



APPG for Tidy Britain, APPG for Ocean Conservation and APPG on Microplastics

A World Leading Deposit Return Scheme

26th May 2021

Virtual Meeting: Zoom

10am – 11am

Attendees (MPs and Peers)

Steve Double MP (Chair of the Ocean Conservation APPG)
Kevin Hollinrake MP (representative) (Chair of the Tidy Britain APPG)
Alberto Costa MP (representative) (Chair of the Microplastics APPG)
Abena Oppong-Asare MP (representative)
Baroness Hayman of Ullock
Christian Wakeford MP
Christine Jardine MP (representative)
Douglas Chapman MP (representative)
Liz Twist MP (representative)
Lisa Cameron MP (representative)
Ruth Jones MP
Sally-Ann Hart MP
Tony Lloyd MP (representative)

Apologies

Kevin Hollinrake MP
Alberto Costa MP
Kerry McCarthy MP
Stephen Timms MP
Lord Caithness
Caroline Lucas MP
Gagan Mohindra MP

Panel Chaired by Steve Double MP

Allison Ogden-Newton, Chief Executive of Keep Britain Tidy
Hugo Tagholm, Chief Executive of Surfers Against Sewage
Orla Woods, Senior Consultant at Eunomia
Jim Fox, Head of Public Affairs at Coca Cola Partners GB
Ed Woodall, Government Relations Director at Association of Convenience Stores
Samantha Harding, Executive Director of Reloop Platform

Minutes

Welcome and Opening Remarks

Steve Double MP, Chair of the Ocean Conservation APPG welcomed attendees to the joint APPG meeting, and explained that the purpose of the meeting was to explore the need for an all-in Deposit Return Scheme in England, Wales and Northern Ireland.

Steve Double MP explained that the UK Government are currently consulting on how to introduce a deposit return scheme in 2024 in England, Wales and Northern Ireland. Steve indicated that attendees and environmental groups are likely to be unhappy with the delayed introduction of the scheme, and emphasised that whatever scheme is introduced has to be the best scheme possible. Steve Double MP outlined that a well-designed deposit return scheme has potential to tackle plastic pollution in UK parks, seas and streets, reduce waste and create a circular economy, but this has to be a scheme that works for everyone- manufacturers, consumers and the environment.

Steve Double MP informed attendees that the event was to be recorded.

Chief Executives of Environmental Charities: Introduction on why we need a DRS

Hugo Tagholm, CEO of Surfers Against Sewage, outlined the work of Surfers Against Sewage, who have worked with over 50,000 community volunteers as part of their Million Mile Beach Clean, which has collectively covered over 350,000 miles and removed tonnes of plastic from beaches over the course of one week. Hugo explained that plastic pollution seems to be getting worse in the UK's green and blue spaces, with over half of the UK population believing that they are seeing more plastic than wildlife, and 54% think that COVID-19 has led to an increase in plastic pollution. Hugo discussed that that UK's waste collection system cannot cope with the sheer volume of single use plastics currently manufactured, and we need a complete systematic shift of how we deal with plastic waste. Hugo praised the work of the many Surfers Against Sewage volunteers, but emphasised that the UK cannot litter pick our way out of this problem. The UK needs to deliver circularity in waste solutions.

Hugo outlined that an all-in deposit return scheme is one of the ways to address the plastic waste problem, and would empower people from Scotland to Cornwall to take charge of their plastic waste, and stated that over 300,000 people signed Surfers Against Sewage's petition to deliver an all-in deposit return scheme. Hugo discussed the former Secretary of State for the Environment's support for an all-in scheme, and evidence overseas indicates all-in schemes can capture 95% of plastic packaging. Hugo outlined Surfers Against Sewage's research that found that 58% of plastic waste found on beaches would be excluded from an on-the-go deposit return scheme. Hugo referenced Reloop's recent research that found that over 8 billion bottles would be lost annually without an all-in deposit return scheme, which when added up would lead to 24 billion bottles being lost to the environment since the Government committed to a deposit return scheme. Hugo emphasised that a well-designed deposit return scheme would deliver reductions in carbon emissions and deliver a circular economy.

Allison Ogden-Newton, CEO of Keep Britain Tidy, outlined the data collected by Keep Britain Tidy through the National Litter Survey, where 7,000 sites are analysed for litter annually. In 2017, we did a survey for DEFRA, and KBT have also done a litter composition survey which takes apart the litter found. Allison outlined that the Great British Spring Clean litter pick scheme is launching on Friday 28th May. Allison highlighted that this is about to hit the million miles mark, with hundreds of thousands

of people out litter picking out over the next few weeks. Allison outlined that based on this research, Keep Britain Tidy know that an all-in deposit return scheme would make a big difference to the amount of litter found. Allison highlighted that in litter composition surveys conducted by Keep Britain Tidy, it was found that 30% of containers were over 750ml, and the DEFRA survey conducted by Keep Britain Tidy found that over 17% of the glass containers were over 750ml. Allison emphasised that the public do not want glass on their beaches or and plastic in their eco system, and expect the UK to do better. Allison indicated her disappointment about with the delayed introduction of a deposit return scheme to 2024, and would be keen to know the economic reasons for this happening. Allison outlined the everyday a deposit return scheme is delayed, more and more plastic is being released into our environment.

Expert Panel Discussion

Orla Woods, Senior Consultant at Eunomia, outlined that well-designed deposit return scheme systems are introduced to increase recycling rates, with well-designed systems able to achieve over 90% return rates of plastic.

Orla explained that well-designed deposit return systems also improve the quality of recyclate, providing high quality RPT for plastic bottles, and reduce littering, with estimates that about 40% of litter by volume are plastic bottles, so a well-designed deposit return scheme could reduce litter by a third. Orla also indicated that a well-designed deposit return scheme could provide over 4,200 full time jobs in the green economy, reduce greenhouse gases, and reduce air pollutants.

Orla outlined that the design of deposit return schemes can have a big impact on the efficacy of the scheme. Orla outlined that European systems tend to have higher return rates than those in America, and this is due to how the system operates. Orla explained that systems in Europe have return rates of at least 80%, and that can be attributed to centralised, more efficient and transparent systems; industry-led systems that allow businesses control over the systems that they are required to fund, and the Government's role is limited to that of oversight and setting targets; appropriate deposit values; convenient returns, with the return to retail model associated with higher return rates as the consumer can return their packaging or beverage container to anywhere that may sell drinks; fraud prevention measures; and an inclusive scope to support economies of scale to maximise the benefits to reduce litter and increase recycling rates, and provide simplicity to consumers about what is or isn't included.

Orla indicated that an 'on-the-go' system is not a concept used anywhere else in the world, with deposit return schemes overseas running from 100ml to 3 litres.

Orla outlined figures from DEFRA's consultation on all-in deposit return schemes as opposed to an on the go system. Orla demonstrated that 23.7 billion units POM would be collected annually in an on the go system, as opposed to 7.4 billion units under an on-the-go system. Orla showed that 2,038,000 tonnes of waste would recycled in an all-in system, as opposed to 505,000 in an on-the-go deposit return scheme. Orla highlighted that greenhouse gases would be reduced by 6 million annually in an all-in system, as opposed to a 1 million reduction through an on-the-go system. On annual litter clean-up savings, an all-in system would save £85.8 million, as opposed to £25.2 million in an on-the-go system. On net present value, an all-in system would generate £5.8 billion, as compared to £282 million for an on-the-go system. On net cost to business per unit, an all-in system would be £1.10 as opposed to an on-the-go system that would cost £2.50 per unit.

Orla highlighted that an all-in system would generate greenhouse gas emissions savings equivalent to 87,400 cars off UK roads, or 19,400 London-Sydney return flights. In contrast, an on-the-go system would only generate greenhouse gas emission reductions of 13,800 cars off UK roads, and 3,000 London-Sydney flights.

Orla concluded that an all-in DRS would recycle 3.2 times as many containers as an on-the-go system, would deliver 6 times the carbon savings, 3.4 times the litter clean-up savings and 21 times the net present benefit. An on-the-go DRS would cost 2.3 times more per container, and have a 70% less recycling rate for larger plastic bottles when compared to an on-the-go DRS.

Jim Fox, Head of Public Affairs at Coca Cola Partners GB, outlined that Coca-Cola are approaching deposit return schemes with set objectives. Jim outlined that these are that Coca-Cola do not want any of their packaging littered into the environment; and they want it all back so it can be recycled. Jim outlined that these principles underpin Coca-Cola's support for a deposit return scheme, which they have been campaigning for over a number of years. Jim emphasised that a DRS needs to be well-designed. Jim outlined Coca-Cola's additional objectives for the UK, which is to deliver the best environmental outcome possible and overcoming the political obstacles of unionism and nationalism. Jim outlined that Coca-Cola would like to see compatible, interoperable systems across the UK, and are keen for the Governments of the UK to synchronise the proposed timings for implementation of deposit return schemes. The best outcome for Coca-Cola would be for a single efficient supply chain across the UK where producers and suppliers could produce/sell products with a single label. Jim emphasised that if this isn't delivered this may be confusing and inefficient for consumers, incentivise fraud, and make investment in a circular economy in the UK much more difficult.

Jim emphasised that an all-in, return to retail model, works for most of the places that Coca Cola operate in, and was also the model that Scotland selected when assessing other schemes in operation across Europe. Jim emphasised that Coca Cola could not support an on the go model as it does not offer a complete solution to litter and waste processing. Jim explained that consumer behaviour studies have indicated that on the go is not a complete solution to litter. Jim outlined that this is because on the go systems are consumption occasions and not packaging occasions, and would not deal effectively with multiple units of the same product across different occasions of consumption, as found in a multipack.

Jim outlined that digital or smart DRS schemes are not yet ready for mass roll-out and use by the UK public. Jim emphasised the need to act now by implementing a deposit return scheme that works at scale, as opposed to waiting for future innovation to catch up. Digital DRS does not offer a closed loop system, nor does it process plastic or litter to high qualities needed.

Ed Woodall, Government Relations Director at the Association of Convenience Stores, emphasised that the Association of Convenience Stores recognised the importance of DRS for convenience stores for circularity and waste reduction. Ed highlighted that the ACS are very supportive of an all-in system driven by consistency across the UK to make it easy as possible for consumers to understand and interact with. Ed discussed the need for an all-in DRS to work alongside the upcoming Extended Producer Responsibility proposals coming forward from Government. Ed outlined that convenience stores would like a whole system solution to waste, with modulated fees; producers to be incentivised to use greener packaging/materials. Ed outlined that small and medium sized convenience stores faced operational challenges through implementation, and asked DEFRA to reflect further on conversations on how to address these challenges.

Ed reflected that large size of DRS systems, or in person packaging take back schemes in stores could present challenges for smaller retailers, as they would have to invest in external storage for the DRS systems, or give up sales space. Ed underlined that the inclusion of glass was a point of difference amongst convenience stores as this would present them with challenges as it's heavy, bulky and tricky to deal with. Ed outlined that the inclusion of glass in DRS systems would put pressure on convenience store staff and potentially create hygiene issues. Ed outlined that the operation of a DRS scheme would need to account for costs incurred by retailers, and would need to be accompanied by a robust handling fee.

Ed outlined that the Association of Convenience Stores felt that DEFRA need to consider two things in particular. The first was strategic mapping of collection points. Ed outlined that for an all-in DRS system to be as efficient as possible, a balance would have to be struck between having convenient locations for everyone to take back materials but also not needing all retailers to take every material. Ed suggested the model could be based on the strategic mapping that is done for post offices, ATMs and lottery terminals.

Ed also outlined that DEFRA needs to support convenience stores and smaller retailers with the costs of buying or leasing an RVM machine as it can sometimes be the equivalent to the annual revenue of a convenience store. Ed indicated that DEFRA need to look across varying different formats of retailers, including small and medium retail formats.

Samantha Harding, Executive Director of Reloop Platform, emphasised the purpose of deposit system is to collect huge volumes of irreplaceable resources like oil, metal, sand, soda ash, and limestone. Samantha outlined that as a deposit return scheme would separate resources at the point of collection, they are processed as the highest quality so they can be recycled through a closed loop system. This is not the system we have at the moment. Samantha outlined that the environmental benefits of this can be huge, with recycled cans using only 5% of materials that are used when producing virgin cans. Samantha outlined that this would make a significant impact on the levels of material extraction needed, and with COP26 around the corner, an all-in deposit return system would make an important statement on the need to reduce carbon emissions and greenhouse gas emissions.

Samantha emphasised that an all-in deposit return scheme would help to eliminate the amount of poor quality materials shipped overseas by the UK, which is degrading environments overseas. Samantha underlined that the guaranteed stream of quality materials delivered by an all-in DRS scheme would attract investment into the UK, attracting new jobs. Samantha highlighted that other nations worldwide are recognising these benefits of a DRS scheme too. Samantha discussed that a fully refundable deposit to the consumer when using a DRS scheme is a huge economic incentive for people to engage with DRS systems. Samantha highlighted that where there is a modern best-in-class system for people to engage with, return rates of plastic bottles are over 90%, which translates to billions of containers being returned to recycling. Samantha discussed that this in turn leads to a huge reduction in litter, delivering huge environmental and wellbeing benefits. Samantha discussed that each year of delay to implementing a DRS scheme leads to an increasingly worse outcome for our environment.

Q&A Chaired by Steve Double MP

Steve Double MP introduced the Q&A session.

Steve Double MP asked the panellists how an all-in DRS scheme could help the UK build back greener.

Orla Woods, Senior Consultant at Eunomia, outlined how a DRS scheme would help create jobs in the green economy, which needs to be part of building back better. Orla indicated that through a Eunomia study, an all-in DRS scheme would provide over 4,000 full time jobs in the green economy in the UK. Orla outlined work by Eunomia with the Irish Government, where the Irish Government indicated that plastic material has to be imported to create new bottles, but if this is supplied domestically this is a huge environmental benefit. Orla outlined that the wellbeing benefits of litter reduction are huge, and a well-designed, all-in DRS scheme could reduce the litter disimmunity by £1 billion a year, which currently affects businesses and communities due to the negative connotations with a littered environment.

Allison Ogden-Newton, CEO of Keep Britain Tidy, outlined that it was extraordinary to her that Britain had gone from a DRS scheme to being properly unable to process our packaging. Allison outlined intelligence from Keep Britain Tidy that indicated that manufacturers were struggling to process their packaging, and would like to use recycled materials like plastics. Allison outlined that the UK are the largest consumers of on-the-go food and drink in Europe, and this did not abate during lockdown. Allison outlined that an all-in DRS system is an extraordinary solution, and a silver bullet to problems associated with littering and packaging.

Steve Double MP outlined that constituents had been contacting his constituency office over lockdown to complain about the volume of litter on Cornish beaches, and it felt like progress on litter was reducing.

Samantha Harding, Executive Director, Reloop, outlined that people are very influenced by economic incentives to recycle plastic bottles through deposit return schemes and actively engage in deposit return schemes to reduce litter in local areas.

Baroness Hayman of Ullock asked about the progress of conversations between the Scottish Government and the UK Government on introducing DRS schemes at the same time in order to avoid a complicated two-tier system for plastic waste.

Jim Fox, Head of Public Affairs at Coca Cola Partners GB, outlined Coca Cola's efforts to urge the Scottish Cabinet Secretary to keep in close contact with the Secretary of State for DEFRA. Jim outlined that Coca Cola had heard Government messaging on how Westminster and Scotland have been discussing plans to implement a DRS scheme but had seen little tangible evidence of discussions occurring. Jim reiterated that Westminster and Holyrood need to work together and find a middle ground to ensure efficiency across supply chains and waste streams in order to make a DRS scheme work.

Samantha Harding, Executive Director at Reloop, highlighted a previous example around the introduction of the 5p bag charge, with Westminster, and the Senedd and Holyrood having two different systems on the 5p bag charge. The Westminster system was then updated to be in line with the Welsh system due to operational issues. Samantha indicated that if the systems were not joined-up and introduced simultaneously, it is likely to take up further parliamentary time later on in the process to bring systems in line to what they should have been in the first place.

Steve Double MP asked about how an all-in DRS system incentivise the use of greener materials for drinks containers?

Jim Fox, Head of Public Affairs, Coca Cola Partners GB, indicated that Coca Cola had been trying to push for 25% recycled materials in PET plastic bottles, and would like to announce 50%. Jim outlined

that this was running behind the progress of other Coca Cola manufacturers in Europe, and this was because of availability of high quality recycled plastic. Jim indicated that an all-in DRS scheme would increase the volume of high quality plastic available to Coca Cola to produce these bottles within the UK. This would also mean that Coca Cola could eventually move to 100% recycled plastic bottles at some time in the near future.

Orla Woods, Senior Consultant, Eunomia, outlined that on the financing of a deposit system, if the demand for recycled plastic increases, this would reduce the net cost of the use of recycled content and can incentivise producers to use recycled content further. Orla suggested that producer fees could be modulated to reduce costs and promote eco-design principles. Orla outlined the example of Norway, where there is a higher producer fee charged for coloured PET than for transparent PET, and is a good way of improving environmental outcomes.

Samantha Harding, Executive Director, ReLoop, outlined that in April there will be the plastic tax, and if we are restricting the amount of recycled plastic in the system this will be seen as a revenue raising policy lever, rather than a way to encourage further use of high quality recycled content.

Concluding Remarks

Steve Double MP concluded the meeting, thanking the speakers. Steve outlined that he felt that the meeting had shifted the conversation on from whether or not we should have a DRS scheme to what a DRS scheme should look like, marking progress. Steve highlighted that all representatives, including the manufacturers, retailers, consumers and environmentalists were in agreement that an all-in DRS system was needed. Steve thanked the Chairs of the three APPGs, and outlined their role in working together to make the case to Government that an all-in DRS system was needed. Steve offered to table for parliamentary debates on an all-in DRS scheme in order to make the points raised in the meeting within the House of Commons.

Steve Double MP thanked all speakers and closed the meeting.

Meeting closed 11.00am