



ACS Submission – Beyond Recycling

ACS (the Association of Convenience Stores) welcomes the opportunity to respond to the Welsh Government's consultation on their draft circular economy strategy. ACS 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. There are 2,931 convenience stores in Wales, employing around 27,000 people¹. For more information about ACS and the convenience sector, see Annex A.

ACS welcomes the Welsh Government's draft circular economy strategy and is committed to working with the Welsh Government to reduce waste. We previously responded to consultations referred to in the strategy including Increasing Business Recycling in Wales², Reforming the UK Packaging Producer Responsibility System³, and Introducing a Deposit Return Scheme in England, Wales, and Northern Ireland⁴.

Please see below for our responses to the relevant questions.

Question 2: Should recycling arrangements across Wales be consistent?

There are 2,931 convenience stores in Wales⁵, 84% of which are run by independent retailers⁶. Polling of 100 independent convenience retailers in Wales found that convenience retailers are recycling in their business with 40% disposing their mixed recycling through local authority collections, 20% through general waste contractor, and 9% through specialist waste contractor⁷. As such, the Welsh Government must consider carefully how the proposals to increase recycling from businesses will impact businesses' existing recycling practices.

It is important that there is consistency in business waste collections by local authorities given that nearly half of businesses have their mixed recycling collected through this system. The types of recycling that must be separate must also be consistent across Wales to ensure clarity for retailers which operate in more than one local authority. For convenience retailers who contract waste collections through private businesses, the Welsh Government should ensure that requirements to separate waste does not place additional costs on businesses where the waste contractor may charge more money for the separation of recycling in different waste streams.

This is particularly important as the Welsh Government's preferred option in their 'Increasing Business Recycling in Wales' consultation will place additional costs on the smallest

¹ ACS Welsh Local Shop Report 2020

² [ACS Submission – Increasing Business Recycling in Wales](#)

³ [ACS Submission – Reforming the UK Packaging Producer Responsibility System](#)

⁴ [ACS Submission – Introducing a Deposit Return Scheme in England, Wales and Northern Ireland](#)

⁵ ACS Welsh Local Shop Report 2019

⁶ ACS Welsh Local Shop Report 2019

⁷ ACS Voice of Local Shops Survey November 2017

businesses while larger businesses will experience savings. According to the consultation's Regulatory Impact Assessment, a business with 0-4 employees will incur an estimated £8.37 per week as a result of the new requirements and a business with 5-9 employees will incur £1.48 per week. This is equivalent to £435.24 and £76.96 per year respectively. While it will be the waste management business that passes the costs on for collection to their customers, we believe that the Welsh Government must give further consideration to measures to reduce the costs of collection for small and micro firms, following similar commitments from the UK Government with regard to their proposals for consistency in business recycling collections.

Question 6: What do you think are the key steps that we need to take to further reduce avoidable food waste?

The convenience sector is complex, there is a significant variety in the products offered in different types of store, depending on their size, location and ownership type. As such, the amount of food waste produced by a convenience store will also be dependent on these factors. For example, in a survey of 1,210 independent retailers, 41% respondents said their store sells more fruit and vegetables than it did five years ago, while 35% responded that they did not stock fruit and vegetables in their store⁸. A retailer who does not stock fruit and vegetables will most likely produce less food waste than a retailer who does. This is evident by a survey of independent convenience retailers which found 36% of independent retailers responded that their store does not generate any food waste⁹.

Retailers are already being proactive and looking at reducing their food waste through various ways, including increasing consideration given to stock ordering processes to prevent food waste, engaging with local and national charities and using "reduced to clear" lines to donate any food waste produced. Retailers are already taking proactive action to reduce the amount of food waste they produce, in ACS' Voice of Local Shops survey of 1,210 independent retailers, 20% responded that they recycle using a separate food waste bin, 12% consume or give to staff, 10% reduce food waste through other initiatives, and 7% donate to a local cause¹⁰.

We support the Welsh Government's target to halve food waste by 2025. However, we do not think this is an area that should be regulated by national legislation. Tackling food waste does not work as a one size fits all approach and retailers should be able to determine how they tackle food waste based on local circumstances and the needs of the store. This is because convenience stores will face different challenges than supermarkets when it comes to food waste. For example, due to the low volume of food waste that convenience stores produce compared to supermarkets, there can be less interest from charitable causes to engage or pick up food waste from stores. Charities do not have the confidence of supply from convenience stores, as they may not receive food on a daily basis which is a suitable volume and type

Question 13: Are the suggested actions in this theme the right ones? If not, why? What other actions could we consider to achieve the aims of the strategy?

⁸ ACS Voice of Local Shops Survey 2016

⁹ ACS Voice of Local Shops Survey August 2016

¹⁰ ACS Voice of Local Shops Survey August 2016

Please see below for ACS' comments regarding the use of the Welsh Government's levers such as funding, legislation, taxation to support the move to a more circular economy.

Reforms to Extended Producer Responsibility

The draft circular economy strategy states the Welsh Government will work with the other governments of the UK in developing legislation for an Extended Producer Responsibility scheme for packaging. ACS is committed to working with the Welsh Governments and other governments of the UK to reform the existing extended producer responsibility and responded to the consultation last year which proposed reforms to make the system more effective to reduce the amount of unnecessary and difficult to recycle packaging from the market and place the full net costs of managing packaging waste on businesses. These included:

Current EPR System	Proposed Reform to EPR System
<p>Currently packaging producer responsibility only applies to all businesses which have a turnover of more than £2 million and handle more than 50 tonnes of packaging. These businesses are required to pay for the cost of recovering the packaging they place on the market as well as record the amount of packaging that goes through their business.</p>	<p>Maintain the current shared responsibility system and lower the de minimis threshold to require smaller business to comply</p> <p>Or</p> <p>Move to a single point of compliance model which is placed at one part of the supply chain, for example, at brand owner.</p>

To achieve the outcomes of extended producer responsibility, including for more packaging is designed to be recyclable and for unnecessary packaging to be removed altogether, we believe the obligation must be placed at the highest point of the supply chain where business have the most influence in changing packaging decisions. This means that the packaging producer responsibility system should move from a shared responsibility system (where businesses throughout the whole supply chain are obligated) to a single point of compliance at brand owner.

Convenience retailers have very limited influence on producers to reformulate their packaging, especially as 71% of the convenience sector are independent retailers and therefore should not be obligated producers. However, convenience retailers can still be accountable under the extended producer responsibility system through a single point of compliance at brand-owner as we anticipate that the whole supply chain, including retailers, will incur increased prices of products coming through the supply chain after the full net recovery costs have been applied at the brand owner.

If the government were to maintain the shared responsibility model and require more small businesses to comply or place the single point of compliance at seller, this would place significant administrative burdens on small shops to understand how much packaging is being placed on the market by their business. One of the reasons this would be difficult for independent convenience retailers is that they do not have systems already in place to track

packaging through their business - 25% of the sector do not even have EPOS system to track their stock take¹¹.

Introduction of a Deposit Return Scheme

ACS has concerns about the impact that a deposit return scheme would have on retailers, particularly regarding their role in taking back containers. As such, we have developed principles on what a well-designed deposit return scheme looks like to ensure that the introduction of a DRS does not place considerable burdens on small retailers. ACS' preferred model for a deposit return scheme includes the following principles:

The scheme should be cost neutral for businesses hosting return points. Handling fees paid to return points must reflect different operating costs for different types of return point, for example, a convenience store, coffee shop or transport hub. No business should have to incur capital costs as part of the scheme. Therefore, scheme funding options should be made available for the purchase and leasing of reverse vending machines along with handling fee structures to minimise risk to retailers.

The scheme should be efficient and cost effective. The location of return points should be strategically mapped to decide which type of business should be required to host a return point. The scheme must be accessible to consumers while not disproportionately burdening businesses hosting return points.

The scheme must account for small and low volume return points. There should be an exemption process for some businesses hosting a return point. The process must consider proximity to other return points, the size of the premises, the premises' capacity to store drinks containers, the frequency of collections that can be offered to the return point, and the costs and operational implications of manual takeback.

The scheme must account for the interests of all stakeholders in the supply chain. The scheme administrator must be industry led and include representatives from the whole supply chain participating in the scheme, including producers, wholesalers, retailers and consumers in its governance structure.

There must be a clear timetable and communication strategy for the transition to DRS. Enough time must be given to develop the new infrastructure required to facilitate the scheme, including the establishment of a scheme administrator. Retailers should be given enough time to sell through non-scheme drinks containers so that the majority of products on shelves are within scope by the time of the introduction of the scheme.

The scheme must be coherent in the context of wider extended producer responsibility reforms. A deposit return scheme must work alongside other proposed legislation including reforms to EPR, the introduction of a plastics tax, and consistency in recycling. The scheme should avoid double taxation on businesses.

Bans on commonly littered items

The Welsh Government should give consideration to whether commonly littered items have more environmentally friendly alternatives that can be used or whether it would be more

¹¹ ACS Local Shop Report 2019

appropriate to tackle consumer behaviour to prevent littering of those items. We also believe that if any ban were to be introduced that the Welsh Government must ensure that a retailer sell through period is built into the implementation timeframe to ensure that any waste from discarding non-compliant stock is minimal.

Review carrier bag charge

Since its introduction in October 2011, the single-use plastic bag charge has been effective in reducing the number of single-use plastic bags in circulation. Therefore, we understand the Welsh Government's aims to review the carrier bag charge, in particular, whether charge should be increased. We do not have a strong view on whether the charge should be increased given that the existing 5p charge has successfully changed consumer behaviour.

To support the Welsh Government's thinking on increasing the single-use carrier bag charge, we would like to see the Welsh Government consider views of consumers, therefore we commissioned polling of 1,100 UK consumers (including 54 consumers from Wales) by Populus. The consumer polling found that 56% of consumers in the UK supported an increase in the price of single-use plastic bags from 5p to 10p, 27% were opposed to an increase, and the remaining responded neither support or oppose or didn't know¹². Looking at Welsh consumers, 56% supported an increase in the charge, 31% opposed an increase, and the remaining responded neither support or oppose or didn't know.

Those who buy single-use plastic bags were then asked about whether the increase in price would change their behaviour. Of those who said they use single-use bags (46% of the sample), 41% responded that they would buy fewer single-use plastic bags and use the bags they already own, 26% would buy fewer single-use plastic bags and buy more bags for life, and 26% responded that it would not change their behaviour¹³. The Welsh must carefully consider the impact that an increase to the carrier bag charge will have on customers compared with the increase in behaviour changes already delivered by a 5p charge.

In addition, the Welsh Government have yet to enact provisions in the Environment (Wales) Act 2016 to introduce charges on reusable bags and to require retailers to pass the net income from the carrier bag charge to environmental charitable causes. The majority of convenience retailers in Wales are passing the charge onto a good cause. Polling of 100 independent convenience retailers in Wales found that 95% donate the net proceeds of the carrier bag charge. 31% donate to a local charity, 13% donate to a national charity, 11% donate to a health charitable causes, but only 6% donate to an environmental charitable cause¹⁴.

As such, legal requirements for retailers to change where their net proceeds go to could cause customer backlash and remove donations being received by the local community. Where convenience retailers have arrangements in place to donate to a charity, these may be legally binding and therefore could either be at risk of non-compliance or breach of contract. Therefore, we do not agree that there should be a legal requirement for retailers to pass on the charge to environmental charitable causes specifically and this provision should not be enacted.

¹² Populus Consumer Polling February 2019 (when asked: Would you support or oppose increasing the price of single-use plastic bags from 5p to 10p?)

¹³ Populus Consumer Polling February 2019

¹⁴ ACS Voice of Local Shops Survey November 2017

Tax or charge on disposable plastic cups and food containers in Wales

We do not agree that environmental charging for single-use items such as disposable plastic cups should be introduced. We believe that the Welsh Government should look at ways to increase the recyclability of these products rather than imposing a charge which will not tackle the initial problem, their inability to be recycled. Moreover, a charge applied to these products may not be as effective as the carrier bag charge as consumers' use of these products are different. For example, purchases of beverages may not be a planned purchase, the consumer may not own or be carrying a reusable beverage cup and therefore not be able to avoid the charge.

Specifically looking at beverage cups, the use of coffee machines in convenience stores continues to grow. Currently, 40% of convenience stores in Wales offer customer operated coffee machines and 16% of convenience stores in Wales offer staff operated machines¹⁵. As such, we are supportive of the work of the Paper Cup Recovery and Recycling Group, which was set up in 2014 to bring together businesses, recyclers, suppliers and the public to increase the recovery and recycling of paper cups. The group focuses on: conducting research and identifying ways to improve the sustainability of the paper cup supply chain; identifying solutions which sees paper cups collected alongside other paper and card products through existing recycling collections; developing consistent message and educating involved parties on material value and recyclability; and engaging with stakeholders to understand and addressing risks association with the environmental impacts of paper cups. More of the work of the Paper Cup Recovery and Recycling Group to increase the recovery and recycling of paper cups can be found on their website¹⁶.

We are supportive of proactive work from industry to increase the recycling of coffee cups. As well as being supportive of work the from Paper Cup Recovery and Recycling, we are also supportive of individual schemes from coffee retailers including cash incentives to use reusable cups in-store and the launch of in-store cup recycling schemes. We believe it is voluntary industry action rather than government regulation which will lead innovative of recycling of coffee cups and encourage the Welsh Government to explore how it can work with the industry to encourage further innovations.

Question 14: Is our continued business support to make them more resource efficient a priority action?

Business support is fundamental to encourage resource efficiency by businesses, particularly by smaller businesses. Therefore, we would welcome any advice or guidance for businesses on how they can reduce waste and be more resource efficient. We are committed to work with the Welsh Government and would welcome opportunities to engage in the development of such advice or guidance.

For more information about this submission, please contact Edward Woodall, Head of Policy and Public Affairs at Edward.Woodall@acs.org.uk or calling 01253 515001.

¹⁵ ACS Local Shop Report 2019

¹⁶http://www.pcrreg.uk/uploads/3/1/9/1/31915573/pcrrg_response_to_eac_inquiry_on_coffee_cups_and_plastic_bottles_gr.pdf