



Scotland's Deposit Return Scheme (DRS)

DRS is designed to encourage recycling by charging consumers a deposit on drinks containers which is refunded when items are returned to a collection point. All four UK nations have announced that they are looking to introduce DRS by 2025, with the Scottish scheme set to launch 16th August 2023.

As responsible trade bodies within the Scottish food and drink sector, we are united in our determination to play our part in tackling the climate crisis and to work in partnership with government to move towards a circular economy. Unfortunately, as currently constructed the Scottish Government's DRS is likely to curtail that ambition rather than support it.

The economic conditions in which all our members operate, as well as the financial reality affecting consumers, are challenging. With inflationary pressures, the focus of government must be to do everything possible to ease the cost-of-living crisis and to avoid unnecessary regulation which has the potential to exacerbate, rather than address it.

We have continued to engage constructively over several years to highlight our concerns and to try to make DRS as workable as possible, but with less than a year to go before the planned introduction of DRS in Scotland, neither business nor consumers have the necessary information or levers needed to achieve either a successful launch or the intended policy objectives.

On behalf of members, we continue to raise a number of issues as a collective voice, including:

- Implementing the scheme at a different time and with different criteria to the rest of the UK. We suggest that closer alignment would better achieve the desired outcome and prevent the cross-border supply chain disruption that will ensue if Scotland acts alone
- The cost of the deposit, the cash flow implications and the burdens of the administration on businesses and the additional costs for consumers;
- The need for de-minimis thresholds and exemptions to support smaller retailers and producers/importers who face disproportionate costs
- The lack of a workable plan for online sales and sell through/cut over periods for existing stock;
- The need to allow UK wide barcodes and labels to be retained;
- Many trade associations, along with British Glass and their members, have also raised the additional costs and complexities inherent as a result of inclusion of glass. Concerned this will undermine current recovery rates, and that the bulk, weight and breakability of glass will be a significant challenge for return points. If glass must be included then it is vital that we have a glass re-melt target to ensure that as much as possible goes back into the production of new bottles to ensure the quality and quantity of recycled clear glass available.

As part of our efforts to engage and find solutions to the outstanding issues above, we recently wrote to Michael Matheson MSP, Cabinet Secretary for Net Zero, and met with Lorna Slater MSP, Minister for the Circular Economy. Attached to this briefing are copies of that correspondence along with proposals put forward that may help alleviate some of the challenges around the proposed scheme. However committed we are, we are not going to achieve the best scheme possible within the next year. Too many obstacles and unknowns remain. However, together we can hopefully overcome some of the biggest challenges that lie ahead.

If you wish to discuss any aspect of DRS, or the issues we've raised, then please get in touch with either:

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Attachments:

Trade Association letter to Michael Matheson MSP, Cabinet Secretary for Net Zero, Energy and Transport

Response from Lorna Slater MSP, Minister for Green Skills, Circular Economy and Biodiversity

Trade Associations Asks and Proposed solutions document