

Briefing

10/01/24

Draft Deposit Scheme for Drinks Containers (England and Northern Ireland) Regulations 2024

Reloop parliamentary debate briefing – January 2025

- Modern deposit return schemes are a proven tool for litter, waste and carbon emissions reduction, as well
 as creating green jobs.
- Reloop estimates that more than 20 million plastic and glass bottles, and metal cans are wasted in the UK
 every single day. The impact of this failed system is clear in communities across the UK: littered streets,
 dirty parks and a polluted natural environment. Indeed, rivers, seas and trails are choking with plastic
 pollution, with much of this composed of drinks litter.
- More than fifty countries and regions across the world operate successful deposit return schemes, with Germany showing the best results at 98% collection rate of bottles and cans, and Ireland approaching the first anniversary of their system launch – which has already led to a "massive reduction" in litter.
- The deposit return scheme is scheduled to launch in England, Northern Ireland and Scotland in October 2027. Polling for Reloop has found that 69% of the public support the implementation of a DRS. A <u>survey of 1,000 people</u> found that 69% of Labour voters, 71% of Liberal Democrat voters, and 77% of Conservative voters, back the policy.
- However, in the UK, since being <u>announced in March 2018</u>, we previously saw year after year of Government delay, leading to billions of wasted bottles and cans.
- In light of the triple global crises of climate change, pollution, and nature loss, it is vital that Parliament approves the deposit return scheme legislation, ensuring the delivery of this proven circular economy measure on schedule for the October 2027 start date.

Background

An estimated 31 billion single-use drink containers are purchased annually by consumers in the UK, comprising 12 billion plastic drinks bottles, 14 billion drinks cans, and 5 billion glass bottles. However, <u>Defra reported</u> last April that only around 70–75% of these that are being collected, meaning a significant number end up in landfills or littered in our parks, streets and beaches. Reloop estimate that more than 20 million plastic and glass bottles, and metal cans are wasted in the UK every single day. The Government's intention with deposit return schemes (DRS) has been to raise single-use drinks container recycling rates to a minimum of 90%, drastically reducing littering, and creating more options for the collection and reprocessing of high-quality materials.

Timeline

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

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

Benefits of Deposit Return Schemes

Higher Collection Rates

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

Reduction in litter

Keep Britain Tidy's <u>National Litter Survey</u> has demonstrated that, by volume, drinks containers make up 75% of the litter found on our streets. <u>Trash Free Trails' State of Our Trails Report</u> has demonstrated that single-use drinks containers account for more than a third of the items surveyed by their citizen science volunteers from UK trails. 8% of these surveys reported animal death, the vast majority of which were through entrapment in drinks bottles and cans.

In Latvia, where deposit return has now been operating for two years, <u>litter surveys have shown</u> a 56% reduction of deposit bearing containers in coastal locations since February 2022. In Ireland, the <u>annual Coastwatch autumn survey</u> has found "a massive reduction" in plastic bottles, aluminium cans and steel tins washing up on Irish shorelines following the introduction of DRS last year. Defra's own reports predict an eventual 85% reduction of the littering of in-scope containers.

<u>Surfers Against Sewage estimate</u> that the UK deposit return scheme will capture at least 55% of the plastic packaging currently flowing into the ocean produced by the top polluting companies.

Improved circularity

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

High levels of public support

Exclusive <u>polling for Reloop</u> has found that 69% of the public support the implementation of a DRS. Voters are hugely supportive of recycling in general, with 83% of respondents expressing a positive view of the practice when polled and only 4% opposed.

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

What makes a "best in class" scheme?

- Return to retail infrastructure the highest level of convenience for consumers
- Deposit level high enough to create an incentive to return the containers
- Producer responsibility scheme paid for by the beverage industry via a non-profit company
- Meaningful collection and recycling targets with oversight, enforcement and penalties
- Optimised logistics highest collection and processing of materials with lowest emissions

International Testimonials

"I am still amazed by the power of the deposit value itself. After people see the first results, they're really proud. It's a matter of national pride!" Rauno Raal, Estonia (former CEO of Eesti-Pandipakend) - scheme began in 2009.

"Go for it. You will make very many people happy if you get all that rubbish of the streets."

"It would have been easier if we'd been able to introduce everything at the same time." Stientje van Veldhoven, the Netherlands (former minister of environment) - scheme began in 2021.

"It is extremely efficient, almost 100% of the bottles are being returned. A circular economy needs to be our aim." Thorbjørn Berntsen, Norway (former minister of environment) - introduced for cans and plastic bottles in 1999.

"Once you get a DRS in, it's incredibly popular, the beverage industry stops making noise and starts investing in bottle-to-bottle plants and you'll have an incredible example of the circular economy." Jeff Angel (CEO Boomerang Alliance Australia) - scheme began in South Australia 1977.



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