



ACS Submission – 25 Year Environment Plan Inquiry

1. ACS (the Association of Convenience Stores) welcomes the opportunity to respond to the House of Commons Environmental Audit Committee's inquiry into the government's 25 Year Environment Plan. ACS (the Association of Convenience Stores) is a trade association, which represents over 33,500 convenience stores across the UK, including Spar UK, Nisa Retail, Costcutter and thousands of independent retailers. For more information about ACS and the convenience sector, see Annex A.
2. We welcome the government's 25 Year Environment Plan and its objectives to reduce single-use plastics through a broad range of initiatives working across supply chains, sectors and communities. There is no single course of action that will reduce the use of plastics in our business, homes and the knock impact that this has on the environment. The government's Environment Plan acknowledges this by proposing action in some areas but also pausing to understand the most impactful action it can take in other areas.
3. As the Environment Plan covers so many areas it will not straightforward for the Environment Audit Committee to measure the immediate success of the plan, for example by looking at legislation that the government introduces. Measuring success must consider the long-term impacts like voluntary action it prompts from industry reduce their own plastic use, and local authority and consumer action to improve household recycling.
4. While the 25 Year Environment Plan addresses a wide range of areas, our submission relates specifically to the sections of the Environment Plan which look to extend the plastic bag charge to small retailers, consider the introduction of a deposit return scheme, consult on how the tax system could be used to reduce the amount of single use plastics waste and what changes to the Packaging Recovery Notes System (PRN) would mean for small shops.
5. In response to publication of the 25 Year Environment Plan, [ACS welcomed](#) the government's plan to extend the charge on single-use plastic bags to all retailers in England. We are currently working with the Department for Environment, Food and Rural Affairs (Defra) to deliver this on a voluntary basis. However, we still believe that the best course of action the government should take on plastic bag charging is to introduce the extension to small retailers through regulation to provide retailers and consumers with absolute certainty.
6. We continue to have concerns about the introduction of a deposit return scheme, which the government is currently considering. Convenience retailers do not have the space to facilitate a deposit return scheme and more research is needed to understand how this would work alongside existing household kerbside collections

Plastic Bags

“Extending uptake of the highly successful 5p plastic bag charge to small retailers, exploring whether compulsory options are needed if voluntary agreements prove ineffective.”

7. ACS has been campaigning for the extension of plastic bag charge to small retailers for some time as we have seen how well it has worked in Wales and Scotland. Small retailers have used it as an opportunity to contribute to their local community by donating the proceeds of the plastic bag charge to good causes, cutting their costs by reducing the number of bags they have to buy, and having a positive impact on the environment.
8. Therefore, ACS welcomed the government’s commitment in the 25 Year Environment Plan to extend the plastic bag charge for single-use plastic bags to all retailers in England. ACS’ Voice of Local Shops survey shows that 42% of retailers are voluntarily charging for plastic bags and 65% support mandatory charging¹.
9. ACS is currently working with Defra to develop and promote a voluntary single-use plastic bag charge to small retailers. We are currently putting together materials including: a poster for retailers to display in-store about the voluntary charge, retailer guidance on how to introduce a voluntary charge on single-use plastic bags, and communications to consumers outlining why there is a charge and where the proceeds are being donated. ACS will be monitoring the take up of the voluntary scheme.
10. While we are committed to working with the government to roll out a voluntary scheme, we believe that the plastic bag charge should be mandatory for all retailers. If the plastic bag charge were to be made mandatory in England, the government should avoid further regulatory and financial burdens, by making small retailers exempt from reporting requirements like in Wales and Scotland.

Deposit Return Schemes

“Implement voluntary and regulatory interventions that can cut the amount of commonly littered items, and improve recycling and packaging reuse. This includes considering advice from the Voluntary & Economic Incentives Working group (set up under the Litter Strategy), which is currently looking at measures to reduce littering and promote recycling of drinks containers.”

11. ACS has concerns about the introduction of a deposit return scheme in England and the impact that it would have on retailers. We have particular concerns about the impact on retailers especially related to containers being returned to a shop for recycling, either manually at the shop counter or through an automated Reverse Vending Machine (RVM) instore. Following extensive consultation with members, we do not believe retailers taking bottles back over the shop counter manually is practical or workable.
12. We raised these concerns in our [response](#) to the Department for Environment, Food and Rural Affairs call for evidence on deposit returns scheme last year. ACS also

¹ ACS Voice of Local Shops Survey 2017. Sample 1,210 independent and Symbol group retailers

provided written and oral evidence to the Environment Audit Committee's inquiry into plastic bottle waste last year.

13. To inform our submission to Defra and to the Environment Audit Committee's inquiry on plastic bottle waste last year, we commissioned research comprising of six focus groups across the UK to look at the views of both retailers and consumers on DRS. Retailers raised specific concerns about the lack of space in-store to process returns, increases in staff costs, in-store delays, and also issues regarding hygiene.

Lack of Space

14. Space is always at a premium in convenience stores. Convenience stores by their very nature are small format businesses, they are generally defined as being under 280 square metres. Of the 49,918 convenience stores across Great Britain, 85% are under 186 square metres, and 50% are under 93 square metres². Independent retailers are even smaller with 94% under 186 square metres and 61% under 93 square metres³. From the retailer focus groups there was considerable concern about where and how they would collect and store bottles and packaging; *"We are fighting for every space inch of space. If someone comes in with a black bag of plastic bottles, where are you going to keep this stuff?" Retailer, Scotland*⁴.
15. In our Voice of Local Shops survey, we asked 1,210 independent retailers whether they would have the space to accommodate DRS in their store. The results of survey reiterated retailers' concerns that lack of in-store to process returns is a significant concern. 71% of independent retailers responded that they either do not have space in their stores for a deposit return scheme or would have to make changes to their stores to make space⁵.

In-Store Delay and Staff Costs

16. For beverage containers and other packaging to be accepted manually, retail staff would need to be able to recognise deposit labels, inspect the packaging to ensure it is still intact, and refund the value of the deposit. This would require a great deal of training as well as time from staff in-store and delays at the till point.
17. Store staff processing container returns would double the length of queue in a convenience store. The time it would take for a cashier to manually process and accept an average of 15 containers and store them is an estimated 45 seconds⁶, while the average shopper queues for 43.8 seconds in a convenience store.
18. Transaction time is considerably important to the convenience store business model. One of the top drivers for customers to visit a convenience store is the fast speed of service/short queues⁷. In the consumer focus groups, they imagine it would be likely that there would be queues of people at local shops to return empties would be a familiar sight; *"Imagine if everyone went down to the local Spar with all the stuff they bought from Tesco, they're not going to be able to handle it are they?"*

² ACS Local Shop Report 2017

³ ACS Local Shop Report 2017

⁴ Jericho Chambers: Deposit Return Scheme – views of retailers and consumers 2017

⁵ ACS Voice of Local Shops survey May 2017

⁶ Eunomia: A Scottish Deposit Refund System (Appendix to the Final Report for Zero Waste Scotland)

⁷ ACS Local Shop 2017

19. The average consumer spends 4.2 minutes in a convenience store. With most consumers visiting for 1 – 3 minutes (42%), and 7% of consumers visit a convenience store for less than a minute⁸. Therefore, any additional time at the till will have a considerable impact on retailers as well as the customer's experience.

Cost to Retail Sector

20. A deposit return scheme would place additional financial costs on retailers due to: lost trade from in-store delays; additional staff and staff hours to process returns; installation of RVS; lost retail floor space to accommodate Reverse Vending Solutions (RVS); and backhauling containers.

Tax System

“Looking across the whole lifecycle, launching a call for evidence in 2018 seeking views on how the tax system or charges could reduce the amount of single use plastics waste.”

21. ACS will be respond to the government's call for evidence on how the tax system or charges could reduce the amount of single-use plastic waste. Without any specific proposals, it is hard to judge at the present time what impact that a tax on single use plastics would have on retailers.
22. We would want to ensure that the introduction of tax or charge does not place undue burdens on convenience retailers or their customers. While many are keen to highlight the success of the plastic bag charge, this does not mean it can easily be applied to other products and have the same impact. We would be interested to explore how the introduction of a tax higher up the supply chain could encourage manufacturers to use more sustainable plastic packaging or how incentives could be used to encourage consumers to recycle more.

PRN System

“Reforming our Producer Responsibility systems (including packaging waste regulations) to incentivise producers to take greater responsibility for the environmental impacts of their products. This will include exploring extending producer responsibility requirements to plastic products not currently covered by our existing regimes to create a better market for recycled plastic.”

23. The current producer responsibility systems, including packaging waste recovery notes (PRN) system, are complex and we would further discussion with the Department for Environment Food and Rural Affairs about how the system could be reformed. When considering how the PRN system can be reformed, Defra should not place undue burdens on small retailers. We have concerns that calls to reduce the de minimis packaging handling threshold from 50 tonnes to 1 tonne would place disproportionate burdens on small retailers for minimal benefit in terms of increased recycling levels.

For more information, please contact Julie Byers, ACS Public Affairs Manager by emailing Julie.Byers@acs.org.uk or calling 01252 515001.

⁸ Him! CTP Data 2017

ABOUT ACS

The Association of Convenience Stores lobbies on behalf of around 50,000 convenience stores across mainland UK on public policy issues that affect their businesses. ACS' membership is comprised of a diverse group of retailers, from small independent family businesses running a single store to large multiple convenience retailers running thousands of stores.

Convenience stores trade in a wide variety of locations, meeting the needs of customers from all backgrounds. These locations range from city centres and high streets, suburban areas such as estates and secondary parades, rural villages and isolated areas, as well as on petrol forecourts and at travel points such as airports and train stations.



WHO WE REPRESENT

INDEPENDENT RETAILERS



ACS represents 22,397 independent retailers, polling them quarterly to hear their views and experiences which are used to feed in to Government policy discussions.

These stores are not affiliated to any group, and are often family businesses with low staff and property costs. Independent forecourt operators are included in this category.

SYMBOL GROUPS AND FRANCHISES



ACS represents 14,659 retailers affiliated with symbol groups. Symbol groups like SPAR, Nisa, Costcutter, Londis, Premier and others provide independent retailers with stock agreements, wholesale deliveries, logistical support and marketing benefits.

Symbol group forecourt operators and franchise providers like One Stop are also included in this category.

MULTIPLE AND CO-OPERATIVE BUSINESSES



ACS represents 12,862 stores that are owned by multiple and co-operative retailers. These businesses include the Co-Operative, regional co-operative societies, McColl's, Conviviality Retail and others.

Unlike symbol group stores, these stores are owned and run centrally by the business. Forecourt multiples and commission operated stores are included in this category.

THE CONVENIENCE SECTOR



In 2017, the total value of sales in the convenience sector was £38bn.

The average spend in a typical convenience store transaction is £6.28.



There are 49,918 convenience stores in mainland UK. 74% of stores are operated by independent retailers, either unaffiliated or as part of a symbol group.



The convenience sector provides flexible employment for around 370,000 people.

24% of independent/symbol stores employ family members only.



20% of shop owners work more than 70 hours per week, while 19% take no holiday throughout the year.

72% of business owners are first time investors in the sector.



Convenience stores and Post Offices poll as the two services that have the most positive impact on their local area according to consumers and local councillors.

79% of independent/symbol retailers have engaged in some form of community activity over the last year.



Between August 2016 and May 2017, the convenience sector invested over £858m in stores.

The most popular form of investment in stores is refrigeration.

OUR RESEARCH

ACS polls the views and experiences of the convenience sector regularly to provide up-to-date, robust information on the pressures being faced by retailers of all sizes and ownership types. Our research includes the following regular surveys:

ACS VOICE OF LOCAL SHOPS SURVEY

Regular quarterly survey of over 1200 retailers, split evenly between independent retailers, symbol group retailers and forecourt retailers. The survey consists of tracker questions and a number of questions that differ each time to help inform ACS' policy work.

ACS INVESTMENT TRACKER

Regular quarterly survey of over 1200 independent and symbol retailers which is combined with responses from multiple businesses representing over 3,000 stores.

ACS LOCAL SHOP REPORT

Annual survey of over 2400 independent, symbol and forecourt retailers combined with responses from multiple businesses representing 6,291 stores. The Local Shop Report also draws on data from HIM, IGD, Nielsen and William Reed.

BESPOKE POLLING ON POLICY ISSUES

ACS conducts bespoke polling of its members on a range of policy issues, from crime and responsible retailing to low pay and taxation. This polling is conducted with retailers from all areas of the convenience sector.