

Retailers urge PM to overhaul £2bn waste recycling scheme

The UK's biggest retailers will next week warn Rishi Sunak that the government's waste strategy risks forcing prices up for consumers even as continued inflationary pressures exacerbate the cost-of-living crisis.

Sky News has obtained the draft of a letter from the British Retail Consortium (BRC) – expected to be sent to the prime minister next week – which will outline industry concerns about the costs associated with new packaging and bottle recycling measures.

The letter will urge Mr Sunak to intervene with the Department of the Environment, Food and Rural Affairs (DEFRA) to redesign a Deposit Return Scheme that is close to being introduced in Scotland and would subsequently be extended south of the border.

Industry sources said the letter was likely to be signed by a swathe of retail bosses, with the UK's supermarkets profoundly concerned about the new initiatives.

The draft letter calls on the PM to adopt “a more pragmatic approach” to the government's waste strategy.

“The immediate concern is Extended Producer Responsibility (EPR) for packaging due to come into force in 2024,” it said.

“The current policy proposal will add to inflationary pressures and fail to deliver a fit for purpose scheme. It will significantly increase the costs of packaging which, in the current economic climate, will increase prices for consumers, without seeing the desired increase in recycling.”

It warned that the increased charging would equate to £50 for

every UK household, and said a DRS in England would add another £2bn to industry costs.

The DRS will oblige retailers to offer collection points for bottles as well as administering the scheme, with different requirements in England and Northern Ireland to those in Wales.

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Retailers believe that the Scottish version will not be ready to launch smoothly in August, as planned, and will say in their letter that they are concerned that different schemes across the UK would not be aligned.

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“Whilst retailers and Government are focused on reducing inflation for consumers, and with the backdrop of huge increases from EPR charges, we do not understand why Defra is continuing to pursue the DRS scheme at this time,” the draft said.

“And when it is implemented there must be alignment and interoperability of DRS schemes across the UK, including on things like labelling requirements, as a fragmented approach puts even higher costs onto businesses, and leads to higher prices, reduced choice and confusion for consumers.”

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“We would also ask you to raise our concerns on the design of DRS with Defra, where we have struggled to convince ministers of the need for pragmatic implementation that works with the businesses which will deliver it.”

The BRC declined to comment.