

# Glass recycling: An Economic Perspective



British Glass believes that in order to achieve our industry target of reaching a 90% glass collection rate by 2030, it is vital that glass is recovered through a single, dedicated household and bottle bank waste collection system. Implementing a costly, inefficient, and discriminatory Deposit Return Scheme (DRS) will put at risk the current hard-won glass recycling rates and have damaging unintended consequences for both retailers and consumers.

## The cost of a DRS

Annual costs of  
£1bn<sup>1</sup>

It is estimated that the initial set-up costs of a deposit return scheme in the **UK could cost retailers upward of £400m, with an annual operation cost of over £1bn in England alone.**<sup>1</sup> This would add to the cost burden and disruption that retailers have faced as a result of Covid-19, as well as taking additional floor space which they have had to provide for social distancing measures.

High cost of  
RVMs

The cost to retailers of purchasing just one of the estimated 30,000+ Reverse Vending Machines (RVMs) needed to operate a DRS **could run as high £30,000**, with an annual operational cost estimated to be in the region of **£3,000 per machine.**<sup>1</sup>

Risk of fraud &  
exploitation

Glass bottles returned through a DRS would have to be manufactured with a specific type of labelling, designed to hold the bottle's deposit. This increases the possibility of systematic fraud, **with some trying to exploit the system and reclaim deposits through counterfeit labels.** In California, state administrators found that over £19m was being claimed through illegal deposit redemptions each year.<sup>2</sup>

4m staff hours  
lost per year

The Association of Convenience Stores estimates that around **4m staff hours could be lost in the sector per year as a result of a DRS**, with employees needing to inspect and sometimes clean each bottle deposited through the system.<sup>3</sup>

Revenue and  
floor space loss

The loss of revenue from reduced floor space by placing RVMs **in stores could be as high as £1.3bn per year to the convenience sector** – potentially up to nearly £40,000 in some stores. Although a proposed handling fee would be paid to retailers for each bottle collected through an RVM, evidence from the Netherlands and Sweden suggests **handling fees do not cover the costs associated with operating an in-store RVM.**<sup>3</sup>

## The socioeconomic cost of a DRS

A DRS would:

- **Adversely affect low income households:** by increasing the upfront cost of products, particularly multipacks, which are more likely to be purchased by families.
- **Impact vulnerable groups:** including the elderly and disabled who will experience the greatest inconvenience when returning their glass bottles.



British Glass believes that the most effective route to increasing glass recycling is by operating an **overarching policy combining Extended Producer Responsibility (EPR) with increased household collections** and further information through a dedicated **communications campaign.** We believe this will enhance recycling rates more effectively than through a costly Deposit Return Scheme – creating a truly circular economy.

**Improve** household collections. **Increase** glass recycling. **Create** a truly circular economy. **#RecycleItRight**

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<sup>1</sup> Voluntary & Economics Incentives Working Group Report, Feb 2018

<sup>2</sup> Diageo - Deposit Return Scheme call for evidence response to Zero Waste Scotland - June 2015

<sup>3</sup> Association of Convenience Stores' response to DEFRA's call for evidence on voluntary and economic incentives to reduce littering and promote recycling.