



ACS Submission – Tackling the Plastic Problem

ACS (the Association of Convenience Stores) welcomes the opportunity to respond to HM Treasury’s consultation on tackling the plastic problem, using the tax system or charges to address single-use plastic waste. ACS is a trade association which represents over 33,500 convenience stores across the UK. Our members include Spar UK, Nisa Retail, Costcutter and thousands of independent retailers. More information about ACS and the convenience sector is available in Annex A.

While the consultation considers the role of the tax system through the whole life cycle of single-use plastics, our submission relates specifically to interventions at retail and consumer level. At retail level, retailers are already taking steps to reduce plastics, including having conversations with suppliers about sustainable packaging and smaller retailers voluntarily introducing a plastic bag charge in their store. Our submission also explores retailers’ concerns about policies being considered by other government departments to reduce the impact of single-use plastics including a deposit return scheme (DRS) and reforms to the Packaging Recovery Notes System (PRN). In particular, while suggestions to lower the de minimis under the PRN system could raise additional funds, it also places significant administrative burdens on small retailers to understand how much packaging is being placed on the market by their business.

Our submission considers what interventions can be taken to encourage consumers to recycle. While the introduction of the charge on single-use plastic bags was successful in changing consumer behaviour with the number of single-use plastic bags issued by large retailers dropping by over 80% in England¹, it does not necessarily follow that a charge on products with plastic packaging that it will have the same effect as they encourage different behaviours.

Consumer behaviour and their response to incentives will be key to the success of any interventions. To inform these discussions, ACS commissioned research comprising three focus groups across the UK and polling of 2,000 UK adults last year to understand their current recycling habits and how they could be encouraged to recycle more. The polling suggests that consumers would be more likely to recycle more if more packaging was recyclable (37%), packaging was more clearly labelled as recyclable (35%) and recycling household collections took a greater range of recycled goods (29%)². A summary of the results from the consumer polling can be found in Annex B.

The broad range of initiatives set out in the government’s 25 Year Environment Plan recognises that there is no silver bullet to reducing the impact of single-use plastics on the environment. Given the wide range of policies currently being explored across government departments to reduce the impact of single-use plastics, HM Treasury should consider how

¹ [Defra data indicates that the 7 main retailers issued around 83% fewer bags \(over 6 billion bags fewer\) in 2016 to 2017 compared to the calendar year 2014 \(for which WRAP reported data\)](#)

² Populus DRS Consumer Polling 2017

changes to the tax system would interact with other government proposals such as deposit return schemes. We would also encourage HM Treasury to consider how changes to the tax system would interact with existing Extended Producer Responsibility, including the PRN system. This will reduce the potential of duplicating policies and the costs associated for both businesses and consumers.

Defra's upcoming Resources and Waste Strategy, due to be published later this year is expected to consider what role the PRN has to reduce single-use plastic use, what reforms could make the system more effective and consult on what a well-designed deposit return scheme looks like in England. ACS will be responding to their consultation later this year. We will ensure that we share a copy of our submission to Defra's consultation with HM Treasury officials.

Please see below for ACS' response to the relevant questions in the consultation. For more information about this submission, please contact Julie Byers, ACS Public Affairs Manager by emailing Julie.Byers@acs.org.uk.

Retail

9. What factors influence the design and specifications you make for the single-use plastic items you sell, and what are the barriers to using alternatives? In what way, and to what extent, do the decisions of producers and consumers influence the choice of single-use plastics you use in the items you sell?

The majority (74%) of convenience stores are run by independent retailers, which means that they do not own their supply chain³. Independent convenience retailers will purchase their stock through a wholesaler or directly with the manufacturer. Where convenience retailers have own brand products, they still rely on their own brand supplier to instigate change on the packaging of products as they have limited buying power.

Retailers can play a role in providing more sustainable packaging but ultimately, they are responding to consumer demand and the packaging decisions are made by the supplier. As such there is limited influence that convenience retailers can have in these discussions about packaging reformulation.

10. Have you taken any steps to address the environmental impact of the single-use plastic items you sell, including their end-of-life?

Following consultation with our members who have own label products, many have begun conversations with their suppliers on more sustainable packaging of the products they sell.

Plastic Bag Charge

The plastic bag charge in England, which was introduced in 2015, has been hugely successful with the number of single-use plastic bags issued by large retailing falling by over 80%⁴ and at least £95m being raised for charity⁵. While only large retailers (defined as

³ ACS Local Shop Report 2017

⁴ [Defra data indicates that the 7 main retailers issued around 83% fewer bags \(over 6 billion bags fewer\) in 2016 to 2017 compared to the calendar year 2014 \(for which WRAP reported data\)](#)

⁵ [Defra: Single-use plastic carrier bags charge: data in England for 2016 to 2017](#)

retailers with 250+ FTE employees) are legally required to charge at least 5p for each plastic bag, smaller retailers have taken steps to voluntarily charge for plastic bags. ACS' Voice of Local Shops survey shows that 42% of retailers are voluntarily charging for plastic bags⁶.

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.

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 has worked with Defra to develop and promote a voluntary single-use plastic bag charge to small retailers. We have put 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. These materials are available on ACS' website, [here](#). ACS also developed a short animation for retailers on the benefits of charging and key points to consider before introducing a charge. The animation is available to view [here](#). As part of our work to encourage smaller retailers to voluntarily charge for plastic bags, ACS will be monitoring the take up of the voluntary scheme through our Voice of Local Shops survey.

While we are committed to work with the government to roll out a voluntary scheme, we believe that the plastic bag charge should be mandatory for all retailers. 65% of independent convenience retailers support mandatory charging⁷. 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.

11. In your opinion, how can the tax system or charges play a role in delivering better environmental outcomes at this stage?

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. However, we would want to ensure that a tax or charge does not place undue burdens on convenience retailers or on their customers.

It has been suggested that a tax higher up the supply chain, along the lines of the Soft Drinks Industry Levy, could encourage manufacturers to use more sustainable packaging. The government should look carefully at that model and ascertain the degree to which it drove product reformulation in that industry and has led to lasting changes in consumption habits. The government should also note the differences between the content of a product and its packaging, before assuming that this incentive would necessarily be effective in the case of plastic packaging. There could also be consequences such as increases in prices for consumers which HM Treasury would need to consider. A full analysis of this model should form part of the government's work in relation to plastics.

⁶ ACS Voice of Local Shops Survey November 2017

⁷ ACS Voice of Local Shops Survey November 2017

Money raised from the Soft Drinks Industry Levy (expected to be £240m each year) has also been ringfenced to support healthy eating and physical activity for children, for example, providing funding to healthy school breakfast clubs. Money raised from a plastic packaging levy on manufacturers could potentially be ringfenced for local authority recycling services or other environmental initiatives.

If HM Treasury decide that a tax, levy or charge is appropriate for plastic packaging, we would welcome further conversations with HM Treasury officials about how it would work, and the impact on convenience retailers and their customers.

PRN System

HM Treasury should also consider how a tax on plastic packaging would interact with the current PRN (Packaging Waste Recovery Note) system which requires obligated packaging producers to purchase PRNs to show compliance for the waste packaging they recycle or recover. In their upcoming Resources and Waste Strategy, the Department for Environment, Food and Rural Affairs are expected to announce proposals for reform to the PRN system. We encourage HM Treasury to work closely with Defra on the role that those reforms to the PRN system could play for increasing costs on businesses placing packaging on the market. This will potentially reduce duplicating similar policies and costs on businesses.

Earlier this year, Defra tasked WRAP and INCPEN to conduct workshops on suggested reforms to the PRN system. While we support the overall principle that all producers who handle packaging and packaged goods should contribute to the financing of the recovery and recycling of the packaging materials they place on the market, we have concerns that reforms to the system could place disproportionate burdens on smaller retailers.

In particular, we have concerns that lowering the de minimis (currently set at 50 tonnes) threshold significantly would place disproportionate administrative and cost burdens on small businesses for minimal benefit in terms of increased recovery levels and funding. If the government decides that the de minimis should be lowered, there should be consideration to how the changes can be communicated to retailers and how they can calculate and comply with their obligations in a simple way. The PRN system is complex and requiring small businesses to comply would be administratively difficult. Currently we do not have an estimate of the tonnage of a typical convenience store. However, we are currently undertaking research into this to explore the impact of lowering the de minimis threshold on the convenience sector and will share with HM Treasury officials once available.

One reason that it would be difficult for small businesses to comply with the PRN system is that they do not have systems already in place to track packaging through their business. 40% even do not have an EPOS system to track their stock take⁸. As such, retailers are most likely to outsource which means that they would face additional costs on top of compliance costs. For those retailers that do not have an EPOS system in place, even if the collection of packaging data was outsourced it would not be feasible to track packaging data in their business.

There have been suggestions that a flat fee would remove the administrative burden for small businesses, however, a flat fee does not take into account the amount of packaging that the business places on the market – contrasting with the current framework of the PRN

⁸ ACS Local Shop Report 2017

system which aims to reduce the amount of packaging produced, reduce how much packaging waste goes to landfill, and increase the amount of packaging waste that's recycled and recovered. A flat fee would not support these objectives.

Consumption

ACS recently commissioned consumer research comprising three focus groups across the UK to understand consumers current recycling habits and what interventions would encourage them to recycle more. To support the work of the consumer focus groups, we also commissioned consumer polling of 2,000 UK adults. Our responses below refer to the results from this research. A summary of the results from the consumer polling and consumer focus groups can be found in Annex B.

12. What factors influence consumers' choices related to single-use plastic items? How can the government encourage the re-use of these items?

As well as looking at what role the tax system could have, we would also encourage the government to explore what further investment and improvements can be made to encourage consumers to recycle. In the consumer polling, when asked what interventions would encourage them to recycle more, consumers suggested that they would recycle more if:

- more packaging was recyclable (37%)
- packaging was more clearly labelled as recyclable (35%)
- collections from their home took a greater range of recycled goods (29%)
- all types of recyclable materials could be placed in one bin (28%)⁹

In comparison, only 9% of consumers responded they would recycle more if a deposit return scheme was introduced¹⁰.

Consumers particularly noted that they are left frustrated by the volume of material that is not recyclable at all, that there was confusion and lack awareness of what can be recycled and the frequency of kerbside collections in their local area, as well as concerns about the insufficient size of their recycling bins or boxes; *"We're not allowed glass, we're not allowed shredded paper in recycling, they don't like drinks cartons – orange juice cartons. So the glass I just put in the household."*¹¹

There is also an opportunity to consumer awareness about kerbside recycling, with another focus group participant noting: *"We have different colours [of recycling bins] but I don't really know what they are for. I don't have a clue; my rubbish just goes in the bin and that's it."*¹²

The government should also consider whether current infrastructure and policies, including kerbside recycling services can be made more effective to reduce the impact of plastics on the environment, for example consistent kerbside collections and increasing consumer awareness of what can and cannot be recycled.

⁹ Populus DRS Consumer Polling 2017

¹⁰ Populus DRS Consumer Polling 2017

¹¹ Quote from Older Female, England Focus Group. Jericho Chambers: Deposit Return Scheme – views of retailers and consumers 2017

¹² Quote from Younger Female, Scotland Focus Group. Jericho Chambers: Deposit Return Scheme – views of retailers and consumers 2017

13. What are the barriers to consumers choosing alternatives to single-use plastic items, and how responsive would consumers be to price changes?

There are currently barriers to consumers choosing alternatives to single-use plastic items as products may only be sold in single-use plastic currently. As stated above, retailers are discussing with suppliers about alternatives to single-use plastic packaging. It would be unlikely that the same product would be offered in two types of different packaging and as such, consumers may not have to choose an alternative to single-use plastic as a more sustainable alternative could be standard.

Even without a tax on plastic packaging, a switch to more sustainable packaging could increase prices of products as the material for the packaging may be more expensive to use than single-use plastic. Unlike the plastic bag charge, a customer cannot opt out of a plastics tax and therefore would incur the burden of an additional charge. In our focus groups, one consumer identified that not all consumers would be able to absorb price increases *“If you’re sticking prices up on everything, it’s like a tax, and not everyone can afford that tax.”*¹³ HM Treasury should consider the impact that a consumer facing tax could have on consumers, particularly in relation to the affordability of products for low income families.

14. In what way, and to what extent, do the decisions of producers and retailers influence consumer choice?

Convenience retailers will often follow consumer demand rather than try to influence it. By following consumer demand there is less risk of wasting stock that they cannot sell.

It is important to note that framing consumer choices will not in itself solve the heart of the problem. In one of the consumer focus groups, one individual stated that there could still be limited engagement from policies such as DRS: *“There are always going to be those people who throw stuff on the floor, and won’t move three paces to put their McDonalds bags or whatever in the bin, this won’t make a difference to that.”*¹⁴

15. In your opinion, how can the tax system or charges play a role in delivering better environmental outcomes at this stage?

As stated above, without any specific proposals, it is difficult to determine the role that the tax system, or charges can play in delivering better environmental outcomes. We would want to ensure that a tax or charge does not place undue burdens on convenience retailers or on their customers.

Deposit Return Schemes

The government recently announced that they will introduce a deposit return scheme (DRS) in England, subject to consultation. A DRS would place a small deposit on a beverage container for instance (an additional charge for the consumer) which can be redeemed when returned back to a return point. While a DRS would be a charge at consumption, we have concerns about the impact it would also have at retail level.

¹³ Quote from Dad, Wales Focus Group. Jericho Chambers: Deposit Return Scheme – views of retailers and consumers 2017

¹⁴ Quote from Older Man, England Focus Group. Jericho Chambers: Deposit Return Scheme – views of retailers and consumers 2017

We have concerns that the introduction of a DRS would place considerable burdens on retailers if they are required to take back containers. Retailers would be required to accept the deposit return, store the containers (either manually or using a Reverse Vending Machine) and backhaul the drinks containers to counting centres.

We have provided a summary of our concerns about deposit return schemes below. For more information about the impact of DRS on the convenience sector, please see our response to Defra's call for evidence, which is available [here](#). To inform our submissions, we commissioned research comprising 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.

Limited Space

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 metres¹⁵. Independent retailers are even smaller with 94% under 186 square metres and 61% under 93 square metres¹⁶. 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?"*¹⁷

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 space¹⁸.

In-Store Delays and Staff Costs

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.

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 seconds¹⁹, while the average shopper queues for 43.8 seconds in a convenience store.

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 queues²⁰. In the consumer focus groups, they imagine it would be likely that there would be

¹⁵ ACS Local Shop Report 2017

¹⁶ ACS Local Shop Report 2017

¹⁷ Quote from Retailer, Scotland Focus Group. Jericho Chambers: Deposit Return Scheme – views of retailers and consumers 2017

¹⁸ ACS Voice of Local Shops survey May 2017

¹⁹ Eunomia: A Scottish Deposit Refund System (Appendix to the Final Report for Zero Waste Scotland)

²⁰ ACS Local Shop 2017

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?”*²¹

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 minute²². Therefore, any additional time at the till will have a considerable impact on retailers as well as the customer’s experience.

Financial Cost

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.

Given the choice between kerbside recycling collections and deposit return schemes - 70% of consumers favoured their existing household collection, compared to 21% that favoured a new deposit return scheme²³.

While consumers were sympathetic to the principles of DRS, they believed that there were other solutions that would be more effective to increase the level of recycling and had concerns that a deposit return scheme would place additional costs on consumers and make recycling more complex²⁴.

Backhauling Infrastructure

The complexities of the convenience sector mean that there are already logistical issues in convenience retailers' backhauling and waste disposal systems. Retailers and wholesalers will also have to consider the impact of a DRS on hygiene of delivery vehicles. Often delivery vehicles make multiple deliveries in one trip - this means that it would be likely that vehicles would need to be adapted to hold used packaging and fresh grocery deliveries, so that food hygiene is not compromised when backhauling plastic waste.

Impact on Hygiene In-Store

Local shops are concerned about hygiene and health and safety issues associated with used packaging. Collecting used and soiled packaging could impact on their food hygiene rating, retailer would the need to invest in protective clothing for staff to handle soiled bottles and packaging and the storage of packaging at till points could cause trip hazards.

Voluntary and Economic Incentives Working Group Report

Defra’s call for evidence last year was used to inform the work of their Voluntary and Economic Incentives Working Group who were tasked to consider the feasibility of a deposit return scheme (DRS) in England. We believe that the report raised several questions which remain unanswered about what a DRS would look like in the UK including:

²¹ Quote from Dad, Wales Focus Group. Jericho Chambers: Deposit Return Scheme – views of retailers and consumers 2017

²² Him! CTP Data 2017

²³ Populus DRS Consumer Polling 2017

²⁴ Jericho Chambers 2017

1. Do the costs outweigh the benefits?
2. Is DRS the right solution?
3. If DRS is introduced who will be affected?
4. Who will be required to take back containers under a DRS?
5. If retailers are required to take back containers – would it be a manual or automated scheme?
6. Would retailers be adequately compensated for accepting containers?
7. How will DRS interact with kerbside recycling?

As part of the consultation on the Resources and Waste Strategy which will be launched by Defra later this year, there should be consideration on what a well-designed DRS looks like, taking on board the questions raised by the Voluntary and Economic Incentives Working Group. For more information about the questions raised by the Working Group's Report, see [here](#).

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

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 parks, 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 22,897 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, Londa, 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 12,952 stores that are owned by multiple and co-operative retailers. These businesses include the Co-Operative, regional co-operative societies, MCOLS, 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.



30% 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 6,201 stores. The Local Shop Report also draws on data from HM, IQD, 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.

For more information and data sources, visit www.acs.org.uk

Impact of Deposit Return Schemes on Retailers

Space is at a Premium

- Space is at a premium in convenience stores. Convenience stores are small format businesses, they are generally defined as being under 280 square metres.
- 71% of retailers either do not have space in their stores for a deposit return scheme or would have to make changes to their stores to make space
- There are 49,918 convenience stores across Great Britain, 85% are under 186 square metres, and 50% are under 93 square metres²⁵.
- Independent convenience stores are even smaller; 94% are under 186 square metres¹ and 61% under 93 square metres²⁶.
- Retailers have considerable concerns 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*
- Reverse Vending Solutions (RVS) are estimated to take up five metres² in store. Giving up this much space in-store will result in significant costs for retailers and loss of important sales space for other products and services.

Increasing pressure on staff and increasing queuing times in stores

- 35% of consumers said they would return their recycled packaging to stores resulting in a high volume of packaging to be processed at local shops²⁷.
- 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 seconds²⁸, while the average shopper queues for 43.8 seconds in a convenience store.
- Increasing service time in store would damage trade as one of the top drivers for customers to visit a convenience store is the speed of service/short queues²⁹.
- The average consumer spends 4.2 minutes in a convenience store. With the majority of consumers visiting for 1 – 3 minutes (42%)³⁰.

Cost to Retail Sector

- 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.
- It would cost retailers an estimated £30,000 to purchase a Reverse Vending Solution and an additional £2,000 for installation³¹.
- Studies suggest that 40% of convenience stores would require one reverse vending machine to process returns³². Based on these figures, a UK wide scheme could potentially cost the convenience sector over £638million just to install RVS in their stores³³.

Hygiene and Health and Safety Issues

- Local shops are concerned about hygiene and health and safety issues associated with collecting used packaging in stores as it could damage food hygiene ratings.

²⁵ ACS Local Shop Report 2017

²⁶ ACS Local Shop Report 2017

²⁷ Jericho Chambers 2017

²⁸ Eunomia: A Scottish Deposit Refund System (Appendix to the Final Report for Zero Waste Scotland)

²⁹ ACS Local Shop 2017

³⁰ Him! CTP Data 2017

³¹ Eunomia: A Scottish Deposit Refund System (Appendix to the Final Report for Zero Waste Scotland) – TOMRA Communications

³² Eunomia: A Scottish Deposit Refund System (Appendix to the Final Report for Zero Waste Scotland)

³³ Cost of RVS x 40% number of convenience stores in the UK who would have RVS (19,967)

ACS Research Methodology

ACS commissioned three independently chaired focus groups with convenience retailers in England, Scotland and Wales between 20 and 22 March 2017.

Audience	Age	Gender	SEG	Location type	Location
Convenience store manager/ owners				Urban	Glasgow
Convenience store manager/ owners				Market town (Rural)	Diss
Convenience store manager/ owners/ workers				Deprived	Bridgend

Across the groups, the convenience sector was represented by individual store managers (and in some cases their staff) including those who operate single or small groups of stores and those who look after the interest of larger store groups. In the focus groups retailers were asked to discuss the impact that a deposit return scheme would have on their business and operational challenges they would have to contend with. Following the focus group ACS conducted polling of 1,210 retailers in its Voice of Local Shops survey about whether they had the capacity to process a deposit return scheme in their store.

Lack of Space

Of the 49,918 convenience stores across Great Britain, 85% are under 186 square metres, and 50% are under 93 square metres³⁴. Independent convenience stores are even smaller; 94% are under 186 square metres¹ and 61% under 93 square metres³⁵.

Convenience stores are small format businesses, they are generally defined as being under 280 square metres. Retailers have considerable concerns 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?”

“I don’t have room in any of my stores. It’s filled with stock or cardboard to go back. There isn’t the room.”

Retailers are also concerned about the space that a RVS would take up, would not only take the place of profitable retail lines leading to reduction in business, but would also mean there would be fewer products available to those who rely on local shops. One retailer noted that:

“if they are the size of a regular vending machine, that’s takes the place of quite a few shelves of product that I could sell, that I won’t be able to sell that, and I won’t be able to provide for my customers.”

Impact on Customer Service

Retailers suggest that accepting and processing bottles at the till would increase service times, put more pressure on staff and require them to invest in more staff. 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 queues³⁶.

³⁴ ACS Local Shop Report 2017

³⁵ ACS Local Shop Report 2017

³⁶ ACS Local Shop 2017

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 seconds³⁷, while the average shopper queues for 43.8 seconds in a convenience store. Store staff processing container returns would double the length of queue in a convenience store.

The average consumer spends 4.2 minutes in a convenience store. With the majority of consumers visiting for 1 – 3 minutes (42%), and 7% of consumers visit a convenience store for less than a minute³⁸. Any additional time at the till will have a considerable impact on retailers as well as customers' experience.

“You’ve got someone wanting £5 on a Paypoint, 20 king-size, a bottle of Buckfast, and, oh, ‘here’s a bag of empty milk bottles’. You have to sort them, scan them. You could not do it. It’s ludicrous. There’s three of four people standing in a queue, they’ll walk away. Speed of service is key thing and you would lose your customers.”

Financial Cost to Retailers

Retailers are very concerned about the amount they will have to invest in additional staff time and reverse vending machines if a deposit return scheme were to be introduced. DRS would also place other costs on retailers, including: lost trade from in-store delays, lost retail floor space and backhauling containers.

Reverse Vending Solutions also present significant financial cost to retailers. It would cost retailers an estimated £30,000 to purchase a Reverse Vending Solution and an additional £2,000 for installation³⁹. This is a considerable investment for a small convenience retailer. Studies suggest that 40% of convenience stores would require one reverse vending machine to process returns⁴⁰. This could potentially cost the convenience sector over £638million just to install RVS in their stores⁴¹.

Retailers will also be financially burdened by having to employ more staff or increase staff hours to process returns manually. For beverage containers 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 time from staff in store. Once collected by staff, the containers would have to be sorted, bulked and sent for reprocessing – again this would place pressures on small stores' employees.

“If you come in the front door with a can, it’s got to go somewhere where its being recycled, so now a member of staff – at 12p a minute – as got to walk out the back and walk back again. That’s 5 minutes, or 60p we’re paying to get a 5, 10 or 20p refund on a can – it doesn’t make sense. And most of this stuff is already recycled in private anyway.”

Hygiene and Health & Safety Issues

Retailers in the focus groups also raised concerns that a DRS would not work alongside current health and safety regulations. The idea that the same physical space at point of sale would be used to serve food-to-go and accept soiled packaging was thought to be unpragmatic by retailers.

“There’s no way they’re coming in my store. ... I don’t need to be in the situation where I could be sued by a customer, I could have Health and Safety after me, I could have the EHO round after me, simply because I’m accepting a tin of beans that hasn’t been cleaned out properly.”

The Workplace (Health, Safety and Welfare) Regulations 1992, Regulation 9 Cleanliness and Waste Materials stipulates that *“so far as is reasonably practicable, waste materials should not be allowed to*

³⁷ Eunomia: A Scottish Deposit Refund System (Appendix to the Final Report for Zero Waste Scotland)

³⁸ Him! CTP Data 2017

³⁹ Eunomia: A Scottish Deposit Refund System (Appendix to the Final Report for Zero Waste Scotland) - TOMRA Communications

⁴⁰ Eunomia: A Scottish Deposit Refund System (Appendix to the Final Report for Zero Waste Scotland)

⁴¹ Cost of RVS x 40% number of convenience stores in the UK who would have RVS (19,967)

accumulate in a workplace except in suitable receptacles". Staff would need to be provided with protective clothing and gloves in order to process the packaging returned to stores.

Impact of Deposit Return Schemes on Consumers

To support policy makers' understanding of the impact of a deposit return scheme (DRS) on consumers ACS (the Association of Convenience Stores) commissioned Jericho Chambers⁴² to run three focus groups of consumers across the UK to discuss their views on DRS:

Audience	Age	Gender	SEG	Location type	Location
Consumers	18-34	F	C1C2	Urban	Glasgow
Consumers	55+	M/ F	BC1	Market town (rural)	Diss
Consumers	34-54	M	C2DE	Deprived	Bridgend

Following the focus groups, ACS commissioned Populus to complete polling of 2,034 UK adults to find out their views on DRS and what policy interventions would encourage them to recycle more. The polling took place between 24 and 26 March 2017.

The key findings from the research were:

Consumers were sympathetic to the principles of DRS but ultimately favour household collections

- Given the choice between kerbside recycling collections and deposit return schemes - 70% of consumers favoured their existing household collection, compared to 21% that favoured a new deposit return scheme.

The difficulty of returning empties for those without cars, the housebound, or less mobile

- A higher proportion of those with long term disabilities (73%) or those aged over 65 years old (76%) supported household collections instead of a deposit return scheme.⁴³

There are alternative solutions to tackling recycling

- Consumers suggest they would recycle more if more packaging was recyclable (37%), packaging was more clearly labelled (35%) and their household recycling collection took a wider range of products (29%).
- Only 9% thought a deposit return scheme would make them recycle more.

The associated costs that would be borne by all, and would most effect those already struggling

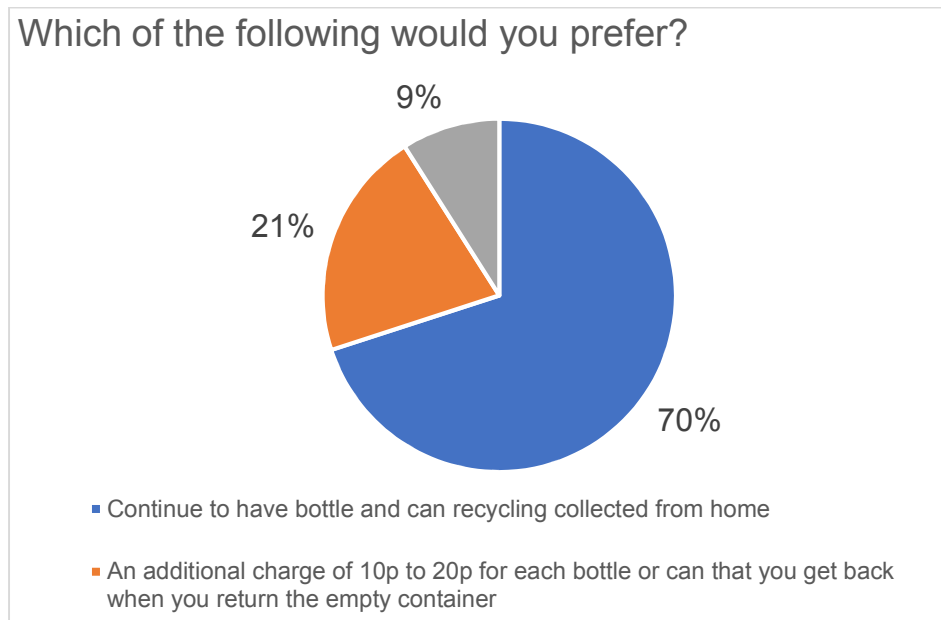
- The complexity of any scheme and its impact on retailers and consumers
- The current effectiveness of at-home schemes

⁴² Jericho Chambers completed the focus group between 20 and 22 March 2017

⁴³ Populus Online Consumer polling March 2017

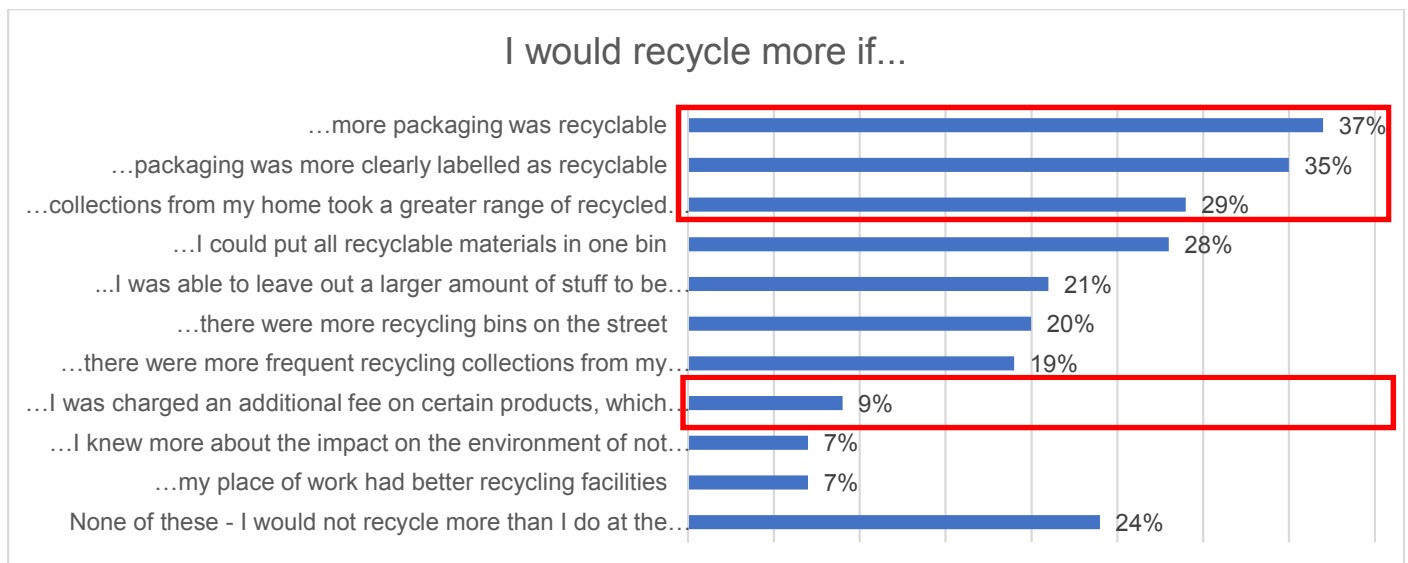
Household Recycling is Favoured Over DRS

Given the choice 70% of consumers favour their existing household collections, compared to 21% that favour a new Deposit Return Scheme.



Alternative Solutions to Tackling Recycling

Consumers suggest they would recycle more if more packaging was recyclable (37%), packaging was more clearly labelled (35%) and their household recycling collection took a wider range of products (29%). Only 9% thought a Deposit Return Scheme would make them recycle more.



Impact on Household Recycling Collections

While consumers were sympathetic to the principles of DRS, they believed that there were other solutions that would be more effective to increase the level of recycling, and had concerns that a deposit return scheme would place additional costs on consumers, and make recycling more complex⁴⁴.

“If you’re sticking prices up on everything, it’s like a tax, and not everyone can afford that tax.” Dad, Wales

“It’s an awful idea, it’s going to put so much money on the cost of something, and that’s money we are not going to get back as prices are going to have to go up by 5p or 10p for the retailer to handle it.” Dad, Wales

Consumers in the focus groups noted that DRS may actually reduce the volume of recycled goods, if kerbside schemes were no longer in use or had reduced collections. Given the choice between the introduction of a deposit return scheme compared with their existing household recycling, 70% of consumers support their existing household recycling.

No Silver Bullet

Consumers indicated that they would recycle more if their household recycling services were extended and improved rather than the introduction of a deposit return scheme. Populus consumer polling found that consumers would recycle more if more packaging was recyclable (37%), packaging was more clearly labelled as recyclable (35%), and collections from their home took a greater range of recycled goods (29%)⁴⁵.

“We have different colours [of recycling bins] but I don’t really know what they are for. I don’t have a clue; my rubbish just goes in the bin and that’s it.” Younger Female, Scotland”⁴⁶

Impact on Carless and Vulnerable Households

The most vulnerable in society support household kerbside recycling; people with long term disability (73%), carless households (70%) and people aged 65 and over (76%)

A higher proportion of those with long term disabilities (73%) or those aged over 65 years old (76%) supported household collections instead of a deposit return scheme.⁴⁷

“I don’t have a car, I’m not going to be taking glass bottles out with me out on to the bus. I don’t think I’d bother.” Younger Female, Scotland

“If you’ve got a garage then you’re fine, but if you live in a flat then you’re knackered.” Dad, Wales

“Where would you store this stuff? It’s tough enough as it is trying to keep your house tidy before you put it in the wheelie bin. Would I have to keep it in the car?” Younger Female, Scotland

Customer Confusion

Consumers in our focus groups identified the potential complexity of a deposit return system. They raised concerns about the ability to know what could or could not be recycled in the system. One consumer in England said:

“How many product lines are there out there that have to be washed, cleaned and returned? 500? 400? 300? It might be that we can just deal with a few of them, and that makes it doable, ok, but once we get into the enormity of the different types of materials, you starting to get a bottleneck problems, and how

⁴⁴ Jericho Chambers 2017

⁴⁵ Populus DRS Consumer Polling

⁴⁶ Jericho Chambers: Deposit Return Scheme – views of retailers and consumers 2017

⁴⁷ Populus Online Consumer polling March 2017

could anywhere – like the village shop – cope with 25, 100, 500 different types of products” Older Male, England⁴⁸.

There is customer confusion about what can and cannot be recyclable through kerbside collections⁴⁹. A BBC Freedom of Information request found that 3% of recyclable waste was rejected by local authorities, with some local authorities experiencing a rate of 14.99%⁵⁰. As such, we have concerns that customer confusion would only be exacerbated if a DRS were to be introduced.

⁴⁸ Jericho Chambers: Deposit Return Scheme – views of retailers and consumers 2017

⁴⁹ [BBC News: Rejected recyclable waste up 84% in England since 2011, data shows](#)

⁵⁰ [BBC News: Rejected recyclable waste up 84% in England since 2011, data shows](#)