list any further issues you believe should be covered by Key Performance Indicators .

Additional indicators should include the cost-per-unit to producers, and accuracy of producer fees – i.e. modulation to meet reflection of actual costs). "How long does it take for broken machines to be repaired?" should be removed as a Key Performance Indicator, as this responsibility should sit with the return point operator. Further, it should not be the responsibility of the DMO to ensure operation of each return point, but instead ensure maintenance costs are considered in the return point handling fee. Return point operators would therefore be compensated by the DMO for maintenance, but responsibility for maintenance would not fall to it.

28 28. Do you agree that Government should design, develop and own the digital infrastructure required to register, and receive evidence on containers placed on the market on behalf of the Deposit Management Organisation and regulators?

No

▼

28.a 28.a Please elaborate on your answer

No. The DMO will be best placed to create the digital infrastructure required for DRS operation – as is typical for high performing schemes internationally, and will be the case in Scotland. There are likely to be significant resource and cost savings available to the DMO by building on the infrastructure designed by the scheme administrator in Scotland.

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

Yes

▼

Chapter 4: Financial Flows

30.a 30.a If any other please specify

Per-unit producer fees should apply to every container placed on the market, regardless of the size of business responsible. All producers/importers of in-scope products must be obliged to join the scheme.

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

Not answered ×

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

No

▼

No. All unredeemed deposits must be retained by the DMO, and those deposits deemed to not be likely to ever be redeemed (i.e. significant time has passed) should be used to contribute to the operation and performance of the scheme. Retaining unredeemed deposits within the DRS is consistent with high-performing schemes internationally. Unredeemed deposits are one of three essential funding streams for these schemes (alongside per-unit producer fees and the resale value of collected materials), which contribute the funding required to achieve collection targets. As a DMO would be established as a not-for-profit, no funds could be 'paid-out' of the scheme. Once the significant start-up and capital costs of establishing the DRS had been repaid, any funds retained by the scheme above its operating costs would be reinvested into the scheme, increasing its performance and upgrading infrastructure. We support the Government's preferred option (1) of allowing unredeemed deposits to part fund the scheme to whatever extent they are collected.

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

Option 1

33 33. With option 2, do you foresee any unintended consequences of setting a minimum percentage of the net costs of the deposit return scheme that must be met through the producer fee?

Yes. Option 2 would undermine the viability of the DRS by removing a key scheme funding stream. All unredeemed deposits must be retained by the DMO, and those deposits deemed to not be likely to ever be redeemed should be used to contribute to the operation and performance of the scheme. Further, Option 2 would create a disparity with the Scottish DRS – which may prevent the DMO from working with the Scottish DRS scheme administrator, increasing the likelihood that the current single market for drinks in the UK would be fragmented. We support the Government's preferred option (1) of allowing unredeemed deposits to part fund the scheme to whatever extent they are collected.

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

Other

34.a 34.a Please provide any evidence to support your response.

We do not support Option 2.

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

Reinvested in the scheme

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

10p

36.a 36.a If other please specify

The DMO should be empowered to set the deposit level it judges best suited to meeting the collection targets that it has been set. The initial deposit should be set at a level that achieves these targets with minimal impact on consumers and business. The deposit level should not be fixed within legislation

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

No

37.a 37.a If yes, then what should be the maximum deposit level set in legislation?

Not answered

37.b 37.b If other please specify

The DMO should be empowered to set the deposit level it judges best suited to meeting the collection targets that it has been set. The initial deposit should be set at a level that achieves these targets with minimal impact on consumers and business. The deposit level should not be fixed within legislation

38 38. Recognising the potentially significant deposit costs consumers could pay on a multipack purchase, how best can we minimise the impact of the scheme on consumers buying multipacks?

Clear communication at the point of sale about the refundable deposit costs and information on how these can be reimbursed.

39 39. Do you agree with our approach to letting the Deposit Management Organisation decide on whether to adopt a fixed or variable deposit level, particularly with regards to drinks containers sold in multipack form?

Yes

39.a 39.a Please provide evidence to support your answer

The DMO should be empowered to set the deposit level it judges best suited to meeting the collection targets that it has been set. The initial deposit should be set at a level that achieves these targets with minimal impact on consumers and business The deposit level should not be fixed



Chapter 5: Return Points

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

Yes

40.a 40.a Please provide any evidence to further explain your answer.

Best practice from high-performing schemes internationally is that consumers can return empty containers to anywhere obligated products can be purchased – making it as easy as possible for consumers to return their packaging. We support an ‘all-in’ DRS based on a ‘return-to-retail’ model, with arrangements for hospitality businesses and take-back provisions for online sellers. This would align with the Scottish DRS, making it easier for consumers to understand.

42 42 . Do you have a preference, based on the 3 options described above, on what the schemes approach to online takeback obligations should be? We welcome views from stakeholders on who this obligation should apply to, including if there should be an exception for smaller retailers or low volume sales.

Option 1

41 41. Given the proposed extensive distribution and availability of return points for consumers to return bottles to, do you think customers would be likely to experience delays / inconveniences in returning drinks containers?

No

41.a 41.a If so, how long or how frequently would such delays be likely to arise for?

42.a 42.a Please explain your answer.

Best practice from high-performing schemes internationally is that consumers can return empty containers to anywhere obligated products can be purchased – making it as easy as possible for consumers to return their packaging. We support an ‘all-in’ DRS based on a ‘return-to-retail’ model, with arrangements for hospitality businesses and take-back provisions for online sellers. This would align with the Scottish DRS, making it easier for consumers to understand.

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

Yes

43.a 43.a Would you propose any additional criteria are included for the calculation of the handling fee?

Yes. Handling fees should be developed and set by the DMO – calculated using a methodology that accounts for the per-unit costs incurred by return point operators, while incentivising efficiency.

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

Breach of safety × Close proximity ×

44.a 44.a Any further comments you wish to make

We support close alignment with similar exemptions under the Scottish DRS Regulations, and support the role of DMO in assessing applications and granting exemptions. The regulations should allow for the DMO to open the application process for exemption ahead of the start date of the DRS.

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

Experience could be taken from the learnings of Circularity Scotland.

46 46. Do you think obligations should be placed on retailers exempted from hosting a return point to display specific information informing consumers of their exemption? If yes, please tick what information retailers should be required to display:

Signage to demonstrate they don't host a return point × Signage to signpost consumers to the nearest return point ×

46.a 46.a Anything else? Please specify

Any information which supports consumers in returning their empty containers and therefore increasing collection rates would be welcome.

47 47. Do you agree with our rationale for not requiring retailers exempted on the basis of a breach of safety not to be required to signpost to another retailer?

Yes



48 48. How long do you think exemptions should be granted for until a review date is required to ensure the exemption is still required?

Not answered

49 49. Do you think the scheme could benefit from technological solutions being incorporated as a method of return, alongside reverse vending machines and manual return points?

No

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

We agree with Government's proposal that methods of return should not be specified in legislation, allowing the DMO to react accordingly to any future innovation or technological solutions. However we do not support introducing a 'Digital DRS' as an alternative to a DRS operating a proven return-to-retail model. A 'Digital DRS' solution via kerbside collections would not achieve the same quality of collected material, and undermine our circular packaging ambitions. Further, a digital solution would distract from the required consumer behaviour change required to achieve high return rates

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

Digital DRS' has not proven to be a workable alternative means of collection. While Britvic has explored small-scale 'Digital DRS' trials to better understand the available technology, we have learned that it simply is not viable at a manufacturing level – uniquely labelling in-scope containers is not possible at scale. We remain unconvinced that 'Digital DRS' can prevent fraud or ensure containers are collected to be recycled.

52 52. Do you think a digital deposit return scheme could ensure the same level of material quality in the returns compared to a tradition return to retail model, given containers may not be returned via a reverse vending machine or manual return point where there is likely to be a greater scrutiny on quality of the container before being accepted?

No

52.a 52.a Please explain your answer.

A 'Digital DRS' solution via kerbside collections would not achieve the same quality of collected material, and undermine our circular packaging ambitions.

53 53. If the digital DRS 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.

'Digital DRS' has not proven to be a workable alternative means of collection. While Britvic has explored small-scale 'Digital DRS' trials to better understand the available technology, we have learned that it simply is not viable at a manufacturing level – uniquely labelling in-scope containers is not possible at scale.

54 54. Do you support the proposal to introduce a new permitted development right for reverse vending machines, to support the ease of implementation for the scheme?

Yes

54.a 54.a Do you have any amendments or additional parameters you would propose are reflected in the permitted development right?

Chapter 6: Labelling

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

An identification marker that can be read by reverse vending machines and manual handling scanners. ✕

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

Decisions to adopt labels should be the responsibility of the DMO. However a minimum requirement of an identification marker that can be read by reverse vending machines and manual handling scanners (i.e. a barcode) should be regulated for to allow for automated returns and checks. Any additional labelling requirements are unnecessary for a successful DRS, and would encroach further on label-space on drinks containers – which is already limited due to other legal requirements. While a DMO may choose to include a 'DRS mark', this should only be considered if it is mutually recognised by the scheme administrator of the Scottish DRS, to minimise consumer confusion and prevent further supply chain disruption. The deposit price, also a responsibility for the DMO to determine, should not be mandated on the packaging itself. This is unnecessary provided that the deposit is always clearly marked at the point of purchase. Minimising the time between DRS operating in Scotland and elsewhere in GB. An eventual GB-wide scheme would be the optimal solution. Additionally, Government and regulators must put in place appropriate enforcement regimes, with adequate resourcing.

57 57. Do you agree with our proposals to introduce mandatory labelling, considering the above risk with regards to containers placed on the market in Scotland?

Yes



58 58. Do you consider the risk of incorrectly labelled products entering the markets of England, Wales or Northern Ireland via Scotland to be a significant risk? Please provide any evidence to support your answer.

Yes

58.a 58.a Please provide any evidence to support your answer.

Minimising the time between DRS operating in Scotland and elsewhere in GB. An eventual GB-wide scheme would be the optimal solution.

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

Yes

59.a 59.a Please explain your answer.

Decisions to adopt labels should be the responsibility of the DMO – which is best placed to determine minimum system requirements, and label efficacy to help achieve the optimal environmental outcomes.

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

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

No

61.a 61.a Can you provide any evidence to support your answer?

18 months would be the minimum period of time required for any changes, however 24 months is more realistic. We anticipate increased demand on designers and suppliers, as the changes will coincide with EPR labelling changes, adding to workload for artwork studios and suppliers. We believe the DMO should have the flexibility to determine labelling requirements.

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

Yes

62.a 62.a Please explain your answer.

The level of change and disruption will depend on the minimum requirements. Any requirements over and above the minimum required 'identification marker' i.e. barcode would cause significant disruption.

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

Yes

63.a 63.a Are you aware of any upcoming technology in the field of labelling?

By giving the DMO the power and flexibility to determine labelling standards and requirements, it will be able to consider future developments as they become viable across industry.

Chapter 7: Local Authorities

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

No

64.a 64.a Please explain your answer

We do not support the use of kerbside services for collecting in-scope DRS materials. We have no evidence that local authorities / material recovery facilities can separate out containers and maintain the material quality required for our circular packaging goals. It would not be possible for such an arrangement to be made without creating an incentive for local authorities to 'compete' with the DRS, undermining its ability to reach its collection targets.

65 65. Do you agree that local authorities will be able to negotiate agreements with material recovery facilities to ensure gate fees reflect the increased deposit values in waste streams or a profit sharing agreement on returned deposit return scheme containers was put in place?

No

65.a 65.a Please explain your answer.

We do not support the use of kerbside services for collecting in-scope DRS materials. We have no evidence that local authorities / material



66 66. In order to minimise the risk of double payments from the Deposit Management Organisation to local authorities, where should data be collected regarding the compositional analysis to prevent the containers then being allowed to be redeemed via return points?

The need for compositional analysis would be avoided by ensuring that in-scope DRS material is not captured in the kerbside system.

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

We do not support the use of kerbside services for collecting in-scope DRS materials.

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

Option 1

68.a 68.a Please briefly state the reasons for your response. Where available, please share evidence to support your view.

We do not support the use of kerbside services for collecting in-scope DRS materials. We have no evidence that local authorities / material recovery facilities can separate out containers and maintain the material quality required for our circular packaging goals. It would not be possible for such an arrangement to be made without creating an incentive for local authorities to 'compete' with the DRS, undermining its ability to reach its collection targets. Therefore no option listed is the optimal outcome from an environmental perspective, however, Option 1 is the simplest and aligns with the Scottish DRS. Should the DMO deem that a particular local authority can ensure material quality, it should be up to the DMO to decide whether it wishes to interact / allow L.A.s to return collected and separated in-scope containers. However, given that in such a scenario consumers would have forfeited their full deposit – by way of returning via kerbside/litter – it is not clear why local authorities should be entitled to claim 100% of the deposit value. We would recommend that the DMO only pays out the net costs (of collecting and sorting containers), not the full deposit value, and only once the containers had been counted and their quality verified.

Chapter 8: Compliance Monitoring and Enforcement

69 69. Are there any other producer obligations you believe the Environmental Regulators should be responsible for monitoring and enforcing?

No

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

Yes

70.a 70.a To what extent will local authorities be able to add monitoring and enforcement work for the deposit return scheme to existing duties they carry out with retailers?

71 71. In addition to those in the table, are there any other types of breaches not on this list that you think should be? If so, what are they? These may include offences for participants not listed e.g. reprocessors or exporters.

The Deposit Management Organisation could be deemed to be in breach should it repeatedly fail to calculate accurate return point handling fees. However, conversely 'not setting correct producer fees' shouldn't constitute a breach – it is an accounting issue that should be instead addressed via contract KPIs. Government must define what it means by the term 'Not ensuring adequate provision of return points'. 'Adequate' is a function of an extensive RPO network, whereas accessible would mean that all consumers are served and have the ability to redeem their deposits.

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

Different schemes, implemented in different parts of the UK at different times. Any deviation from a single, GB-wide scheme will create the opportunity for fraud, consumer confusion, and significantly increase business disruption and cost. This should be avoided wherever at all possible. We also support the principle of introducing DRS in Northern Ireland – however Britvic, like the rest of the drinks market, has an 'All-Ireland' model – and we would prioritise consistency between Ireland and Northern Ireland schemes. We continue to work with our industry partners and the Irish Government to create an effective DRS in Ireland, and fully support interoperability/compatibility between Ireland and Northern Ireland DRS. We strongly encourage the UK and Irish Governments to work closely together to achieve the optimal environmental outcomes, and mitigate the risk of fraud.

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

74 74. Do you agree with the position set out regarding enforcement response options?

Yes

74.a 74.a If not, please expand your answer.

Yes, but criminal activity (organised fraud) should be seen met with criminal sanctions and criminal law, rather than more warning and penalties



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

The lengthy ‘timing gap’ proposed between this DRS and the Scottish DRS (due to commence in July 2022) risks fraud and other cross-border issues. We urge Government to work with obligated industries to develop a pragmatic timeline that achieves the earliest possible implementation of a DRS – and to strive to ensure that a GB DRS is compatible or interoperable with the DRS in Scotland, ultimately working towards the facilitation of a ‘single scheme’ across the GB drinks market that is efficient, simple and works for consumers, producers and retailers. Based on the timelines presented in the consultations on an EPR scheme for packaging and greater consistency in recycling collections, it would be preferable to ensure that drinks producers are not obligated for primary packaging under a different EPR scheme, if they would subsequently be obligated to change reporting and payment practices when DRS is live. Government must also ensure producers do not face a ‘double obligation’ for either reporting or charging, under DRS and the existing Packaging Recovery Note system or future EPR scheme. Government should also consider its phasing to allow the DMO to set its own rules for producers, e.g. for labelling. The DMO would need to be appointed and established before it can communicate its requirements, and this must leave enough time to allow producers to make the necessary preparations.

76 76. How long does the Deposit Management Organisation need from appointment to the scheme going live, taking into account the time required to set up the necessary infrastructure?

Any other (please specify) 

76.a 76.a Any other (please specify)

Based on experience from Scotland and of industry's involvement in international DRS schemes, we would recommend 18-24 months from the appointment/approval of the DMO to ‘go-live’.

76.b 76.b Please provide evidence to support your answer.

77 77. Depending on the final decision taken on the scope of the scheme in England and Northern Ireland – all-in or on-the-go – what, if any, impact does this have on the proposed implementation period?

The difference between an ‘all-in’ and ‘on-the-go’ scope in terms of DMO establishment and scheme implementation is anticipated to be insignificant to the overall timelines for DRS introduction. The same processes would be involved to arrange the DMO governance structure, secure financing, appoint staff, and procure/build counting/sorting infrastructure along with establishing IT and logistics operations, etc.

Chapter 10: Summary of approach to Impact Assessment

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

Not answered 

78.a 78.a Please briefly state the reasons for your response. Where available, please share evidence to support your view

ES Email Subject

FI File Upload

Select files...

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RT Response Type

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