



Lyndsay Parker
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Dear Lyndsay

Deposit Return System – Call for Evidence

Thank you for the opportunity to respond to this call for evidence. The LARAC response is contained below.

The response below is sent on behalf of the Local Authority Recycling Advisory Committee (LARAC). LARAC is an association of around 75% of local authorities across England, Scotland, Wales and Northern Ireland. Members are waste management and recycling professionals who co-ordinate and operate waste management services. Membership is drawn from all types of authority including statutory Waste Collection (WCA), Waste Disposal (WDA) and Unitary Authorities.

Our response has been peer reviewed by members of LARAC's policy team and executive committee. LARAC members have also been invited to comment on the consultation through the members' discussion forum on our website. All contributions received have been taken into account in drafting the response below.

LARAC supports the efforts of ZWS to drive resource efficiency and attempt to make producers responsibility work more effectively. However LARAC believe that a deposit return system in Scotland may not be the most efficient or effective policy instrument to achieve these aims. Instead LARAC would like to see policy that maximises the material collected through existing systems, such as local authority kerbside collections, whilst channelling funding from producers to support such systems. LARAC believes that this will yield high levels of beverage container recycling but also other materials as well that will have a much greater impact on recycling rates in Scotland.

LARAC would be keen to work with you further on this and would welcome an opportunity to discuss how possible future waste and resource policy in Scotland could evolve to the benefit of all involved.

If you have any queries on this response then please contact me at lee.marshall@larac.org.uk or on 01982 382 650.

Yours faithfully

Lee Marshall
LARAC Policy Team



Response to Call for Evidence – Deposit Return Systems

LARAC welcomes the opportunity to input into the debate that the report on Deposit Return System has generated. ZWS should be applauded for commissioning the study and opening up the findings to the wider industry for debate before formulating associated policy instruments. LARAC feels that this is an inclusive process that will ultimately result in more rounded and effective policy instruments that takes forward resource efficiency in Scotland.

LARAC has voiced concern that Producer Responsibility legislation is failing in some aspects to make producers truly responsible for the goods that they produce. Whilst it is true that the UK has met the targets that have been set under Packaging and WEEE producer legislation LARAC believes that local authorities have carried an element of this burden and therefore taxpayer funding is being used to meet producer obligations.

The ideas behind the implementation of a deposit return system are therefore welcome by LARAC in that it will make producers directly responsible for their products. The scheme also has the benefit of starting to make the consumer more responsible and engaged in resource use. This step is going to be crucial if we are to reach the 70% recycling target in Scotland.

LARAC has concerns that the design of the system could have detrimental effects on local authority collections systems. It is pleasing that the study acknowledges there are potential benefits for local authorities but LARAC is concerned that the scale of savings stated are not realistic in real world operating conditions. ZWS realise this in their response to the study and state that 'a third area that would benefit from further investigation is that of the cost implications for local authorities'.

The study highlights savings from round reconfiguration as a result of less material being collected and vehicle reconfiguration. Given the pace of recycling collection vehicle development it is very unlikely that any type of vehicle reconfiguration would be achieved for at least 5 to 10 years after the introduction of a deposit return scheme. There would probably be a lag of two further years as local authorities assessed the actual effects of the scheme during the first two years of operation.

ZWS also state in their response to the study that 'local authorities would clearly need to manage the transition carefully, and this is not explored in detail in the study'. Therefore at this point LARAC feels that the full implications and potential savings are not understood with enough confidence for LARAC to then support the design of the scheme as outlined in the study. If Scottish Government were to pursue the implementation of such a scheme then LARAC would want to work closely with ZWS to fully build and test the assumptions and models for estimating the cost and operational effects on local authorities. As we have already stated LARAC believes that local authorities already pick up costs associated with producer responsibility schemes and there should not be any increase in this through future policy instruments.

The study estimates that an increase of 1.5% to 3.3% in the household recycling rate could be achieved through the implementation of a deposit return system. Whilst any increase will help towards the 70% target LARAC believes that the effort, changes and possible detrimental effects on local authority services for a relatively small increase means that other policy directions should be considered.

Whilst LARAC maintain that local authorities are wrongly incurring costs in helping producers with their responsibilities, we also believe that local authority collection systems should play a part in meeting packaging recycling targets. Council collection schemes are mature but still innovating and are increasingly well used by the public. They also represent an efficient and effective way in which to



recover post-consumer resources. Therefore LARAC believes that instead of introducing a deposit return scheme work should be undertaken to explore and develop policy that directs appropriate funding from producers to local authorities to expand and enhance the collection services. Further work also needs to be undertaken to ensure that consumers themselves are taking more responsibility for the waste they create through their purchasing decisions.

To this end LARAC believes that the time has come to fully explore the options and implications for direct charging of household waste. We believe that this type of policy instrument will deliver much greater increases in recycling across the whole range of materials, not just beverage containers.

LARAC accepts the political difficulties that such a move entails, but common amongst high performing countries and regions in Europe is a policy of some form of direct charging that encourages high participation and capture of recyclable materials. If this is done in conjunction with a refined policy on producer responsibility that channels appropriate funding to local authority collections services, Scotland could be in a position where not only is it achieving high levels of recycling, it is also funding this through more targeted means via producers and users and moving resource management away from general taxation support.

LARAC does not have the evidence itself but would be interested in the cost benefit analysis of such policies and the increase in recycling they would achieve against the overall cost implications of introducing a deposit reward scheme that increases recycling by only 1.5% to 3.3%.

To conclude, LARAC supports the aims of a deposit return system to increase recycling and make producers directly responsible for the products they produce. However LARAC believes that as currently outlined the system proposed does not have fully investigated cost implications for local authorities and therefore is in danger of introducing unintended consequences. The study has opened the debate but should be seen as the start of it rather than the end and LARAC would like to work with ZWS to explore the ideas we have outlined and others that may be forthcoming from across the industry.