



ACS Submission – Introducing a Deposit Return Scheme in England, Wales and Northern Ireland

ACS (the Association of Convenience Stores) welcomes the opportunity to respond to the Department for Environment, Food and Rural Affairs' second consultation on introducing a Deposit Return Scheme in England, Wales and Northern Ireland. ACS is a trade association, representing 33,500 convenience stores across the UK. Our members include the Co-Op, Spar UK, Nisa Retail and thousands of independent retailers. For more information, see Annex A.

ACS is committed to working with the UK Government and devolved nations on the development and implementation of deposit returns schemes across the UK. We welcome further engagement with the Government on the delivery of their plans for a deposit returns scheme by late 2024 to ensure that it is workable for convenience retailers. ACS is an active member of the DEFRA working group on DRS and also works with Scottish Government, Circularity Scotland and Zero Waste Scotland on the development and implementation of the Scottish DRS scheme in 2022.

It is important that the convenience sector is recognised in its role of hosting a significant proportion of return points which allows DRS to operate affectively for consumers. It is essential that the impacts and costs associated with the implementation of the scheme are recognised and mitigated to ensure that convenience retailers can sustainably operate return points as part of the scheme into the future.

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Executive Summary

ACS believes the following considerations will make the scheme operationally achievable and sustainable for convenience retailers:

- a. Strategically map the location of return points rather than mandating every location that sells drinks to take back containers.
- b. Small retail outlets should be able to apply for exemptions from DRS where they have limited sales and storage space to facilitate a return point.
- c. Containers should only be return through a network of reverse vending machines. No retailer should be forced to ask staff to manually take back packaging, which places additional pressure and associated hygiene issues.
- d. The inclusion of glass presents additional logistical challenges and cost for retailers due to more expensive equipment and storage space, this must be recognised in the development the scheme.
- e. Handling fees must adequately cover the cost of taking back drinks containers, accounting for staff costs, the cost of reverse vending machines and lost sales space so that DRS is cost neutral for return points.
- f. DRS systems across all parts of the UK must be aligned to ensure that manufacturers, wholesalers, retailers and consumers can understand and operate a common model. All governments in the UK should look to lessons learnt, where possible, with the Scottish scheme and feed this into the Westminster DRS model and wider UK aligned scheme.

Background: A deposit return scheme in a post-Covid context

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 in 2024? a.)

Support b.) Neither support nor oppose c.) Oppose d.) Not sure

a. Support

We support the current implementation target of 2024 on the basis that the Government can confirm secondary regulatory requirements at the earliest opportunity. Ideally, retailers would have a two-year lead time for the go live date of DRS.

8. Have your views towards implementation of a deposit return scheme been affected following the economic and social impacts of the Covid-19 pandemic? a) Yes – because of economic impacts b) Yes – because of social impacts c) Yes – because of both economic and social impacts d) No e) Not sure

c. Yes – because of both economic and social impacts.

The Convenience retail sector has fortunately remained open during the pandemic. However, ACS' Covid impact survey found that convenience retailers trading from transport hubs and high street locations have been detrimentally impacted¹. In some cases, forcing those operating in these areas to close or reduce opening hours due to lack of trade and transient customers.

We also believe that both customers and staff are more conscious about close contact services and hygiene following the pandemic. We have particular concerns associated with manual handling and requiring colleagues to manually take back used containers. ACS continues to ask for Public Health England to conduct an analysis on the impact of Covid-19 on DRS and to urge the Government to ensure no retailers are forced to operate the scheme manually.

¹ ACS Covid-19 Impact Survey 2020

A parliamentary question on these issues was tabled in July 2020². The response from the Minister suggested the Government is liaising with PHE to analyse the role Covid-19 will play in the development of proposals, but no further information has been provided. The Government should carefully review the impact that Covid-19 will have on manual handling of goods in stores and the associated risk to colleagues.

Chapter 1: Scope of the deposit return scheme

9. Do you agree that the cap should be included as part of the deposit item in a deposit return scheme for: a) Plastic bottle caps on plastic bottles – yes/no b) Aluminium bottle caps on glass bottles – yes/no c) Corks in glass bottles – yes/no d) Foil on the top of a can / bottle or used to preserve some drinks – yes/no

a) Plastic bottle caps on plastic bottles – yes

b) Aluminium bottle caps on glass bottles – no (Glass should not be in scope)

c) Corks in glass bottles – no (Glass should not be in scope)

d) Foil on the top of a can / bottle or used to preserve some drinks – yes (However, glass should not be in scope)

The inclusion of caps within the scheme material is important to ensure that retailers do not become burdened with separating materials upon return to stores. The inclusion of caps on plastic bottles will also reduce scope for spillages from residual liquid in containers. Inclusion of caps will also simplify the process for consumers.

Options a, b and c should not be required as glass must not be in scope of the scheme for reasons stated in Q10 below.

10. Do you believe we have identified the correct pros and cons for the all-in and on-the-go schemes described above? a.) Yes b.) No Please elaborate on your answer.

a. Yes

An all-in scheme is best at this stage to bring coherence and alignment between UK nations given Scotland is delivering an all-in scheme and it is also favoured by Wales. However, the all-in scheme must be on the condition of excluding glass given the financial, operational and health and safety implications it poses for convenience retailers and other return point operators.

ACS continues to have significant reservations about the inclusion of glass within the deposit returns scheme. Including glass brings significant costs in respect to reverse vending machines (RVMs). The cost for RVMs that can manage glass are considerably higher and more space intensive. It also presents several logistical operational challenges to convenience retailers who have little space in stores to cater for space intensive RVMs.

Where retailers will only be able to offer manual takeback, the inclusion of glass will place pressure on staff and additional health and safety issues. For example, there is an increased risk of breakage which would mean staff handle broken glass. Glass containers also take up more storage space and difficult to move around retail premises.

We are concerned about the challenges associated with crushed glass alongside food-to-go settings and food preparation areas. 12% of convenience stores operate food-to-go concessions, 28% have in-store bakeries and 22% host hot food to go counters³. The presence of crushed glass within a close proximity of food preparation and serving incurs several environmental health concerns as well as difficulties for in-store logistics.

² Mark Pawsey MP 75270

³ ACS Local Shop Report 2020

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. a) Yes b) No

a. Yes

The scheme must have alignment amongst nations, particularly for those retailers operating multiple sites across borders. The standardisation of the scheme will reduce costs for all parties.

This is with the exception of the inclusion of glass as we are aware it is in scope in Scotland but we urge the Government to ensure that retailers in England, Wales and Northern Ireland are not obligated to take it back given reasons stated in Q.10.

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? a) All-in b) on-the-go Please elaborate on your answer.

A. All-in

ACS does support an all-in scheme but this is on the condition that glass is excluded from the in-scope materials. Please refer to Q.10.

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

B. No

An on-the-go scheme must include multipack materials to reduce the risk of confusion and creation of flashpoint upon return to stores. There must be an obvious consistency with containers in scope, aided with a consumer awareness campaign and associated communications to ensure that consumers know what is and is not in scope of the scheme.

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? a) Yes b) No c) Difficult to say

A. Yes

Materials

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

As previously mentioned, ACS continues to have significant reservations about the inclusion of glass within the deposit returns scheme. Including glass brings significant costs in respect to reverse vending machines (RVMs). The cost for RVMs that can manage glass are considerably higher and more space intensive. From ACS' research, a machine that has the ability to take back glass in comparison to PET plastic and aluminium cans can be up to 55% higher in cost to purchase. It also presents several logistical operational challenges to convenience retailers who have little space in stores to cater for space intensive RVMs or uncompacted materials.

The up-front costs of a reverse vending machine would range from £7,000 + VAT to £30,000. Zero Waste Scotland's study suggests that 40% of convenience stores would require one reverse vending machine⁴, as such, this would cost a base minimum of £293,503,000 for the 41,929 convenience stores in England and Wales.

There also may be options for retailers to lease reverse vending machines rather than being presented with one upfront cost, which will be preferable to independent retailers. Valpak have suggested that while one machine would cost £7,000 + VAT upfront, leasing the machine over a 5-year lease would be £36 per week

⁴ Eunomia: A Scottish Deposit Refund System (Appendix to the Final Report for Zero Waste Scotland)

⁵. However, for convenience stores, operating low margin business, putting up £1,872 a year to lease an RVM still presents a significant financial cost. The Government must make clear that handling fees cover the cost for purchase and/ lease of RVMS.

To put this in perspective, in the last year convenience retailers in England and Wales invested £585m in their business⁶. On average, each non-affiliated independent retailer in England and Wales invested £8,022 in their business in the last year, while each independent symbol group retailer invested £12,178 in their business. The main areas of investment included refrigeration, in-store lighting and shelving. If a retailer were to invest in a reverse vending machine in their store, this would account for a considerable amount of their investment spend. A non-affiliated independent retailer would need to more than quadruple their investment spend that year if they purchased a £30,000 RVM up-front and would need to increase their investment by 6% to purchase a £7,000 RVM up-front. 28% of their investment would be spent if they were to purchase an RVM. While independent symbol group retailers would need to more than double their investment spend to purchase a £30,000 RVM up-front, 62% of their investment to purchase a £7,000 RVM up-front, or 17% to lease a RVM. Investing in an RVM could mean that retailers may decide to postpone or cancel planned investments to improve their store.

17.Do you agree that the scope of a deposit return scheme should be based on container material rather than product? Yes / No

a. Yes

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

b. No

As previously mentioned, ACS continues to have significant reservations about the inclusion of glass within the deposit returns scheme given its operational and cost implications. Please refer to Q.10.

Chapter 2: Targets

20.Which of the following approaches do you consider should be taken to phase in a 90% collection target over 3 years? a) 70% in year 1, 80% in year 2, 90% in year 3 and thereafter b) 75% in year 1, 80% in year 2, 90% in year 3 and thereafter c) 75% in year 1, 85% in year 2, 90% in year 3 and thereafter d) 80% in year 1, 85% in year 2, 90% in year 3 and thereafter

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

21.What collection rate do you consider should be achieved as a minimum for all materials after 3 years? a) 80% b) 85% c) 90% collection rate should be achieved for all materials

c. 90% collection rate

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? Yes / No Please provide any evidence to support your answer

b. No

ACS commissioned consumer polling of 2,000 UK adults to understand their current recycling habits and what interventions would encourage them to recycle more. The polling suggests that that 70% of consumers preferred to have kerbside household recycling collections rather than a DRS for bottles and cans. Consumers also responded that they were likely to recycle more if more packaging was recyclable

⁵ [Reverse Vending Machine Corporation: Cost of a Deposit Return Reverse Vending Machine](#)

⁶ ACS Local Shop Report 2020

(37%), packaging was more clearly labelled as recyclable (35%) and recycling household collections took a greater range of recycled goods (29%)⁷.

23. Who should report on the volumes of deposit return scheme material placed on the market in each part of the United Kingdom (England, Wales and Northern Ireland) for the proposed deposit return scheme, and what would be the implications of these obligations? a) The producer/importer b) The retailer c) Both the producer/importer and retailer

B. The producer/importer

Retailers should not be obligated to report on volumes of material placed on the market on an annual basis under DRS. It would be more appropriate to place the obligation producer/importer as they will already be tracking non-DRS materials under the EPR proposal, meaning they will have system in place already to track DRS materials. There will of course need to be close collaboration between producers and retailers, co-ordinated through the DMO, to deliver the most accurate picture of products placed on the market across the four nations.

We believe that the Government sets out the right approach to reducing the burden of data collection on retailers in the EPR consultation which states: “the collating and reporting of packaging data will be more burdensome for the smallest producers. These businesses are unlikely to have digital records or databases and may struggle to dedicate staff time to the task. For these reasons Government wants to avoid placing any unnecessary reporting burden on the smallest producers”⁸.

The same approach to reducing the data burden should apply under the DRS system. This is especially important in the convenience sector where 72% are independent retailers and 26% of convenience retailers do not have an EPoS system in store, making it very difficult to track and report the material volumes⁹. If tracking of products placed on the market is a requirement for retailers this must be reflected in the handling fees for DRS. The handling fee would have to cover retailers’ costs for investing in the necessary software and hardware associated with tracking products placed on the market.

Chapter 3: Scheme governance

25. What length of contract do you think would be most appropriate for the successful bidder to operate as the Deposit Management Organisation? a) 3-5 years b) 5 – 7 years c) 7 – 10 years d) 10 years +

b. 5-7 years

26. Do you agree that the above issues should be covered by the tender process? Yes / No Please list any further issues you believe should be covered as part of the tender process.

Yes

We welcome that the tender process will have to demonstrate “Outlining a methodology for how handling fees and producer fees would be determined.” We would want any application in the tender process to outline how they would this an objective and evidence based assessment and demonstrate their intention to consult with key sectors that are operating return points.

27. Do you agree that the above issues should be monitored as Key Performance Indicators ? Yes / No Please list any further issues you believe should be covered by Key Performance Indicators .

Yes

It is important that the key performance indicators are frequently monitored to ensure that the scheme is fairly repaid via handling fees and that the scheme is working, reflected in recycling and littering rates. The Government must ensure that retailers handling fees are reviewed so that they reflect the true costs of hosting a return point; including this within KPIs is essential if RPs will be sustained. For example, one key

⁷ Populus DRS Consumer Polling 2017

⁸ Extended Producer Responsibility for Packaging 5.17

⁹ ACS Local Shop Report 2020

factor and variable cost for return operation is staffing costs, which are projected to increase to over £10 from 2024, this must be accounted for in handling fees. It is also important to monitor the DMOs attentiveness to issues at RPs to ensure than they are resolved in a timely manner so that RPs can continue to operate as quickly as possible after an issue.

Digital infrastructure for the deposit return scheme

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? Yes / No Please elaborate on your answer

Yes.

However, we think that producers/ importers are best placed to use such digital infrastructure to report containers placed on the market. Please refer to Q. 23.

29.Government will need to understand the needs of users to build digital services for deposit return scheme. Would you like your contact details to be added to a user panel for deposit return scheme so that we can invite you to participate in user research (e.g. surveys, workshops interviews) or to test digital services as they are designed and built? Yes / No

Yes.

Chapter 4: Financial flows

31.Is a high level of unredeemed deposits funding the scheme problematic? Yes / No. Please explain your answer

Yes.

Ultimately, the success of the scheme must be measure by the recovery of packaging and meeting recovery targets, but this does not mean unredeemed deposit should not be used to fund the scheme.

32.Which option to treatment of unredeemed deposits do you support? Option 1 / Option 2

Option 2

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?

No.

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

Invested in the scheme to allow for fair repayment of return point handling fees that equates for all the financial and operational costs entailed when hosting a RP.

Start-up costs and operational costs

36.What should be the minimum deposit level set in legislation? a.) 10p b.) 15p c.) 20p d.) Other
c. 20p to deliver consistency with the Scottish DRS.

37.Do you agree that there should be a maximum deposit level set in legislation? Yes / no If yes, what should be the maximum deposit level set in legislation? a.) 30p b.) 40p c.) 50p d.) Other

No.

The deposit level must also align with Scotland to ensure there is not any consumer confusion and cross-border issues upon return of the containers in scope.

At the outset of the scheme all types of drinks containers, regardless of material or size, should have the same level of deposit applied. This will not only ensure that there is clarity for customers to interact with a deposit return scheme but also provide clarity for return points on which the level of deposit that is applied onto drinks containers.

The legislation should allow some flexibility for the DMO to set deposit rates, but we do not have a view on the relevant rate at this stage. There are many variables that can determine higher rates, such as material types and consumer behaviour.

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 multipacks?

Yes.

This is a fair approach if the DMO ensures that they give specific consideration to the impact of the deposit in regards to its affordability for customers but also, the impacts it may have on retailers pricing and sales. Should the deposit level change, there also must be several communications campaigns to ensure that consumers and RPs are aware of the change in deposit level as without this, it could create confusion at RP.

Chapter 5: Return points

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? Please provide any evidence to further explain your answer.

ACS understands that the Defra is in favour of an all-in system and to oblige all those who sell in-scope containers to host return points. Whilst ACS is committed to supporting the Government and our members on delivering a scheme that is fit for purpose, the Government must understand the significant cost and operational burdens it places on retailers, especially smaller format retailers.

ACS asked 1,210 independent retailers in the ACS Voice of Local Shops survey whether they would have the space to accommodate DRS in their store. The results of the survey reiterated retailers' concerns that lack of space-in-store to process returns is a significant concern. 71% of retailers responded that they either did not have the space to process bottle returns in-store or would have to make significant changes to their stores to facilitate a deposit return scheme ¹⁰.

We believe that the best approach is for the DMO to strategically mapped the location of RVMs and manage a robust exemptions process. This is to ensure that they are hosted where necessary and areas do not become overburdened with RVMs. There is precedent for this approach with the provision of other services such as Post Office, National Lottery terminals and ATMs. The providers of these services strategically map where service should go according to consumer demand across their networks.

For example, the Post Office have a statutory duty to comply with the Government's access criteria for post office branches, which focuses on the distance to a Post Office and how much of the population is 'x' distance from a Post Office¹¹. LINK has a Financial Inclusion Programme to ensure that consumers have free access to cash through ATMs which is based on distance¹², while Camelot determine locations based on criteria including current and projected sales, footfall, store size, access and potential demand. The Government should consider how the mapping criteria is developed for these types of services and incorporate it within the deposit return scheme in England, Wales and Northern Ireland.

Small retail outlets should be able to apply for exemptions from DRS where they have limited sales and storage space or to facilitate a return point. Convenience retail should not be forced to manually handle return containers within scope of the scheme. We believe that exemptions from DRS need to be carefully

¹⁰ ACS Voice of Local Shops survey May 2017

¹¹ [The Post Office Network Report 2018](#)

¹² [LINK Financial Inclusion Programme](#)

assess on a case by case basis and not based a small number of binary thresholds like in the Scottish DRS.

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

In small store formats where there is limited space and lower staffing levels it is possible that consumer will experience some delays when returning drinks containers.

Consumer interaction with the scheme will also vary by location and subject to their living arrangements. We completed focus groups with consumers (See Annex B) which highlighted greater concerns amongst consumers without car ownership and living flats and smaller households with smaller living space and community waste collection facilitates.

Where retailers are operating manual handling systems for the collection of scheme materials these will have to run alongside existing services at checkouts. For consumer this means queuing alongside other customer that are purchasing grocery products or accessing postal services. This will inevitably increase queuing times and pressure on store colleagues. Therefore convenience retailers prefer RVM solutions in their stores; to improve the customer's experience and maintain productivity levels in their business.

Where convenience retailers are operating RVMs there will inevitably be "down time" for the machines; for maintenance, malfunctions or emptying of the machines. Where this happens retailers will not be able to accept returns and consumers will have to find alternative return points.

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. Please explain your answer.

Option 1.

All online retailers selling in scope containers must be obligated to offer a takeback service. It is only fair that they are obligated to takeback containers as they have equity in the system from placing containers on the market. ACS wants to ensure that bricks and mortar retailers do not have to be burdened with those in scope materials purchased online.

43. Do you agree with the proposed criteria for the calculation of the handling fee? Yes / No Would you propose any additional criteria are included for the calculation of the handling fee?

ACS agrees with the broad criteria for setting the handling fee. The DMO must conduct significant analysis of the costs of operating a return point, considering different size and formats of retailers to create levels of handling fees which fairly repay different types of retailer for operating the scheme. A one size fits all approach is not adequate when setting the handling fee.

We believe it is important the government and the DMO acknowledge that break even point for operating an RVM or manual handling in small format retail and large format retail premise will be different. The fixed costs for the installation of an RVM and other equipment will be lower in small format store, but variable costs of collecting and storing the materials, relative the business, will be higher and the volumes being collected through the stores lower. The calculation of the handling fee must also account for different operating models.

Ensuring the scheme is cost neutral for convenience retailers is essential as the Governments' current DRS scheme design requires all retailers to take back containers. The handling fee must account for the following costs; the costs of purchase, lease, maintenance or upkeep of any infrastructure associated with the collection and storage of scheme packaging, rental value of any floor space utilised for collection or storage of packaging and staff time dedicate to the collection and storage of materials. If there is a requirement for retailers to record goods placed on the market the handling fee must also cover associated hardware and software in store to facilitate this.

Exemptions to hosting a return point

44. Please tick which exemptions you agree should be included under the scheme: - Close proximity - Breach of safety Any further comments you wish to make

Both close proximity and breach of safety should be included.

Considering lessons learnt from Scottish Government developing an exemptions process, ACS wants to ensure that the process is no binary gate way process that unfairly excludes retailers applying for exemptions due to a strict inflexible criteria and application process. Whilst the two reasons for exemptions provide a broad blanket idea for why retailers may need exemptions it is not exhaustive and all individual cases must be fairly considered.

We have numerous concerns with the current exemption process that is in operation in Scotland that DEFRA and the DMO should try to avoid. The Scottish exemption process requires business to provide excessive amounts of information for:

Proximity exemption¹³:

- mapping evidence to alternative return points
- a very low 400m proximity threshold,
- understanding of accessibility criteria at alternative return points
- Consent of the alternative return before beginning an application

Environmental health exemptions¹⁴:

- Internal and external floor measurements
- Plans of premises in M²
- Evidence of the premises use class
- Multiple quotes from trades people for necessary alterations to stores
- A higher monetary threshold for alterations set at up £2,000 for any other businesses.

We believe this system can be vastly improved through the DMO operating the exemption process, more engagement with retailers and considering applications in the round.

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?

We cannot estimate the number of stores that will apply for exemptions given the multiple considerations that retailers will have to account and the wide range of communities they serve. 71% of retailers responded that they either did not have the space to process bottle returns in-store or would have to make significant changes to their stores to facilitate a deposit return scheme¹⁵. This supports why ACS believes a strategically mapped system of RVMs is best for the sector given its responsibility to host a large proportion of return points.

For retailers to take back containers in store, it is likely they will have to forfeit valuable sales space or be forced to consider compromising health and safety regulations to take back containers over a counter where food is also sold. 12% of convenience stores operate food-to-go concessions, 28% have in-store bakeries and 22% host hot food to go counters¹⁶. The Government must also consider that food-to-go is a growing offer within convenience so it is likely that this issue will only get worse over time. The presence of crushed glass further presents additional complications within a close proximity of food preparation and

¹³ https://depositreturnscheme.zerowastescotland.org.uk/sites/default/files/2020-12/Proximity%20Exemption%20Guidance%20V1.1_0.pdf

¹⁴ <https://depositreturnscheme.zerowastescotland.org.uk/sites/default/files/2020-12/Environmental%20Health%20Exemption%20Guidance%20V1.1%20.pdf>

¹⁵ ACS Voice of Local Shops Survey 2017

¹⁶ ACS Local Shop Report 2020

serving, further supporting why manual takeback must not be expected of small format retailers and mapping is key to create the most efficient network of RVMS and return points for the scheme.

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: a.) Signage to demonstrate they don't host a return point; b.) Signage to signpost consumers to the nearest return point; c.) Anything else?

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

ACS is also willing to explore how signage to signpost consumers to the nearest return point may be explored. It is highly likely that retailers will want to display the location of alternative return points, but this should be a choice for retailers.

The role of signage is important in demonstrating an exemption to ensure that a flash point is not created due to not hosting a return point.

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 / No Please explain your answer.

Yes.

ACS is also willing to explore how signage to signpost consumers to the nearest return point may be explored. It is highly likely that retailers will want to display the location of alternative return points, but this should be a choice for retailers.

48. How long do you think exemptions should be granted for until a review date is required to ensure the exemption is still required? a.) 1 year b.) 3 years c.) 5 years or longer

c. 5 years or longer

ACS believes the maximum time possible for review is necessary as it is unlikely due to being small format retailers that convenience stores will have a dramatic change in circumstances changing the need for an exemption. We do however understand that for non-compliant exempted retailers, this should be a reason to re-review or revoke an exemption after ample warnings are made to the retailer with explanation of how to comply.

Using technology in a deposit return scheme

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?

Yes.

ACS supports the exploration of technological solutions within the modes of return for the scheme and believes it can be beneficial. We do however, want to ensure that it does not become a distraction from creating and implementing the existing proposed infrastructure via manual and RVM returns.

There must also be consideration of ensuring that the digital solution does not decrease the number of returns made to established RPs in order to ensure that RPs are sustained through ample takeback.

52. Do you think a digital deposit return scheme could ensure the same level of material quality in the returns compared to a traditional 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? Yes / No Please explain your answer.

Yes. However, there are current queries surrounding whether the scanned material will be returned and reprocessed once scanned by the consumer. There is a risk that a consumer may scan a container to retrieve the deposit and then the container does not get recycled.

Planning permission for hosting a reverse vending machine

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 / No Do you have any amendments or additional parameters you would propose are reflected in the permitted development right?

Yes.

Business owners should be able to install RVMs within their premises boundaries without engaging local planning departments. Permitted development rights can support this objective and a statutory instrument has already been introduced to this effect in Scotland¹⁷. Similar regulations should be introduced for planning systems in all other UK nations.

Further barriers to hosting RVMs should be removed via the business rates system. The Scottish Government has introduced 100% business rates relief for RVMs but we would urge the exemption of RVMs from rating. Exempting RVMs, rather than providing a relief, would save assessor resource and ensure retailers do not still pay business rates on RVMs due to the impact of state aid or subsidy control rules. This exemption should apply to internal and external RVMs.

There is no evidence that RVMs increase property value, underlining why they should not be rated. The UK Supreme Court has also ruled that internal ATMs should not be hereditaments for business rates purposes – the same approach should apply for all other internal concessions including RVMs¹⁸.

Chapter 6: Labelling

55. Do you agree that the following should be part of a mandatory label for deposit return scheme products? a) an identification marker that can be read by reverse vending machines and manual handling scanners. b) a mark to identify the product as part of a deposit return scheme. c) the deposit price.

A) Yes B) Yes C) No. ACS believes that clear labelling and communication to customers of containers in scope is essential. Labelling specific for DRS must be applied at the producer level to ensure that containers are labelled correctly for sale and return and minimum burdens are placed upon retailers.

There also must be consistency of labelling between England and Wales and Scotland to ensure that containers returned from across borders can still be returned. If this is not a possibility, labelling must clearly display which nation the container can be returned within and the Government must support this with a consumer awareness campaign to ensure that consumers are aware of the limitations upon returning across borders.

Retailers must not be faced with another flashpoint for abuse upon return of in-scope scheme materials. ACS' 2021 Crime Report found that 89% of colleagues working in local shops have experienced some form of abuse, with over 1.2million incidents recorded over the last year¹⁹. The Government must avoid risking the creation of more flashpoints within stores.

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

Under a manual system, return points would be required to store drinks containers in a secure location either at back of house or outside to ensure that they are not stolen. 43% of independent convenience retailers currently store their mixed recycling waste inside their store or outside in a non-secured bin²⁰. Therefore, convenience retailers would be either be required to compromise on space at the back of house

¹⁷ https://www.legislation.gov.uk/ssi/2020/269/pdfs/ssipn_20200269_en.pdf

¹⁸ <https://www.supremecourt.uk/cases/docs/uksc-2018-0225-judgment.pdf>

¹⁹ ACS 2021 Crime Report

²⁰ ACS Voice of Local Shops survey November 2017

which could present a risk to health and safety and food hygiene or invest in a secure unit to place outside to store drinks containers.

Fraud presents another challenge that return points would face if they were required to manually take back containers. The Government must ensure that a deposit return scheme is automated, which would not only reduce the burdens on smaller return point locations, such as convenience retailers, but also reduce the risk of containers being stolen from return points.

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 / No

Yes.

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. Please refer to Q.55.

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

Labelling requirements must be a mandatory requirement for producers/importers to ensure that there is consistency on in-scope materials throughout the supply chain. This must not be applied further down the supply chain as it will create inconsistency and confusion for sale of containers.

62. Will your processes change as a result of mandatory labelling? Yes/ No/ Don't know. Please explain your answer

Yes. Non labelled containers must be sold through before the scheme goes live to ensure that RPs can take back any containers in-scope.

Chapter 8: Compliance monitoring and enforcement

70. Are local authorities (through the role Trading Standards and the Primary Authority Scheme) best placed to enforce certain retailer obligations? Yes /No Please give any alternative suggestions. To what extent will local authorities be able to add monitoring and enforcement work for the deposit return scheme to existing duties they carry out with retailers?

Yes.

ACS believes local authorities through trading standards and the primary authority are best placed to enforce retailer obligations and this should be conducted in a similar fashion to primary authorities involvement in underage sales and sale of illegal stock for example. There should be clear and realistic implementation time for retailers to adapt to the requirements to host a return point before enforcement commences to ensure that retailers can implement infrastructure, apply for an exemption if necessary and begin hosting their return point.

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.

No.

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

Yes. Particularly in the first years of the scheme running, the DMO must play a role in ensuring RPs are compliant before escalating this to the regulator. Whilst we agree that non-compliant RPs must face enforcement, whilst the scheme is in its implementation phase and first years of targets the expectations upon RPs must be realistic.

74. Do you agree with the position set out regarding enforcement response options? If not, please expand your answer.

Yes.

Chapter 9: Implementation Timeline

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?

ACS agrees broadly with the implementation timeline however, the roll out of return point infrastructure will be dependent on the setting of the handling fee which is determined at the same point on the timeline. Retailers must be given ample time for both fiscal and operational planning to host return points. The sector also requires clarity on the timeline for applying for exemptions which is not detailed on the timeline but is aware this is dependent on the appointment of a DMO.

There also must be some level of alignment with the Scottish scheme to ensure that both schemes do not become polarised and to some degree can operate parallel to one another. Delaying the England, Wales and Northern Ireland scheme further would create further polarisation, but realistic timeframe must be given to the convenience retail sector to ensure they can comply with scheme requirements and have the correct infrastructure in place.

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? Please provide evidence to support your answer. a.) 12 months b.) 14 months c.) 18 months d.) Any other (please specify)

c. 18 months

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?

An all-in scheme would take longer to implement given the size of materials it will capture and the infrastructure needed to support it. With the inclusion of glass, reverse vending machines cost considerably more and will present greater operational and logistical challenges to retailers, particularly those who are of a small format. Please refer to Q.12 for further information on the complications glass presents.

Chapter 10: Summary of approach to Impact Assessment

78. Do you agree with the analysis presented in our Impact Assessment? Yes/No

Yes.

Whilst the IA does set out realistic analysis of each scheme, it does not account for the significant impact inclusion of glass will place on retail businesses. Inclusion of glass increases the cost of RVMs that are able to takeback glass and also dramatically increases the operational risks to retailers. Please refer to Materials in Scope section, Q.10. The IA also does not account for social and operational impacts on the retail sector which is a large part of the scheme and its sustainability.

**For further information on this submission please contact ACS Public Affairs Executive
[REDACTED]**

ANNEX B

Impact of Deposit Return Schemes on Retailers

Space is at a Premium

- Space is at a premium in convenience stores. Convenience stores are small format businesses, they are generally defined as being under 280 square metres.
- 71% of retailers either do not have space in their stores for a deposit return scheme or would have to make changes to their stores to make space
- There are 49,918 convenience stores across Great Britain, 85% are under 186 square metres, and 50% are under 93 square metres²¹.
- Independent convenience stores are even smaller; 94% are under 186 square metres¹ and 61% under 93 square metres²².
- Retailers have considerable concerns about where and how they would collect and store bottles and packaging: *"We are fighting for every space inch of space. If someone comes in with a black bag of plastic bottles, where are you going to keep this stuff?" Retailer, Scotland*
- Reverse Vending Solutions (RVS) are estimated to take up five metres² in store. Giving up this much space in-store will result in significant costs for retailers and loss of important sales space for other products and services.

Increasing pressure on staff and increasing queuing times in stores

- 35% of consumers said they would return their recycled packaging to stores resulting in a high volume of packaging to be processed at local shops²³.
- Store staff processing container returns would double the length of queue in a convenience store. The time it would take for a cashier to manually process and accept an average of 15 containers and store them is an estimated 45 seconds²⁴, while the average shopper queues for 43.8 seconds in a convenience store.
- Increasing service time in store would damage trade as one of the top drivers for customers to visit a convenience store is the speed of service/short queues²⁵.
- The average consumer spends 4.2 minutes in a convenience store. With the majority of consumers visiting for 1 – 3 minutes (42%)²⁶.

Cost to Retail Sector

- A deposit return scheme would place additional financial costs on retailers due to: lost trade from in-store delays; additional staff and staff hours to process returns; installation of RVS; lost retail floor space to accommodate Reverse Vending Solutions (RVS); and backhauling containers.
- It would cost retailers an estimated £30,000 to purchase a Reverse Vending Solution and an additional £2,000 for installation²⁷.
- Studies suggest that 40% of convenience stores would require one reverse vending machine to process returns²⁸. Based on these figures, a UK wide scheme could potentially cost the convenience sector over £638million just to install RVS in their stores²⁹.

²¹ ACS Local Shop Report 2017

²² ACS Local Shop Report 2017

²³ Jericho Chambers 2017

²⁴ Eunomia: A Scottish Deposit Refund System (Appendix to the Final Report for Zero Waste Scotland)

²⁵ ACS Local Shop 2017

²⁶ Him! CTP Data 2017

²⁷ Eunomia: A Scottish Deposit Refund System (Appendix to the Final Report for Zero Waste Scotland) – TOMRA Communications

²⁸ Eunomia: A Scottish Deposit Refund System (Appendix to the Final Report for Zero Waste Scotland)

²⁹ Cost of RVS x 40% number of convenience stores in the UK who would have RVS (19,967)

Hygiene and Health and Safety Issues

- Local shops are concerned about hygiene and health and safety issues associated with collecting used packaging in stores as it could damage food hygiene ratings.

ACS Research Methodology

ACS commissioned three independently chaired focus groups with convenience retailers in England, Scotland and Wales between 20 and 22 March 2017.

| Audience | Age | Gender | SEG | Location type | Location |
|--------------------------------------------|-----|--------|-----|---------------------|----------|
| Convenience store manager/ owners | | | | Urban | Glasgow |
| Convenience store manager/ owners | | | | Market town (Rural) | Diss |
| Convenience store manager/ owners/ workers | | | | Deprived | Bridgend |

Across the groups, the convenience sector was represented by individual store managers (and in some cases their staff) including those who operate single or small groups of stores and those who look after the interest of larger store groups. In the focus groups retailers were asked to discuss the impact that a deposit return scheme would have on their business and operational challenges they would have to contend with.

Following the focus group ACS conducted polling of 1,210 retailers in its Voice of Local Shops survey about whether they had the capacity to process a deposit return scheme in their store.

Lack of Space

Of the 49,918 convenience stores across Great Britain, 85% are under 186 square metres, and 50% are under 93 square metres³⁰. Independent convenience stores are even smaller; 94% are under 186 square metres¹ and 61% under 93 square metres³¹.

Convenience stores are small format businesses, they are generally defined as being under 280 square metres. Retailers have considerable concerns about where and how they would collect and store bottles and packaging:

“We are fighting for every space inch of space. If someone comes in with a black bag of plastic bottles, where are you going to keep this stuff?”

“I don’t have room in any of my stores. It’s filled with stock or cardboard to go back. There isn’t the room.”

³⁰ ACS Local Shop Report 2017

³¹ ACS Local Shop Report 2017

Retailers are also concerned about the space that a RVS would take up, would not only take the place of profitable retail lines leading to reduction in business, but would also mean there would be fewer products available to those who rely on local shops. One retailer noted that:

“if they are the size of a regular vending machine, that’s takes the place of quite a few shelves of product that I could sell, that I won’t be able to sell that, and I won’t be able to provide for my customers.”

Impact on Customer Service

Retailers suggest that accepting and processing bottles at the till would increase service times, put more pressure on staff and require them to invest in more staff. Transaction time is considerably important to the convenience store business model. One of the top drivers for customers to visit a convenience store is the fast speed of service/short queues³².

The time it would take for a cashier to manually process and accept an average of 15 containers and store them is an estimated 45 seconds³³, while the average shopper queues for 43.8 seconds in a convenience store. Store staff processing container returns would double the length of queue in a convenience store.

The average consumer spends 4.2 minutes in a convenience store. With the majority of consumers visiting for 1 – 3 minutes (42%), and 7% of consumers visit a convenience store for less than a minute³⁴. Any additional time at the till will have a considerable impact on retailers as well as customers’ experience.

“You’ve got someone wanting £5 on a Paypoint, 20 king-size, a bottle of Buckfast, and, oh, ‘here’s a bag of empty milk bottles’. You have to sort them, scan them. You could not do it. It’s ludicrous. There’s three of four people standing in a queue, they’ll walk away. Speed of service is key thing and you would lose your customers.”

Financial Cost to Retailers

Retailers are very concerned about the amount they will have to invest in additional staff time and reverse vending machines if a deposit return scheme were to be introduced. DRS would also place other costs on retailers, including: lost trade from in-store delays, lost retail floor space and backhauling containers.

Reverse Vending Solutions also present significant financial cost to retailers. It would cost retailers an estimated £30,000 to purchase a Reverse Vending Solution and an additional £2,000 for installation³⁵. This is a considerable investment for a small convenience retailer. Studies suggest that 40% of convenience stores would require one reverse vending machine to process returns³⁶. This could potentially cost the convenience sector over £638million just to install RVS in their stores³⁷.

³² ACS Local Shop 2017

³³ Eunomia: A Scottish Deposit Refund System (Appendix to the Final Report for Zero Waste Scotland)

³⁴ Him! CTP Data 2017

³⁵ Eunomia: A Scottish Deposit Refund System (Appendix to the Final Report for Zero Waste Scotland) - TOMRA Communications

³⁶ Eunomia: A Scottish Deposit Refund System (Appendix to the Final Report for Zero Waste Scotland)

³⁷ Cost of RVS x 40% number of convenience stores in the UK who would have RVS (19,967)

Retailers will also be financially burdened by having to employ more staff or increase staff hours to process returns manually. For beverage containers to be accepted manually, retail staff would need to be able to recognise deposit labels, inspect the packaging to ensure it is still intact, and refund the value of the deposit. This would require a great deal of time from staff in store. Once collected by staff, the containers would have to be sorted, bulked and sent for reprocessing – again this would place pressures on small stores' employees.

"If you come in the front door with a can, it's got to go somewhere where its being recycled, so now a member of staff – at 12p a minute – as got to walk out the back and walk back again. That's 5 minutes, or 60p we're paying to get a 5, 10 or 20p refund on a can – it doesn't make sense. And most of this stuff is already recycled in private anyway."

Hygiene and Health & Safety Issues

Retailers in the focus groups also raised concerns that a DRS would not work alongside current health and safety regulations. The idea that the same physical space at point of sale would be used to serve food-to-go and accept soiled packaging was thought to be unpragmatic by retailers.

"There's no way they're coming in my store. ... I don't need to be in the situation where I could be sued by a customer, I could have Health and Safety after me, I could have the EHO round after me, simply because I'm accepting a tin of beans that hasn't been cleaned out properly."

The Workplace (Health, Safety and Welfare) Regulations 1992, Regulation 9 Cleanliness and Waste Materials stipulates that *"so far as is reasonably practicable, waste materials should not be allowed to accumulate in a workplace except in suitable receptacles"*. Staff would need to be provided with protective clothing and gloves in order to process the packaging returned to stores.

Impact of Deposit Return Schemes on Consumers

To support policy makers' understanding of the impact of a deposit return scheme (DRS) on consumers ACS (the Association of Convenience Stores) commissioned Jericho Chambers³⁸ to run three focus groups of consumers across the UK to discuss their views on DRS:

| Audience | Age | Gender | SEG | Location type | Location |
|-----------|-------|--------|------|---------------------|----------|
| Consumers | 18-34 | F | C1C2 | Urban | Glasgow |
| Consumers | 55+ | M/ F | BC1 | Market town (rural) | Diss |
| Consumers | 34-54 | M | C2DE | Deprived | Bridgend |

³⁸ Jericho Chambers completed the focus group between 20 and 22 March 2017

Following the focus groups, ACS commissioned Populus to complete polling of 2,034 UK adults to find out their views on DRS and what policy interventions would encourage them to recycle more. The polling took place between 24 and 26 March 2017.

The key findings from the research were:

Consumers were sympathetic to the principles of DRS but ultimately favour household collections

- Given the choice between kerbside recycling collections and deposit return schemes - 70% of consumers favoured their existing household collection, compared to 21% that favoured a new deposit return scheme.

The difficulty of returning empties for those without cars, the housebound, or less mobile

- A higher proportion of those with long term disabilities (73%) or those aged over 65 years old (76%) supported household collections instead of a deposit return scheme.³⁹

There are alternative solutions to tackling recycling

- Consumers suggest they would recycle more if more packaging was recyclable (37%), packaging was more clearly labelled (35%) and their household recycling collection took a wider range of products (29%).
- Only 9% thought a deposit return scheme would make them recycle more.

The associated costs that would be borne by all, and would most effect those already struggling

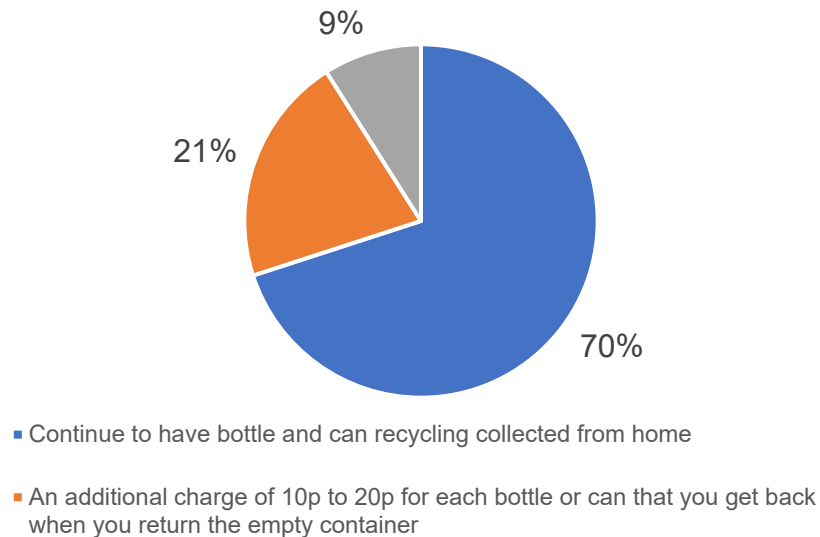
- The complexity of any scheme and its impact on retailers and consumers
- The current effectiveness of at-home schemes

Household Recycling is Favoured Over DRS

Given the choice 70% of consumers favour their existing household collections, compared to 21% that favour a new Deposit Return Scheme.

³⁹ Populus Online Consumer polling March 2017

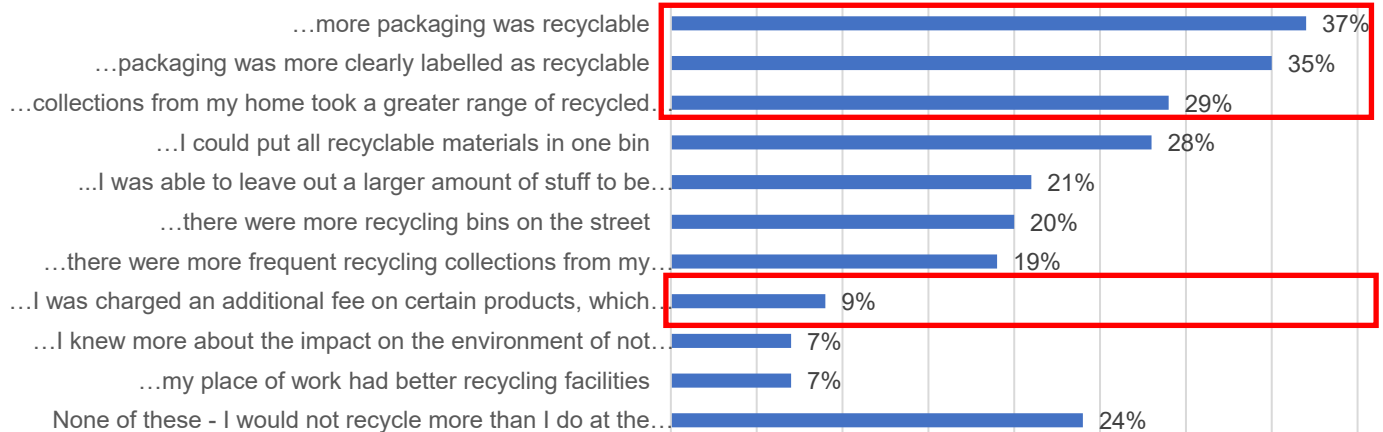
Which of the following would you prefer?



Alternative Solutions to Tackling Recycling

Consumers suggest they would recycle more if more packaging was recyclable (37%), packaging was more clearly labelled (35%) and their household recycling collection took a wider range of products (29%). Only 9% thought a Deposit Return Scheme would make them recycle more.

I would recycle more if...



Impact on Household Recycling Collections

While consumers were sympathetic to the principles of DRS, they believed that there were other solutions that would be more effective to increase the level of recycling, and had concerns that a deposit return scheme would place additional costs on consumers, and make recycling more complex⁴⁰.

“If you’re sticking prices up on everything, it’s like a tax, and not everyone can afford that tax.” Dad, Wales

“It’s an awful idea, it’s going to put so much money on the cost of something, and that’s money we are not going to get back as prices are going to have to go up by 5p or 10p for the retailer to handle it.” Dad, Wales

Consumers in the focus groups noted that DRS may actually reduce the volume of recycled goods, if kerbside schemes were no longer in use or had reduced collections. Given the choice between the introduction of a deposit return scheme compared with their existing household recycling, 70% of consumers support their existing household recycling.

No Silver Bullet

Consumers indicated that they would recycle more if their household recycling services were extended and improved rather than the introduction of a deposit return scheme. Populus consumer polling found that consumers would recycle more if more packaging was recyclable (37%), packaging was more clearly labelled as recyclable (35%), and collections from their home took a greater range of recycled goods (29%)⁴¹.

“We have different colours [of recycling bins] but I don’t really know what they are for. I don’t have a clue; my rubbish just goes in the bin and that’s it.” Younger Female, Scotland”⁴²

Impact on Carless and Vulnerable Households

The most vulnerable in society support household kerbside recycling; people with long term disability (73%), carless households (70%) and people aged 65 and over (76%)

A higher proportion of those with long term disabilities (73%) or those aged over 65 years old (76%) supported household collections instead of a deposit return scheme.⁴³

“I don’t have a car, I’m not going to be taking glass bottles out with me out on to the bus. I don’t think I’d bother.” Younger Female, Scotland

“If you’ve got a garage then you’re fine, but if you live in a flat then you’re knackered.” Dad, Wales

“Where would you store this stuff? It’s tough enough as it is trying to keep your house tidy before you put it in the wheelie bin. Would I have to keep it in the car?” Younger Female, Scotland

⁴¹ Populus DRS Consumer Polling

⁴² Jericho Chambers: Deposit Return Scheme – views of retailers and consumers 2017

⁴³ Populus Online Consumer polling March 2017

Customer Confusion

Consumers in our focus groups identified the potential complexity of a deposit return system. They raised concerns about the ability to know what could or could not be recycled in the system. One consumer in England said:

*“How many product lines are there out there that have to be washed, cleaned and returned? 500? 400? 300? It might be that we can just deal with a few of them, and that makes it doable, ok, but once we get into the enormity of the different types of materials, you starting to get a bottleneck problems, and how could anywhere – like the village shop – cope with 25, 100, 500 different types of products” **Older Male, England**⁴⁴.*

There is customer confusion about what can and cannot be recyclable through kerbside collections⁴⁵. A BBC Freedom of Information request found that 3% of recyclable waste was rejected by local authorities, with some local authorities experiencing a rate of 14.99%⁴⁶. As such, we have concerns that customer confusion would only be exacerbated if a DRS were to be introduced.

⁴⁴ Jericho Chambers: Deposit Return Scheme – views of retailers and consumers 2017

⁴⁵ [BBC News: Rejected recyclable waste up 84% in England since 2011, data shows](#)

⁴⁶ [BBC News: Rejected recyclable waste up 84% in England since 2011, data shows](#)

ABOUT ACS

The Association of Convenience Stores lobbies on behalf of over 46,000 convenience stores across mainland UK on public policy issues that affect their businesses. ACS' membership is comprised of a diverse group of retailers, from small independent family businesses running a single store to large multiple convenience retailers running thousands of stores.

Convenience stores trade in a wide variety of locations, meeting the needs of customers from all backgrounds. These locations range from city centres and high streets, suburban areas such as estates and secondary parades, rural villages and isolated areas, as well as on petrol forecourts and at travel points such as airports and train stations.



WHO WE REPRESENT

INDEPENDENT RETAILERS



ACS represents almost 19,000 independent retailers, polling them quarterly to hear their views and experiences which are used to feed in to Government policy discussions.

These stores are not affiliated to any group, and are often family businesses with low staff and property costs. Independent forecourt operators are included in this category.

SYMBOL GROUPS AND FRANCHISES



ACS represents over 14,000 retailers affiliated with symbol groups. Symbol groups like SPAR, Nisa, Costcutter, Londis, Premier and others provide independent retailers with stock agreements, wholesale deliveries, logistical support and marketing benefits.

Symbol group forecourt operators and franchise providers like One Stop are also included in this category.

MULTIPLE AND CO-OPERATIVE BUSINESSES



ACS represents over 13,000 stores that are owned by multiple and co-operative retailers. These businesses include the Co-Operative, regional co-operative societies, McColls and others.

Unlike symbol group stores, these stores are owned and run centrally by the business. Forecourt multiples and commission operated stores are included in this category.

THE CONVENIENCE SECTOR



In 2020, the total value of sales in the convenience sector was £44.7bn.

The average spend in a typical convenience store transaction is £7.46.



There are 46,955 convenience stores in mainland UK. 72% of stores are operated by independent retailers, either unaffiliated or as part of a symbol group.



The convenience sector provides flexible employment for around 412,000 people.

13% of independent/symbol stores employ family members only.



22% of shop owners work more than 60 hours per week, while 24% take no holiday throughout the year.

72% of business owners are first time investors in the sector.



Convenience stores and Post Offices poll as the two services that have the most positive impact on their local area according to consumers and local councillors.

80% of independent/symbol retailers have engaged in some form of community activity over the last year.



Between August 2019 and May 2020, the convenience sector invested over £585m in stores.

The most popular form of investment in stores is refrigeration.

OUR RESEARCH

ACS polls the views and experiences of the convenience sector regularly to provide up-to-date, robust information on the pressures being faced by retailers of all sizes and ownership types. Our research includes the following regular surveys:

ACS VOICE OF LOCAL SHOPS SURVEY

Regular quarterly survey of over 1,200 retailers, split evenly between independent retailers, symbol group retailers and forecourt retailers. The survey consists of tracker questions and a number of questions that differ each time to help inform ACS' policy work.

ACS INVESTMENT TRACKER

Regular quarterly survey of over 1,200 independent and symbol retailers which is combined with responses from multiple businesses representing over 3,000 stores.

ACS LOCAL SHOP REPORT

Annual survey of around 2,400 independent, symbol and forecourt retailers combined with responses from multiple businesses representing 6,700 stores. The Local Shop Report also draws on data from Lumina Intelligence, IGD, Nielsen and William Reed.

BESPOKE POLLING ON POLICY ISSUES

ACS conducts bespoke polling of its members on a range of policy issues, from crime and responsible retailing to low pay and taxation. This polling is conducted with retailers from all areas of the convenience sector.

For more information and data sources, visit www.acs.org.uk