

# North Lanarkshire Council Report

## Environment and Transportation

approval  noting

**Ref** AM/RS

**Date** 28/08/19

## Deposit Return Scheme

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### Executive Summary

This report is to update the committee on the introduction of a Deposit Return Scheme in Scotland and the potential impacts this will have at a local authority level.

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### Recommendations

It is recommended that the Environment and Transportation committee:

- (1) Note the proposed introduction of the Deposit Return Scheme and the potential impact the scheme will have on North Lanarkshire.

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### The Plan for North Lanarkshire

Priority Improve the health and wellbeing of our communities

Ambition statement (17) Ensure we keep our environment clean, safe, and attractive

## **1. Background**

- 1.1 The Scottish Government propose to introduce a Deposit Return Scheme (DRS) with the intention to improve recycling rates and reduce litter in Scotland as well as helping to tackle climate change. It will do this by incentivising positive behaviour change and making it easier to recycle the identified products.
  - 1.2 DRS's are used across the world as a way of encouraging more people to recycle drinks containers, such as bottles and cans. They work by charging anyone who buys a drink a small deposit for the can or bottle that it comes in. They get this money back when they return the bottle or can to a collection point to be recycled.
  - 1.3 Schemes vary across different countries such as Norway and Sweden who already have successful high-performing DRS's. The Scottish Government want to design the best possible scheme for Scotland reflecting its needs and unique characteristics.
  - 1.4 The Scottish Government consulted with residents, businesses and organisations from the period of 27 June 2018 until 25 September 2018, publishing their findings on 21 February 2019. These results devised the business case for the Cabinet Secretary for the Environment, Climate Change and Land Reform to announce to parliament their design for Scotland's deposit return scheme on 8 May 2019.
  - 1.5 It is likely that all drinks (both soft and alcoholic) that come in PET plastic, aluminium or steel cans and glass bottles will be included within the incentive return – from 50ml to 3 litres. These items are the main materials found in North Lanarkshire's green topped blue bin for glass, metals and plastics. It is anticipated that the Council will see a significant reduction in annual tonnage from this recycling stream when the DRS is implemented.
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## **2. Report**

### **2.1 How DRS Will Work in Scotland**

- 2.1.1 The main aims associated with DRS are:
  - Increasing and improving the quality of target materials captured for recycling;
  - Encouraging wider behaviour changes in the uses of materials; and
  - Delivering the maximum economic & social benefit for Scotland.
- 2.1.2 The scheme will improve recycling as more bottles and cans will be recycled and produce a better quality recyclate. Current figures show that Scotland recycles just half of all containers and it is estimated that placing a value on these products through a DRS will see around 90% of all containers being captured for recycling in just three years.
- 2.1.3 The proposal announced at parliament in May 2019 estimated the deposit price to be set at 20p. The management and administration of the DRS will be run by a scheme administrator. The administrator would be industry-led, privately owned and operated on a not-for-profit basis. This is a similar approach to that taken by most other deposit return schemes around the world.
- 2.1.4 Although all types of drinks are included in the scheme, some types of containers are not. Mixed material pouches, cartons, HDPE (the plastic that most milk is bought in)

and cups are excluded. Deposits will only apply to single use containers - reusable items like glass milk bottles will be excluded.

- 2.1.5 All retailers that sell drinks will be part of the scheme. This will make sure that all consumers, wherever they live, are able to access a local return point, which will make it easy for people to return their empty containers and ensure a high capture rate. There will be flexibility in how this obligation is discharged, for example a retailer could apply for an exemption to taking back containers directly because agreement has been reached to provide an alternative return point with equal convenience. However, that will be for consideration by any scheme administrator.
- 2.1.6 The scheme has potential within Scotland's communities to create community benefits that will see community organisations such as schools act as a return point for empty containers. Communities will also benefit from less litter and the collective benefit from tackling climate change. There is also potential for consumers to choose to donate their deposit to a charity or good cause.
- 2.1.7 It is anticipated that draft legislation will be introduced later this year outlining the timelines for the introduction of DRS. Once this is passed by the Scottish Parliament, there will be a minimum 12 month implementation period before the scheme is operational. Indications suggest that the scheme will be operational sometime in 2021.

## **2.2 Impact for North Lanarkshire Council**

- 2.2.1 North Lanarkshire Council currently operates a revised weekly kerbside collection from the households of North Lanarkshire which includes a green topped blue bin for glass, metals & plastics.
- 2.2.2 Consultation with SEPA, the Clyde Valley Residual Waste Partnership, Zero Waste Scotland and other partner Councils has indicated that there could be as much as 80-90% reduction of all glass, metals and plastics from the kerbside collected waste streams when the DRS is operational. This reduction could see the glass, metals & plastic recycling bin left with very little to collect from the kerbside.
- 2.2.3 Last financial year 2018-2019 saw the Council collect 13,075 tonnes of glass, metal and plastic materials from our segregated kerbside collection.
- 2.2.4 When the DRS is implemented and these figures come to fruition, this then leaves the Council with a decision on how to collect the remaining 10-20% of recycling that will remain within our glass, metals & plastics recycling stream as the Council still have a legal obligation to collect these materials.
- 2.2.5 The likelihood is there will be two options for the Council after the DRS implementation:
  - (1) Reduce the frequency of our glass, metals & plastics collection and perhaps, collect once every six to eight weeks;
  - (2) Remove this collection altogether and move the remaining items into one of the other two bins for collection.
- 2.2.6 If the reductions in the levels of plastic and glass are anywhere near that predicted, then this will almost certainly result in costs savings to the Waste Service through potential reduction in collection frequencies and reduced disposal costs. However, it should also be realised that the removal of this recycle from the local authority

waste stream and into the DRS will definitely have a negative impact on the Council's overall recycling rate.

- 2.2.7 No final decision will be taken on any change to the Waste Service until after at least six months of the DRS being operational so as to provide us with an indication of the effect on the glass, metal and plastic collection scheme. A further report will be provided to Committee if any changes are to be proposed.
- 2.2.8 The above impacts relate solely to the Waste Service, however, by placing a value on drinks containers it is fully expected that this will have a very positive impact on the levels of litter within the local authority area. It is highly unlikely that people will be as liable to simply discard plastic bottles as litter, and even if they are discarded, evidence from other countries suggests that these bottles are then recovered by other members of the public due to their value.
- 2.2.9 It is hoped that this reduction in litter will also result in an overall change in attitude to littering for other items. This in turn should see the levels of littering within our streets, open areas and town centres decrease which will see reduced costs to the Council associated with litter picking.

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### **3. Equality and Diversity**

- 3.1 The deposit return scheme will benefit those who partake in the scheme by offering them a financial reward for returning their single use drinks bottles or cans. Community groups, schools, charities and good causes could eventually benefit from the income generated by the scheme.

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### **4. Implications**

- 4.1 **Financial Impact**  
If the DRS has the anticipated impact the government think it will, there could be potential savings to be made on a reduction in fleet to accommodate revised collections and clean-up costs for litter.
- 4.2 **HR/Policy/Legislative**  
There are at present no implications associated with this report.
- 4.3 **Environmental Impact**  
The DRS present opportunities for a range of environmental benefits including carbon reduction and environmental improvements.
- 4.4 **Risk Impact**  
A DRS will have a significant impact on the kerbside recycling collection of glass, metals and plastics. This could lead to revised collection routes for residents and potential financial impacts on existing contracts.

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### **5. Measures of success**

- 5.1 As detailed in this report there are various areas that could benefit from the implementation of a DRS including reduced collection costs, reduced clean-up costs for litter and environmental benefits. These factors will be monitored following the introduction of the Deposit Return Scheme.

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**6. Supporting documents**

6.1 There are no supporting documents to this report.

A handwritten signature in blue ink, appearing to read "Andrew McPherson".

**Andrew McPherson**  
**Head of Regulatory Services & Waste Solutions**