

## **Additional written evidence submitted by the Local Authority Recycling Advisory Committee (LARAC).**

Thank you for the opportunity to appear before the committee and speak on DRS recently. LARAC welcome the opportunity to provide further evidence as a result of the two panel sessions that the committee has so far held.

### **Quality of Materials**

1. The committee heard that different types of collection system deliver different levels of quality. This is a very simplistic view of collection systems and the reality is more complex than this view suggests.
2. Local authorities that operate co-mingled collections send their materials to end markets for recycling just as those that operate kerbside sort systems. Sometimes these might be different end markets depending on the contracts and sorting infrastructure in place but sometimes these will be going to the same end markets and reprocessors.
3. On a basic level, co-mingled collections can potentially collect more materials because it is easier, the resident just having one recycling container. However, this may lead to more non target materials being collected and these will be the ones rejected at the sorting facility because that sorting facility does not supply those markets, or the markets do not exist. Kerbside sort systems may collect less materials because there is more chance for the collection operative to reject any non-targeted material before they tip the contents of a recycling box into the vehicle. This may not always be the case though and some non-targeted material will still get through to the sorting plant.
4. There are examples of both co-mingled and kerbside sort systems providing what is called “high quality” material, although this phrase is misleading. The quality of the material relates to the specification that the reprocessor is willing to accept for the material for treatment and reprocessing at the plant, this can also vary depending on current market situations.
5. Whilst quality is important in LARACs experience the economics of the recycling operations will ultimately be the defining factor in acceptance of material. A clear example of this was when the end markets were struggling with capacity due to export markets. A borough council in the Midlands had kerbside sort material that it processed itself ready for end markets. In theory this would be seen as “high quality” material. However, because they were relatively small, reprocessors were not offering them an outlet and were instead sourcing co-mingled collected material from much bigger councils. They were interested more in the bulk quantities of the material than any perceived or potential issues regarding the quality of the material. The co-mingled material would have met the reprocessors quality threshold otherwise even if the economies of the bulk buying, they would not have accepted it.

## Implementation Evidence

6. As LARAC stated when appearing at the panel session there are very few examples of a DRS being implemented in an area that already had a mature and widespread kerbside collection scheme. This is one reason why LARAC believes that more research is needed to fully understand how a DRS might impact on the efficiencies and costs of kerbside collections. This is not only important for local authorities but for producers and British business as they will be bearing the cost of future collections under the DRS and EPR proposals.
7. Although numerous examples and studies were cited of successful DRS systems, these are in countries that did not have a kerbside system in place. There is no doubt aspects of learning from these examples would be useful and potentially applicable to elements of a UK system. However there needs to be greater clarity on what elements are useful and how they relate to the specific UK collection infrastructure.
8. LARAC is aware that DRS in some areas of Australia has not performed as well as those in other countries. These are some of the few examples where DRS has been layered on top of existing kerbside collections. LARAC does not know if this is the main reason why the systems have not performed as well and suggests that detailed research into these examples could provide valuable insight into any UK DRS system design. It was suggested at the panel that the shortcomings of the Australian examples were caused by system design, but not what aspects of the system design, which might well have related to the interaction with the current kerbside schemes.
9. Deferring a DRS would allow time for valuable research into DRS systems from Australia. This would help ensure that the UK does not repeat the same mistakes they appear to have made and that if a DRS is needed in the UK it is fit for purpose and does not just canalise existing collection systems.

## Local Authority Ability to Redeem Deposits

10. It has been suggested that local authorities may be able to redeem the deposits of containers that are placed in the kerbside collections as a means of offsetting the costs they will incur in collecting material obligated under a DRS. LARAC believe that this is not a workable or practical solution for local authorities. Very few local authorities operate their own sorting facilities, so the vast majority have no operational control over the material collected. This means they will be relying on waste management companies to do this on their behalf.
11. The current sorting infrastructure would need significant reconfiguring to enable DRS specific containers to be separated from non-DRS containers of the same material type. There would also need to be verification of each container being eligible for a deposit to be redeemed, which is likely to prove difficult on such a large scale as opposed to an individual only looking to redeem deposits on a few containers in one go.

12. LARAC believes that under the ethos of EPR and the concept of “full net costs” that Defra have clearly outlined they support, producers must pay for the costs associated with DRS containers that are placed in the local authority collection systems. If a DRS is implemented based on Reverse Vending Machines (RVM), which producers would meet the costs of then there needs to be a suitable process in place whereby producers cover the relevant costs of DRS material placed in local authority collections.
13. LARAC would support a process whereby funds are transferred from the single body responsible for DRS to the single body responsible for EPR who would then make one whole EPR payment to a local authority.

### **Where DRS fits in waste management**

14. LARAC believes that it is important to understand and remember the context within which DRS policy has developed.
15. LARAC believes there is a direct correlation between the vast reduction in public sector funding in the past ten years and the slowing of the increase in recycling rates in England. Local authorities have not had the resources to expand existing systems or implement the new services that ideally, they would want to. Whilst outside the remit of this enquiry the lack of expansion for food waste collections in England is a visible example of this.
16. The Government set up a Voluntary Economics and Financial Incentives Working Group that issued their report in February 2018. This was to assist Defra in delivering its Litter Strategy for England and also if possible, to increase recycling and resource efficiency. The focus of a DRS in the UK has always been litter prevention, in large part because a comprehensive kerbside collection system already exists for a large element of packaging products.
17. The working group was an industry wide group and included the Chair of LARAC with CPRE providing the Secretariat with Defra chairing the group. The report contained a number of recommendations, the first of which was that Defra further investigated the potential for a well-designed DRS, with particular regard to capturing material consumed outside the home. This was a recognition both of the fact that the existing kerbside systems are well placed to deal with packaging consumed at home and that a DRS was primarily about reducing littering of packaging.
18. The group also recommended that that a DRS should be designed to avoid diverting material from existing kerbside and household collections. It also stated that there were differing opinions within it as to how much could be read across from international models to the UK.
19. This report was released on the same day that the Government who had commissioned it then announced that it was going to introduce a DRS. The recommendations of the group for further research and consideration before

being in a place to make a fully informed decision to progress with a DRS in the UK were therefore not followed.

### **On the Go against All In**

20. The original focus on litter prevention and a need not to duplicate the collections systems of local authorities means that it would be logical for a DRS to focus on packaging used and consumed outside the home, or “on the go” as it has been referred to in the previous consultation. As LARAC highlighted in its original evidence, based on Defra figures, an “on the go” system would be a tenth of the cost to the UK than an “all in” system. Whilst it is acknowledged that the “all in” system will deliver a greater increase in recycling, the additional increase it could deliver could be delivered through the existing kerbside collections. The reason it delivers a greater increase is purely a function of having more packaging in scope, not because it will be more efficient or targeted.
21. LARAC does not underestimate the challenges a DRS based on “on the go” that focuses just on certain elements of drinks packaging will pose. It is also still a huge investment in a new collection system for a small increase in recycling, when looked at in the context of the national recycling rate. However, by doing so it is more likely to bring about the biggest reductions in litter, bring consumers along on the journey and allow expansion of existing household collection systems through EPR.

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