

**Copies of emails received by Minister for Green Skills, Circular Economy and Biodiversity between 10 December 2022 and 10 February 2023:**

**From:** [Redacted] <[Redacted]@gov.scot> **On Behalf Of** Cabinet Secretary for Net Zero, Energy and Transport

**Sent:** 12 December 2022 11:14

**To:** Minister for Green Skills, Circular Economy and Biodiversity <MinisterGSCEB@gov.scot>; Cabinet Secretary for Net Zero, Energy and Transport <CabSecNetZET@gov.scot>

**Subject:** RE: SCANCE - DRS

Hi [Redacted],

If a SCANCE is required can you ask that Katriona sends PO a draft for clearance asap – and a version that has been cleared by SpAds given Ms Slater is not available for clearance.

Thanks,

[Redacted]

[Redacted]

Deputy Private Secretary

Cabinet Secretary for Net Zero, Energy and Transport

CabSecNetZET@gov.scot

[Redacted]

[Redacted]

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**From:** [Redacted] <[Redacted]@gov.scot> **On Behalf Of** Cabinet Secretariat Inbox

**Sent:** 12 December 2022 11:55

**To:** Carmichael K (Katriona) <[Redacted]@gov.scot>; Cabinet Secretariat Inbox <CabinetSecretariat@gov.scot>

**Cc:** Cabinet Secretary for Net Zero, Energy and Transport <CabSecNetZET@gov.scot>; Minister for Green Skills, Circular Economy and Biodiversity <MinisterGSCEB@gov.scot>; Director of Environment & Forestry <director.enfor@gov.scot>; [Redacted] <[Redacted]@gov.scot>

**Subject:** RE: SCANCE - Deposit Return Scheme - update

Thanks Katriona, that's noted.

Best regards

[Redacted]

[Redacted] (he/him)

Cabinet Business Manager, Cabinet, Parliament and Governance Division  
4N.01-02 St Andrew's House, Edinburgh EH1 3DG

e: [Redacted]@gov.scot or by MS Teams

**In the service  
of Scotland**



**Integrity**



**Inclusion**



**Collaboration**



**Innovation**



**Kindness**

**From:** Carmichael K (Katriona) <[Redacted]@gov.scot>

**Sent:** 12 December 2022 11:51

**To:** Cabinet Secretariat inbox <[redacted]@gov.scot>

**Cc:** Cabinet Secretary for Net Zero, Energy and Transport  
<CabSecNetZET@gov.scot>; Minister for Green Skills, Circular Economy and  
Biodiversity <MinisterGSCEB@gov.scot>; Director of Environment & Forestry  
<director.enfor@gov.scot>; [Redacted] <[Redacted]@gov.scot>

**Subject:** SCANCE - Deposit Return Scheme - update

Cabinet Secretariat

This is to update you on our intention to provide a SCANCE note today on Scotland's Deposit Return Scheme. We are seeking to pin down a key piece of information from PLU currently, and with that done, intend to have the draft with the Cabinet Secretary for clearance, asap. I am aware we are close to the 1pm deadline, so wanted to make you aware.

Thanks

Katriona

---

**Katriona Carmichael** | Deputy Director, Circular Economy | Environment & Forestry  
| The Scottish Government

3-H (South) Victoria Quay Edinburgh EH6 6QQ | Tel: [Redacted] | Mob: [Redacted]

Email: [Redacted]@gov.scot

I usually work from home. You can contact me by email, phone or MS Teams.

**From:** Carmichael K (Katriona) <[Redacted]@gov.scot>

**Sent:** 12 December 2022 12:21

**To:** Cabinet Secretariat Inbox <CabinetSecretariat@gov.scot>

**Cc:** Cabinet Secretary for Net Zero, Energy and Transport  
<CabSecNetZET@gov.scot>; Minister for Green Skills, Circular Economy and  
Biodiversity <MinisterGSCEB@gov.scot>; DG Net Zero <DGNetZero@gov.scot>;

Director of Environment & Forestry <director.enfor@gov.scot>; [Redacted]  
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]  
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]  
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Huyton H (Harry)  
<[Redacted]@gov.scot>; McFarlane J (John) (Special Adviser)  
<[Redacted]@gov.scot>

**Subject:** SCANCE - DRS - 12 December 2022

[Redacted]

As discussed earlier, please find attached a draft SCANCE note and speaking note for clearance.

To confirm, we are waiting for final details from both CSL on fees and on the approach to a potential announcement to the Parliament. We will update the speaking note asap, once the details are known.

Katriona

**From:** [Redacted] <[Redacted]@gov.scot> **On Behalf Of** Cabinet Secretary for Net Zero, Energy and Transport

**Sent:** 12 December 2022 13:15

**To:** Carmichael K (Katriona) <[Redacted]@gov.scot>; Cabinet Secretariat inbox <[Redacted]@gov.scot>

**Cc:** Cabinet Secretary for Net Zero, Energy and Transport <CabSecNetZET@gov.scot>; Minister for Green Skills, Circular Economy and Biodiversity <MinisterGSCEB@gov.scot>; DG Net Zero <DGNetZero@gov.scot>; Director of Environment & Forestry <director.enfor@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>; McFarlane J (John) (Special Adviser) <[Redacted]@gov.scot>

**Subject:** RE: SCANCE - DRS - 12 December 2022

Hi Katriona,

Mr Matheson is going to take this as an Oral Scance as he is not sure he will raise it.

Please keep me updated on the details from CSL.

Thanks

[Redacted]

**[Redacted]** Private Secretary to Cabinet Secretary for Net Zero, Energy and Transport – Michael Matheson | The Scottish Government | Web: [www.gov.scot](http://www.gov.scot) | Mob: [Redacted] | Email: CabSecNetZET@gov.scot

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**From:** Carmichael K (Katriona) <[Redacted]@gov.scot>

**Sent:** 12 December 2022 16:28

**To:** Minister for Green Skills, Circular Economy and Biodiversity

<MinisterGSCEB@gov.scot>; Cabinet Secretary for Net Zero, Energy and Transport

<CabSecNetZET@gov.scot>

**Cc:** DG Net Zero <DGNetZero@gov.scot>; Director of Environment & Forestry

<director.enfor@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]

<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]

<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <

[Redacted]@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>; McFarlane J

(John) (Special Adviser) <[Redacted]@gov.scot>; Cabinet Secretariat Inbox

<[Redacted]@gov.scot>

**Subject:** RE: SCANCE - DRS - 12 December 2022

[Redacted]

Thanks for your feedback on the Cabinet Secretary's approach.

In line with the feedback highlighted by [Redacted], I've updated the speaking notes below.

CSL now expect its new producer agreement will be launched very late tonight, so I have reflected that into the lines.

Katriona

**From:** [Redacted] <[Redacted]@gov.scot> **On Behalf Of** Cabinet Secretary for Net Zero, Energy and Transport

**Sent:** 15 December 2022 12:24

**To:** [Redacted] <[Redacted]@gov.scot>; Minister for Green Skills, Circular Economy and Biodiversity <MinisterGSCEB@gov.scot>

**Cc:** Cabinet Secretary for Net Zero, Energy and Transport

<CabSecNetZET@gov.scot>; Minister for Environment and Land Reform

<MinisterELR@gov.scot>; Lord Advocate <LordAdvocate@gov.scot>; Solicitor

General <SolicitorGeneral@gov.scot>; DG Net Zero <DGNetZero@gov.scot>;

Director of Environment & Forestry <director.enfor@gov.scot>; Carmichael K

(Katriona) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]

<[Redacted]@gov.scot>; [Redacted] (Deposit Return Scheme)

<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]

<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]

<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]

<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]

<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]

<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Solicitor to the

Scottish Government <[Redacted]@gov.scot>; Coull AJ (Alison)

<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]  
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Legal Secretariat to  
the Lord Advocate <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;  
[Redacted] <[Redacted]@gov.scot>; Communications Net Zero & Rural Affairs  
<[Redacted]@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>

**Subject:** RE: IMMEDIATE - DRS - advice on online takeback

**This email is for the official record and confirms a Ministerial Decision. This email must be placed in the official record (eRDM) by your team in line with SG records management policy.**

Hi [Redacted],

Mr Matheson has noted for his interests.

Thanks,

[Redacted]Deputy Private Secretary  
Cabinet Secretary for Net Zero, Energy and Transport  
CabSecNetZET@gov.scot

[Redacted]

[Redacted]

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**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 13 December 2022 13:52

**To:** Minister for Green Skills, Circular Economy and Biodiversity  
<MinisterGSCEB@gov.scot>

**Cc:** Cabinet Secretary for Net Zero, Energy and Transport  
<CabSecNetZET@gov.scot>; Minister for Environment and Land Reform  
<MinisterELR@gov.scot>; Lord Advocate <LordAdvocate@gov.scot>; Solicitor  
General <SolicitorGeneral@gov.scot>; DG Net Zero <DGNetZero@gov.scot>;  
Director of Environment & Forestry <director.enfor@gov.scot>; Carmichael K  
(Katriona) <[Redacted]@gov.scot>; [Redacted]<[Redacted]@gov.scot>; [Redacted]<  
[Redacted]@gov.scot>; [Redacted] (Circular Economy) <[Redacted]@gov.scot>;  
[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;  
[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;  
[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;  
[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;  
[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;  
[Redacted] <[Redacted]@gov.scot>; Solicitor to the Scottish Government  
<[Redacted]@gov.scot>; Coull AJ (Alison) <[Redacted]@gov.scot>;  
[Redacted]<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]  
<[Redacted]@gov.scot>; Legal Secretariat to the Lord Advocate  
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]

<[Redacted]@gov.scot>; Communications Net Zero & Rural Affairs  
<[Redacted]@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>  
**Subject:** IMMEDIATE - DRS - advice on online takeback  
**Importance:** High

PS/Minister for Green Skills, Circular Economy, and Biodiversity

Attached please find advice relating to the online takeback element of DRS **for immediate decision**, as trailed with you and with the Minister over the last few days.

As discussed, we are seeking the Minister's decision **by noon tomorrow** if at all possible so that we can make an announcement on her decision, which (if she is content with the recommendation) will be welcomed by industry. More details on the announcement including a letter to the NZET Convenor will come up under separate cover as this is to cover a range of issues.

Best wishes

[Redacted]

<< File: DRS - distance takeback - advice to LS part 2 - 8 December 2022  
copy.docx >>

[Redacted] (he/him)

**Circular Economy Unit**

**Circular Economy Division, Directorate for Environment and Forestry, Scottish  
Government**

Mobile: [Redacted]

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 14 December 2022 16:57

**To:** Minister for Green Skills, Circular Economy and Biodiversity

<MinisterGSCEB@gov.scot>

**Subject:** FW: DRS letter from WSTA, SIBA, SWA and Scotland Food & Drink

Hello,

I am sorry to bother in very busy times, but I have been searching for this letter in Micase system and I cannot find it.

Has it been sent there? Or it doesn't need to?

Many thanks

Best regards,

[Redacted]

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 14 December 2022 15:46

**To:** [Redacted] <[Redacted]@gov.scot>

**Subject:** FW: DRS letter from WSTA, SIBA, SWA and Scotland Food & Drink

**From:** [Redacted]< [Redacted]@foodanddrink.scot>

**Sent:** 08 December 2022 16:06

**To:** Minister for Green Skills, Circular Economy and Biodiversity  
<MinisterGSCEB@gov.scot>

**Cc:** [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;  
[Redacted] <[Redacted]@Circularityscotland.com>; [Redacted]  
<[Redacted]@Circularityscotland.com>; [Redacted] <[Redacted]@siba.co.uk>;  
[Redacted]< [Redacted]@scottishwholesale.co.uk>; [Redacted]  
<[Redacted]@wsta.co.uk>; [Redacted] <[Redacted]@gov.scot>; [Redacted]  
<[Redacted] @siba.co.uk>; [Redacted] <[Redacted]@gov.scot>; [Redacted]<  
[Redacted]@foodanddrink.scot>

**Subject:** DRS letter from WSTA, SIBA, SWA and Scotland Food & Drink

Dear Minister,

Please find attached a letter which has been co-written by the following representative bodies: the Society of Independent Brewers, The Wine and Spirits Trade Association, Scotland Food & Drink and the Scottish Wholesale Association. Together we represent most of the wholesalers, importers, and smaller producers in Scotland.

As outlined in the letter, we request an urgent meeting with you to address our escalating concerns around the ongoing lack of clear guidance for many of the key unresolved issues within the DRS scheme (including online take back, RPO exemptions, VAT, price marked packs, producer fees and timescales) plus the lack of progress in agreeing a much-needed grace period for smaller producers and low volume SKUs.

The letter references a report, also attached, which was produced this week by Scotland Food & Drink following a request by CSL for further information on the impacts on smaller producers. As the report shows, 92.73% of those who responded said the scheme represents a genuine risk to the viability of their business and provided detailed reasons for this. We cannot accept this outcome, especially when there is a way to avoid it which does not risk the environmental benefits of the scheme.

We look forward to your reply and will continue to engage officials and others involved in developing the scheme in the meantime.

Regards,

[Redacted]

Policy Manager

Mobile: [Redacted]

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**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 14 December 2022 11:26

**To:** Director of Environment & Forestry <director.enfor@gov.scot>; Carmichael K (Katriona) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Communications Net Zero & Rural Affairs <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] (Deposit Return Scheme) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Minister for Green Skills, Circular Economy and Biodiversity <MinisterGSCEB@gov.scot>

**Subject:** DRS - CSL press release

For info, final version of CSL press release, which I understand was issued last night.

[Redacted]

[Redacted] | **Circular Economy Unit | Circular Economy Division | Environment and Forestry Directorate | Scottish Government | Tel:** [Redacted]

**From:** [Redacted] <[Redacted]@Circularityscotland.com>

**Sent:** 14 December 2022 10:57

**To:** [Redacted] <[Redacted]@gov.scot>

**Cc:** [Redacted] <[Redacted]@Circularityscotland.com>

**Subject:** CSL press release

Good morning [Redacted]

As requested by [Redacted] attached is the final version of the press release.

Any questions give me shout.

Regards

[Redacted]

[Redacted]

Legal & Commercial Director

T: [Redacted]

Website: <https://circularityscotland.com/>

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**From:** Carmichael K (Katriona) <[Redacted]@gov.scot>

**Sent:** 15 December 2022 16:54

**To:** Minister for Green Skills, Circular Economy and Biodiversity  
<MinisterGSCEB@gov.scot>

**Cc:** DG Net Zero <DGNetZero@gov.scot>; Director of Environment & Forestry  
<director.enfor@gov.scot>; [Redacted] <[Redacted]@gov.scot>;  
[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]  
<[Redacted]@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>

**Subject:** DRS - draft note for ministers - update and letter to NZET Committee  
Convener

[Redacted]

[Redacted] has suggested that Ms Slater might wish to send a note to ministerial colleagues with some further details on her announcement last night on online DRS, and subsequent media coverage of the Gateway Review reports.

Attached are some lines, based on the SCANCE note that I'd recommended was issued earlier in this week. I've tried to keep this brief, but would be happy to develop if the Minister would find it useful to provide a fuller update.

Katriona

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**Katriona Carmichael** | Deputy Director, Circular Economy | Environment & Forestry  
| The Scottish Government  
3-H (South) Victoria Quay Edinburgh EH6 6QQ | Tel: [Redacted] | Mob: [Redacted]  
Email: [Redacted]@gov.scot

- I am writing to provide you with an update on developments this week on Scotland's Deposit Return Scheme.

Earlier this week, Scotland's Deposit Return Scheme Administrator – Circularity Scotland – announced its plans to reduce fees placed on drinks producers by 8%, 30% and 40% lower for glass, PET plastic and metal containers respectively. The Day 1 payments for producers using UK wide barcodes will also be reduced by two thirds, from 2.4 months of fees to 3 weeks of fees. These revisions have been enabled by the Scottish Government's recently updated guidance on the return point exemptions service, designed to streamline the process for retailers, while also making sure that people all across the country can still easily access a return point.

On Wednesday 14 December, I wrote to the Net Zero, Energy and Transport Committee to update members on this significant step forward, which has been welcomed by producers such as the British Beer and Pub Association. This letter (attached) also provided an update on the Scottish Government's intentions to reduce the obligations on businesses obliged to provide a takeback service for drinks containers bought at a distance. This

decision has been informed by recent engagement with industry groups, and is designed to ensure a pragmatic and efficient approach to implementation. The letter also provided an update to the Committee on the proactive publication of recent Gateway Review reports. The most recent of these reports (October 2022) provides evidence that, while there are still significant challenges to be overcome, there is an improving delivery picture and confirms the feasibility of a scheme being in place for August 2023.

You may be aware of media coverage on these reports, some of which focus in on the recommendations in the earlier Gateway Review report, which have been acted on. Issued lines on this are provided below.

"In line with best practice, the Scottish Government commissions regular reviews of major projects to ensure that issues are identified and addressed. The Gateway Review was undertaken more than six months ago and has been superseded. Since then, significant progress has been made by industry and that was reflected in the improved position of the Assurance of Action report in October.

"This week, the Circular Economy Minister has written to the Net Zero, Energy and Transport committee, setting out further steps that we have taken to make the scheme more efficient and reduce costs, while ensuring that environmental benefits are still delivered and the scheme goes live in August 2023 as planned."

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 13 January 2023 16:39

**To:** Minister for Green Skills, Circular Economy and Biodiversity  
<MinisterGSCEB@gov.scot>

**Cc:** Communications Net Zero & Rural Affairs <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Carmichael K (Katriona) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] (Deposit Return Scheme) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>

**Subject:** RE: TO CLEAR - Media query - deposit return scheme - Courier

Many thanks, [Redacted].

I've updated the line below and will issue shortly.

We will ensure the date is always included in future comms.

Best,

[Redacted]

[Redacted] **Communications: News (Net Zero and Energy)**  
Senior Media Manager

Scottish Government, St Andrew's House

e: [Redacted]@gov.scot

m: [Redacted]

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 13 January 2023 11:42

**To:** Minister for Green Skills, Circular Economy and Biodiversity  
<MinisterGSCEB@gov.scot>

**Cc:** Communications Net Zero & Rural Affairs <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Carmichael K (Katriona) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] (Circular Economy) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>

**Subject:** TO CLEAR - Media query - deposit return scheme - Courier

PO Minister for Green Skills, Circular Economy and Biodiversity,

We have received a query from Courier on DRS – see below. Deadline close today.

The journalist has also contacted Circularity Scotland for comment but SG will respond to the points on policy design.

Policy, comms and SpAds have agreed the following – grateful if you can confirm Ms Slater is content.

Best,

[Redacted]

A Scottish Government spokesperson said:

“Scotland’s deposit return scheme will go live on 16 August this year. It will recycle billions of bottles and cans, cut climate emissions, tackle littering, and directly address public concerns about the impact of plastic and other waste on our environment.

“Glass is specifically included because of the significant benefits to our climate and to help reduce litter. Similar schemes that include glass are common in other European countries and have been shown to be very effective.

“Administration of the scheme is being led by Circularity Scotland Ltd, which is a private non-profit company that was set up by producers, retailers and wholesalers and is working closely with businesses on roll-out of the scheme. Any business concerned about being able to meet their producer obligations is encouraged to contact Circularity Scotland for advice and guidance.”

## **Background**

The Scottish Government has committed to a pragmatic approach to implementation and to make the scheme more efficient and reduce costs. In December, the Circular

Economy Minister confirmed that fees for drinks producers have been substantially reduced, and committed to lay regulations so only the largest grocery retailers will be obliged to provide a takeback service for online and distance sales.

Producer registration is now open, with producers able to register via the scheme administrator, Circularity Scotland, or directly with SEPA. More information on how businesses can appoint Circularity Scotland to register with SEPA on their behalf can be found on their website, [www.circularityscotland.com](http://www.circularityscotland.com).

A Scottish Government consultation ran from 27 Jun 2018 to 25 Sep 2018, with a response published in February 2019. The Deposit and Return Scheme for Scotland Regulations 2020, passed by the Scottish Parliament in May 2020, create the legal framework for the scheme.

## **COURIER QUERY**

This morning I spoke to Peter Wood, owner of St Andrews Wine Co, about Scotland's DRS coming into force later this year. He says the scheme will decimate his business as he sells a wide variety of imported wines. His understanding is that he can no longer sell these because they do not come with barcodes. And the wine producers will not put barcodes on bottles just to be able to export to Scotland.

He claims that there has been no communication from the Scottish Government and Circularity Scotland about what the DRS will mean for his business and what he is now obligated to do. He also says there's been no consultation with businesses like his about how to implement this scheme.

What has been the process of setting the parameters for the DRS?

Many European countries, such as Norway, don't include glass bottles in their DRS - why is Scotland not doing the same?

What information has been communicated out to drinks sellers and producers ahead of the DRS coming into force?

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 17 January 2023 17:31

**To:** Minister for Green Skills, Circular Economy and Biodiversity  
<MinisterGSCEB@gov.scot>

**Cc:** Communications Net Zero & Rural Affairs <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] (Deposit Return Scheme) <[Redacted]@gov.scot>; Carmichael K (Katriona) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>

**Subject:** To clear - MEDIA QUERY - DRS criticism - Express

PO Minister for Green Skills, Circular Economy and Biodiversity,

We have received a late query from the Express on DRS – deadline close of play.

Comms have referred them to CSL for further comment, given the questions touch on operational matters.

Policy, comms and SpAds have agreed the following – grateful if you can confirm the Minister is content to issue, or indicate if this can go on SpAd clearance.

Best,

[Redacted]

## **QUERY**

I spoke to the Scottish Hospitality group today about the DRS and they gave me a list of criticisms, including about Lorna Slater. I've attached the main points below and I am looking for a comment today if possible?

"Whilst everyone wants to do the right thing for a greener economy, DRS in its current form is not the way forward.

"Cashflow is for many SMEs in the sector an issue just now and DRS adds to that. It is not just 20p as we keep hearing about. The added producer cost will be added to the product down to the wholesaler, and then down to the licensed business and that has got to be then be moved on to the consumer.

"Storage and security of bins are also an issue, as all bins will now have a value, and insurance brokers I have spoken to have already said that they do not think they will cover this.

"Cross border trading is also a massive issue, with consumers going across to England to make their purchase, and whilst there, will obviously do the family shop, which again brings with it a lack of customers then in the retail sector of our towns and villages on the border

"Lorna Slater can not continue to bury her head in the sand on the issues we face, and we have been calling on her to meet with us, however to date we have not seen any acceptance of a meeting, even after several times of asking"

## **DRAFT REPLY**

A Scottish Government spokesperson said:

"Scotland's deposit return scheme will go live on 16 August this year. It will recycle billions of bottles and cans, cut climate emissions, tackle littering, and directly address public concerns about the impact of plastic and other waste on our environment.

"The Scottish Government regularly engages with business stakeholders on the deposit return scheme. Administration of the scheme is being led by Circularity Scotland Ltd, which is a private non-profit company that was set up by producers, retailers and wholesalers and is working closely with businesses on roll-out of the scheme. Any business concerned about being able to meet their producer obligations is encouraged to contact Circularity Scotland for advice and guidance."

## Background

The Scottish Government has committed to a pragmatic approach to implementation and to make the scheme more efficient and reduce costs. In December, the Circular Economy Minister confirmed that fees for drinks producers have been substantially reduced, and committed to lay regulations so only the largest grocery retailers will be obliged to provide a takeback service for online and distance sales.

Producer registration is now open, with producers able to register via the scheme administrator, Circularity Scotland, or directly with SEPA. More information on how businesses can appoint Circularity Scotland to register with SEPA on their behalf can be found on their website, [www.circularityscotland.com](http://www.circularityscotland.com).

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 17 January 2023 18:32

**To:** Minister for Green Skills, Circular Economy and Biodiversity  
<MinisterGSCEB@gov.scot>; [Redacted] <[Redacted]@gov.scot>

**Cc:** Communications Net Zero & Rural Affairs <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] (Deposit Return Scheme) <[Redacted]@gov.scot>; Carmichael K (Katriona) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>

**Subject:** RE: To clear - MEDIA QUERY - DRS criticism - Express

Many thanks [Redacted], I will issue the lines now.

[Redacted] **Senior Media Manager**  
Communications: News (Net Zero & Energy)

Scottish Government, St Andrew's House

e: [Redacted]@gov.scot

m: [Redacted]

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 17 January 2023 17:31

**To:** Minister for Green Skills, Circular Economy and Biodiversity  
<MinisterGSCEB@gov.scot>

**Cc:** Communications Net Zero & Rural Affairs <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] (Deposit Return Scheme) <[Redacted]@gov.scot>; Carmichael K (Katriona) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>

**Subject:** To clear - MEDIA QUERY - DRS criticism - Express

PO Minister for Green Skills, Circular Economy and Biodiversity,

We have received a late query from the Express on DRS – deadline close of play.

Comms have referred them to CSL for further comment, given the questions touch on operational matters.

Policy, comms and SpAds have agreed the following – grateful if you can confirm the Minister is content to issue, or indicate if this can go on SpAd clearance.

Best,

[Redacted]

## **QUERY**

I spoke to the Scottish Hospitality group today about the DRS and they gave me a list of criticisms, including about Lorna Slater. I've attached the main points below and I am looking for a comment today if possible?

"Whilst everyone wants to do the right thing for a greener economy, DRS in its current form is not the way forward.

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"Lorna Slater can not continue to bury her head in the sand on the issues we face, and we have been calling on her to meet with us, however to date we have not seen any acceptance of a meeting, even after several times of asking"

## **DRAFT REPLY**

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scheme. Any business concerned about being able to meet their producer obligations is encouraged to contact Circularity Scotland for advice and guidance.”

## **Background**

The Scottish Government has committed to a pragmatic approach to implementation and to make the scheme more efficient and reduce costs. In December, the Circular Economy Minister confirmed that fees for drinks producers have been substantially reduced, and committed to lay regulations so only the largest grocery retailers will be obliged to provide a takeback service for online and distance sales.

Producer registration is now open, with producers able to register via the scheme administrator, Circularity Scotland, or directly with SEPA. More information on how businesses can appoint Circularity Scotland to register with SEPA on their behalf can be found on their website, [www.circularityscotland.com](http://www.circularityscotland.com).

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 19 January 2023 13:29

**To:** Deputy First Minister and Cabinet Secretary for Covid Recovery <DFMCSCR@gov.scot>

**Cc:** Cabinet Secretary for Net Zero, Energy and Transport <CabSecNetZET@gov.scot>; Minister for Green Skills, Circular Economy and Biodiversity <MinisterGSCEB@gov.scot>; DG Net Zero <DGNetZero@gov.scot>; DG Scottish Exchequer Mailbox <DGScottishExchequer@gov.scot>; Director of Environment & Forestry <director.enfor@gov.scot>; Carmichael K (Katriona) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] (Deposit Return Scheme) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Communications Net Zero & Rural Affairs <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>

**Subject:** Urgent: Deposit Return Scheme - VAT briefing

PO / Deputy First Minister

Please find attached urgent, updated briefing on the Deposit Return Scheme following yesterday's Interministerial Group meeting on DRS and packaging reforms. At that meeting, Ms Slater was informed that a decision on the VAT treatment of deposits had still not been reached, and discussions were still underway within UK Government. A decision had been promised by HMT by July 2022. This now poses a material risk to the deliverability of Scotland's DRS.

## **Priority and Purpose**

1. To provide **urgent** briefing on the VAT treatment of deposits as part of our DRS, following discussion of the issue at yesterday's Interministerial Group.



## Recommendation

2. The DFM is asked to:

- note the continuing lack of clarity from UKG on the VAT treatment of deposits and the impact it is having on businesses and on implementation of DRS;
- note that Ms Slater would be happy to discuss further with you if helpful;
- consider rapidly escalating the issue with the UK Chancellor. If you agree to this, we can work with your officials to determine the most appropriate way of doing this.

[Redacted]

[Redacted] | **Head of Deposit Return Scheme Unit, Circular Economy Division, Environment & Forestry | Scottish Government | M:** [Redacted] | **A:** 3GS Victoria Quay Edinburgh EH6 6QQ

**From:** [Redacted] <[Redacted]@gov.scot> **On Behalf Of** First Minister

**Sent:** 29 January 2023 11:15

**To:** Minister for Green Skills, Circular Economy and Biodiversity

<MinisterGSCEB@gov.scot>; First Minister <firstminister@gov.scot>; Deputy First Minister and Cabinet Secretary for Covid Recovery <DFMCSCR@gov.scot>;

Cabinet Secretary for Net Zero, Energy and Transport <CabSecNetZET@gov.scot>

**Cc:** McAllister C (Colin) <[Redacted]@gov.scot>; Carmichael K (Katriona)

<[Redacted]@gov.scot>; Permanent Secretary <PermanentSecretary@gov.scot>;

DG Net Zero <DGNetZero@gov.scot>; Thomson KAL (Ken) (Director-General)

<[Redacted]@gov.scot>; Director of Environment & Forestry

<director.enfor@gov.scot>; [Redacted] (Constitution and Cabinet Director)

<[Redacted]@gov.scot>; [Redacted] (Constitution and UKR)

<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]

<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Coull AJ (Alison)

<[Redacted]@gov.scot>; Director of Tax and Revenues

<directoroftaxandrevenues@gov.scot>; [Redacted] <[Redacted]@gov.scot>;

[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;

[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;

[Redacted] <[Redacted]@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>;

McAllister C (Colin) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;

Communications Net Zero & Rural Affairs <C[Redacted]@gov.scot>; [Redacted] <

[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; McFarlane J (John)

(Special Adviser) <[Redacted]@gov.scot>

**Subject:** RE: Note from Ms Slater - Scotland's Deposit Return Scheme (DRS)

Thanks [Redacted],

The First Minister has noted

Best wishes

[Redacted]

[Redacted]

Senior Private Secretary to the First Minister

5th Floor | St Andrew's House | Regent Road | Edinburgh | EH1 3DG | T: [Redacted]  
M: [Redacted]



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**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 01 February 2023 16:49

**To:** Minister for Green Skills, Circular Economy and Biodiversity  
<MinisterGSCEB@gov.scot>

**Cc:** [Redacted] <[Redacted]@gov.scot>; Communications Net Zero & Rural Affairs  
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <  
[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] (Deposit  
Return Scheme) <[Redacted]@gov.scot>; Carmichael K (Katriona)  
<[Redacted]@gov.scot>; Director of Environment & Forestry  
<director.enfor@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>

**Subject:** FOR INFO - Media query - DRS on Orkney - BBC Orkney

Hi [Redacted],

For awareness - BBC Orkney is looking to do a piece tomorrow morning on local concerns about DRS. They've spoken to local businesses who have expressed concerns / lack of understanding.

We have referred them to Circularity Scotland and provided some basic background info on the scheme but they would also like an SG comment.

Policy, comms and SpAds have agreed the following.

As Ms Slater is unavailable, I will issue on SpAd clearance.

Best,

[Redacted]

A Scottish Government spokesperson said:

“We must take bold and ambitious action to tackle the climate emergency. Scotland’s deposit return scheme will be a major part of our efforts to reduce littering, cut emissions, and build a more circular economy when it goes live on 16 August this year. Similar schemes are common in other European countries and have been shown to be very effective.

“It is essential that the scheme is a success across the whole of Scotland, including island communities. That is why we worked with Orkney Council, Zero Waste Scotland and the scheme administrator, Circularity Scotland, to set up a community-run return initiative. This will allow the public to give a charitable donation when they return their drinks containers and lessons from the local experience will inform future delivery plans.

“Administration of the scheme is being led by Circularity Scotland Ltd, which is a private non-profit company that was set up by producers, retailers and wholesalers and is working closely with businesses on roll-out of the scheme. They are responsible for operating the scheme and we would encourage businesses to contact them for guidance on how to prepare.”

## **Background**

An Islands Communities Impact Assessment on DRS was published in March 2020: <https://www.gov.scot/publications/deposit-return-scheme-scotland-islands-communities-impact-assessment/>

**From:** Carmichael K (Katriona) <[Redacted]@gov.scot>

**Sent:** 02 February 2023 13:14

**To:** Minister for Green Skills, Circular Economy and Biodiversity <MinisterGSCEB@gov.scot>; [Redacted] <[Redacted]@gov.scot>

**Cc:** Huyton H (Harry) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Director of Environment & Forestry <director.enfor@gov.scot>

**Subject:** RE: IMMEDIATE: FMQ Follow up - DRS

Copying in [Redacted]for sight

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 02 February 2023 12:53

**To:** Minister for Green Skills, Circular Economy and Biodiversity <MinisterGSCEB@gov.scot>

**Cc:** First Minister FMQs <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>

**Subject:** FMQ Follow up - DRS

Hi PO

During FMQs today, Maurice Golden raised retailers concerns around the Deposit Return Scheme. The First Minister said that she would ask the Minister to write to the member with details of the steps being taken between now and August to ensure successful delivery of the scheme.

Grateful if you could take this forward.

Thanks,  
[Redacted]

[Redacted] (She/Her) | FMQs Manager

[Redacted]@gov.scot | [Redacted]

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 02 February 2023 15:53

**To:** Minister for Green Skills, Circular Economy and Biodiversity  
<MinisterGSCEB@gov.scot>

**Cc:** [Redacted] <[Redacted]@gov.scot>; Communications Net Zero & Rural Affairs <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Director of Environment & Forestry <director.enfor@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] (Deposit Return Scheme) <[Redacted]@gov.scot>; Carmichael K (Katriona) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>

**Subject:** TO CLEAR - MEDIA QUERY - DRS small brewers - Daily Record

PO Minister for Green Skills, Circular Economy and Biodiversity,

We have received a query on DRS from the Daily Record – they've asked for a response by 4pm.

They've spoken to small drinks producers with concerns – see comments below.

I have already directed them to CSL and the journalist has confirmed they will pick up with them.

Policy, comms and SpAds have agreed the following response – grateful if you can confirm Ms Slater is content.

To note, one of the issues raised is producer liability (highlighted below). This is clearly a matter for CSL. However, given the claim is inaccurate, I will flag this to the journalist when we respond.

Best,

[Redacted]

**A Scottish Government spokesperson said:**

“We must take bold and ambitious action to tackle the climate emergency. Scotland’s deposit return scheme will be a major part of our efforts to reduce littering, cut emissions, and build a more circular economy when it goes live on 16 August this year. Similar schemes are common in other European countries and have been shown to be very effective.

“The regulations that were passed by parliament in 2020 task industry with delivery of the scheme. We are supporting this and will continue to work with Circularity Scotland and businesses as they finalise their operational delivery plans.

“We understand that this is a big change for small businesses to manage. The Scottish Government has committed to a pragmatic approach to implementation and we have already taken action to make the scheme as efficient as possible and reduce costs. We would encourage all businesses to contact Circularity Scotland now for guidance on how to prepare.”

## **Background**

In December, in response to industry concerns, the Circular Economy Minister confirmed that fees for drinks producers have been substantially reduced, and committed to lay regulations so only the largest grocery retailers will be obliged to provide a takeback service for online and distance sales. This will help small brewers, many of whom provide direct to consumer sales online.

<https://www.gov.scot/publications/deposit-return-scheme-update-letter-to-scottish-parliament-committee/>

The Deposit and Return Scheme for Scotland Regulations 2020 were passed by the Scottish Parliament in May 2020, with an extension to the go live date announced in December 2021, giving industry additional time to prepare.

Only the very largest producers (those making more than 10 million units per year) would be required to underwrite costs.

## **QUERY**

As I said, I've spoken this week with some independent brewery owners in Scotland regarding the bottle deposit scheme.

The long and short of it is they were universally scathing of the scheme.

Here's a few quotes:

1) "We're far from assured and in fact feel pretty confident that the scheme will be a disaster.

"Despite this, we've now got less than a month to sign an agreement that makes us financially liable for the costs when it does fail, with the alternative - not signing - preventing us from trading within Scotland."

"With the increased prices on the shelf coming at a time when customers have less disposable income than ever we're very worried that small-batch artisan products like ours will be rejected in favour of cheaper mass-produced drinks."

2) "The scheme will have a major negative impact on small brewers, who are still carrying extra debt from the pandemic and coping with extraordinary cost increases.

"The smallest brewers will have to find around £10,000 to be able to continue to supply the market, while larger craft brewers may face needing to find over £100,000 of additional borrowing.

"For some this will just not be possible, and everyone expects to see further brewery closures over the next 6 months as we run towards DRS."

I'd be looking for an SG response by 4pm if possible.

**From:** [Redacted] <[Redacted]@wsta.co.uk>

**Sent:** 08 February 2023 17:21

**To:** [Redacted] <[Redacted]@gov.scot>

**Subject:** FW: DRS letter from WSTA, SWA, SIBA, SWA, and Scotland Food and Drink

Hi [Redacted],

Thank you for setting up this call.

My Chief Executive, [Redacted], would like to attend Friday's meeting. He has other meetings in the morning and so may only be able to join after the call starts.

Best wishes

[Redacted]

[Redacted](he/him)

**Head of Environment Policy**

---

**The Wine and Spirit Trade Association - *Speaking for the wine and spirit trade***



Correspondence address: Unit 9, Baden Place, Crosby Row, London, SE1 1YW

Registered office: Lynton House, 7-12 Tavistock Square, London WC1H 9LT



dd [Redacted]

t [Redacted]

e [Redacted]

w [www.wsta.co.uk](http://www.wsta.co.uk)

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**Please consider the environment before printing this e-mail. Thank you**

**From:** [Redacted]< [Redacted]@siba.co.uk>

**Sent:** 03 February 2023 16:24

**To:** Minister for Green Skills, Circular Economy and Biodiversity  
<MinisterGSCEB@gov.scot>

**Cc:** [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;  
[Redacted]@Circularityscotland.com; [Redacted]@Circularityscotland.com;  
[Redacted]< [Redacted]@siba.co.uk>; [Redacted]@foodanddrink.scot;  
[Redacted]@scottishwholesale.co.uk; [Redacted]@wsta.co.uk;  
[Redacted]@swa.org.uk

**Subject:** Re: DRS letter from WSTA, SWA, SIBA, SWA, and Scotland Food and Drink

Dear [Redacted]

Thank you for your email and we'd be pleased to meet then.

Look forward to receiving the Teams details.

Regards

[Redacted]

**From:** Huyton H (Harry) <[Redacted]@gov.scot>

**Sent:** 03 February 2023 13:47

**To:** [Redacted] <[Redacted]@gov.scot>; Minister for Green Skills, Circular Economy and Biodiversity <MinisterGSCEB@gov.scot>

**Cc:** [Redacted] <[Redacted]@gov.scot>; Carmichael K (Katriona) <[Redacted]@gov.scot>; Director of Environment & Forestry <director.enfor@gov.scot>

**Subject:** RE: DRS letter from WSTA, SWA, SIBA, SWA, and Scotland Food and Drink

Agree

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 03 February 2023 13:41

**To:** Minister for Green Skills, Circular Economy and Biodiversity <MinisterGSCEB@gov.scot>

**Cc:** [Redacted] <[Redacted]@gov.scot>; Carmichael K (Katriona) <[Redacted]@gov.scot>; Director of Environment & Forestry <director.enfor@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>

**Subject:** RE: DRS letter from WSTA, SWA, SIBA, SWA, and Scotland Food and Drink

Minister, PO

Subject to Harry's view we would recommend accept from a policy perspective and suggest putting something in the diary towards the end of next week.

[Redacted]

**From:** [Redacted] <[Redacted]@siba.co.uk>

**Sent:** 03 February 2023 13:37

**To:** Minister for Green Skills, Circular Economy and Biodiversity <MinisterGSCEB@gov.scot>

**Cc:** [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@Circularityscotland.com>; [Redacted] <[Redacted]@Circularityscotland.com>; [Redacted] <[Redacted]@siba.co.uk>; [Redacted] <[Redacted]@foodanddrink.scot>; [Redacted] <[Redacted]@scottishwholesale.co.uk>; [Redacted] <[Redacted]@wsta.co.uk>; [Redacted] <[Redacted]@swa.org.uk>

**Subject:** DRS letter from WSTA, SWA, SIBA, SWA, and Scotland Food and Drink

Dear Minister

Please find attached a letter signed by the Society of Independent Brewers, The Wine and Spirits Trade Association, the Scotch Whisky Association, Scotland Food and Drink and the Scottish Wholesale Association outlining our continued concerns about small producers and the Deposit Return Scheme.



The letter has been copied to CSL and your officials.

We look forward to your reply.

[Redacted]

Head of Public Affairs and Policy

[Redacted]

[Redacted]@siba.co.uk

www.siba.co.uk

SIBA

Society of Independent Brewers

Head Office

[Redacted]

www.siba.co.uk

Members' Toolbox <http://toolbox-siba.co.uk/>

Twitter @siba01

Facebook Society of Independent Brewers

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**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 03 February 2023 17:34

**To:** Minister for Green Skills, Circular Economy and Biodiversity  
<MinisterGSCEB@gov.scot>

**Cc:** [Redacted] <[Redacted]@gov.scot>; Communications Net Zero & Rural Affairs  
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]  
<[Redacted]@gov.scot>; [Redacted] (Deposit Return Scheme)  
<[Redacted]@gov.scot>; Carmichael K (Katriona) <[Redacted]@gov.scot>;  
[Redacted] <[Redacted]@gov.scot>; Director of Environment & Forestry  
<director.enfor@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>

**Subject:** FOR CONSIDERATION - BBC BID - Deposit return scheme

PO Minister for Green Skills, Circular Economy and  
Biodiversity,

We have received a bid to speak to the Minister on DRS early next week.

Details of the bid are below, including comms, policy and SpAds recommendation - grateful if you can confirm that the Minister is content with the recommendation.

Best,

[Redacted]

WHO	OUTLET	TIME	LIVE/PR E-REC	INTERVIEWER	TOPICS	Recommendation	Other details (if required)
Ms Slater	BBC Scotland	TBC, Monday or Tuesday	Pre-record	Business & Transport Correspondent, [Redacted]	Deposit return scheme	Accept	<p>BBC looking for a pre-record for TV, preferably on Monday or Tuesday.</p> <p>They are aware that CSL has responsibility for delivery but want an interview with the Minister.</p> <p>We expect the interview to touch on what DRS is and why we're doing it, but with a big focus on the various industry</p>

							concerns and complaints , including the recent SRC letter.
							Comms preference for Tuesday, to give more time for briefing and prep.

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 05 February 2023 17:50

**To:** Minister for Green Skills, Circular Economy and Biodiversity <MinisterGSCEB@gov.scot>

**Cc:** Ingebrigtsen R (Ross) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Communications Net Zero & Rural Affairs <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] (Deposit Return Scheme) <[Redacted]@gov.scot>; Carmichael K (Katriona) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; McFarlane J (John) (Special Adviser) <[Redacted]@gov.scot>

**Subject:** RE: TO CLEAR: The Times - Fergus Ewing comments on DRS

Thanks, [Redacted]. I'll issue now.

[Redacted]

[Redacted]

**News | Senior Media Manager**

**Constitution, External Affairs and Culture Communications**

The Scottish Government, St Andrew's House, Edinburgh

Mobile: [Redacted] Portfolio media enquiries: 0300 244 9029

[www.gov.scot/news](http://www.gov.scot/news)



**From:** [Redacted] <[Redacted]@gov.scot>  
**Sent:** 05 February 2023 16:18  
**To:** Minister for Green Skills, Circular Economy and Biodiversity <MinisterGSCEB@gov.scot>  
**Cc:** Ingebrigtsen R (Ross) <[Redacted]@gov.scot>; [Redacted]<[Redacted]@gov.scot>; Communications Net Zero & Rural Affairs <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] (Deposit Return Scheme) <[Redacted]@gov.scot>; Carmichael K (Katriona) <[Redacted]@gov.scot>; [Redacted]< [Redacted]@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>; McFarlane J (John) (Special Adviser) <[Redacted]@gov.scot>  
**Subject:** TO CLEAR: The Times - Fergus Ewing comments on DRS

### **PO/ Circular Economy Minister**

The Times have asked us to respond to comments made by Mr Ewing regarding the DRS. See comments below for context.

I've discussed with duty SpAd and we suggest the below lines which are a slightly tweaked version from what issued to the Sunday Times on 27 January also in response to comments about the DRS by Mr Ewing.

Grateful if PO can confirm if the Minister is content with the below lines issuing.

Thanks,

[Redacted]

A Scottish Government spokesperson said:

"Scotland's deposit return scheme will go live on 16 August this year. It will recycle billions of bottles and cans, cut climate emissions, tackle littering, and directly address public concerns about the impact of plastic and other waste on our environment. Similar schemes are common in other European countries and have been shown to be very effective.

"The scheme will mean that local authorities will have less of this kind of waste to handle, as well as reducing litter and associated clean-up costs, which is good for residents and council budgets.

The Scottish Government has committed to a pragmatic approach to implementation and to make the scheme more efficient and reduce costs. In December, the Circular Economy Minister confirmed that fees for drinks producers have been substantially reduced, and committed to lay regulations so only the largest grocery retailers will be obliged to provide a takeback service for online and distance sales.

"Administration of the scheme is being led by Circularity Scotland Ltd, a private non-profit company that was set up by producers, retailers and wholesalers. Producers and retailers should get in touch with Circularity Scotland now for advice on how to deliver deposit return."

## Background

The regulations include a target of achieving 90% collection rates of scheme containers by 2024.

Producer registration is open until the end of February.

[Redacted]

## News | Senior Media Manager

### Constitution, External Affairs and Culture Communications

The Scottish Government, St Andrew's House, Edinburgh  
Mobile: [Redacted] | Portfolio media enquiries: 0300 244 9029

[www.gov.scot/news](http://www.gov.scot/news)



**Subject:** Re: SG media query

Hi [Redacted]

Here's flavour of Fergus Ewing on the Deposit Return Scheme ... I look forward to the SG response.

Ewing, the former cabinet secretary for the rural economy and tourism, described the scheme as a “tragedy in the making” which would lead to a large number of business failures.

He said; “Many businesses have told me in confidence that they simply cannot afford to pay the upfront costs or additional operation costs such as running two sets of labels for markets in Scotland and the rest of the UK.

“Even for pretty small to middling size businesses the up front costs can be £15,000 to £20,000 and the need for different labelling for Scotland and the rest of the UK involves additional storage SKUs. ( stock keeping units) and different labelling and bar codes.”

[Redacted]

Senior Reporter Scotland  
The Times

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 06 February 2023 12:58

**To:** Minister for Green Skills, Circular Economy and Biodiversity  
<MinisterGSCEB@gov.scot>

**Cc:** Director of Environment & Forestry <director.enfor@gov.scot>; Carmichael K (Katriona) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]

<[Redacted]@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>

**Subject:** DRS - letter to SRC - online takeback

Afternoon Minister / PO,

Please find attached a letter to issue to the Scottish Retail Consortium setting out the latest position and ask of them regarding the online takeback component of Scotland's DRS. We are also preparing a response to their list of operational issue for clarity, but since online takeback is a large and somewhat separate issue (policy rather than operational) we have suggested sending this letter separately.

The letter is to issue by email to [Redacted]@brc.org.uk

Many thanks,

[Redacted]

[Redacted] **Head of Deposit Return Scheme Unit, Circular Economy Division, Environment & Forestry | Scottish Government**

**M:** [Redacted] **A:** 3GS Victoria Quay Edinburgh EH6 6QQ

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 10 February 2023 09:25

**To:** Minister for Green Skills, Circular Economy and Biodiversity

<MinisterGSCEB@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>

**Cc:** Carmichael K (Katriona) <[Redacted]@gov.scot>; [Redacted]

<[Redacted]@gov.scot>

**Subject:** RE: DRS letter to MSPs

Thanks, [Redacted].

I'll ask the SG web team to publish this.

[Redacted]

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 09 February 2023 17:34

**To:** Minister for Green Skills, Circular Economy and Biodiversity

<MinisterGSCEB@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>

**Cc:** Carmichael K (Katriona) <[Redacted]@gov.scot>; [Redacted]

<[Redacted]@gov.scot>

**Subject:** RE: DRS letter to MSPs

Yes, can issue now.

Thanks,

[Redacted]

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 09 February 2023 17:23

**To:** Huyton H (Harry) <[Redacted]@gov.scot>; Minister for Green Skills, Circular Economy and Biodiversity <MinisterGSCEB@gov.scot>; [Redacted] <[Redacted]@gov.scot>

**Cc:** Carmichael K (Katriona) <[Redacted]@gov.scot>

**Subject:** RE: DRS letter to MSPs

Thanks, Harry.

[Redacted] – please see attached clean copy with Harry's updates and a line in the small producers section to reflect what FM said in the chamber this afternoon, copied below too for reference:

- I will continue to listen to the concerns of small producers and will consider if there is any further action we can take to support them ahead of the scheme going live.

Thanks,

[Redacted]

**From:** Harry Huyton <[Redacted]@gov.scot>

**Sent:** 09 February 2023 15:17

**To:** [Redacted] <[Redacted]@gov.scot>; Minister for Green Skills, Circular Economy and Biodiversity <MinisterGSCEB@gov.scot>; [Redacted] <[Redacted]@gov.scot>

**Cc:** Katriona Carmichael <[Redacted]@gov.scot>

**Subject:** RE: DRS letter to MSPs

Have made some amendments in the attached. Can you check exactly what the FM said regarding small producers and reflect that language? Then put up to minister again?

Thanks

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 09 February 2023 13:22

**To:** Minister for Green Skills, Circular Economy and Biodiversity <MinisterGSCEB@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>

**Cc:** Carmichael K (Katriona) <[Redacted]@gov.scot>

**Subject:** RE: DRS letter to MSPs

Harry – are you happy for the letter to issue this afternoon?

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 09 February 2023 09:46

**To:** Minister for Green Skills, Circular Economy and Biodiversity  
<MinisterGSCEB@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>  
**Cc:** [Redacted] <[Redacted]@gov.scot>; Carmichael K (Katriona)  
<[Redacted]@gov.scot>  
**Subject:** RE: DRS letter to MSPs

Hi [Redacted] – can you hold off issuing? Only because Harry mentioned issuing in the afternoon after FMQs.

Harry – can you confirm the timing for the letter issuing?

**From:** [Redacted] <[Redacted]@gov.scot>  
**Sent:** 09 February 2023 08:28  
**To:** Minister for Green Skills, Circular Economy and Biodiversity  
<MinisterGSCEB@gov.scot>  
**Cc:** Cabinet Secretary for Net Zero, Energy and Transport  
<CabSecNetZET@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>; Director of Environment & Forestry <director.enfor@gov.scot>; Carmichael K (Katriona) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] (Deposit Return Scheme) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Coull AJ (Alison) <[Redacted]@gov.scot>; [Redacted] (Constitution and UKR) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>  
**Subject:** RE: DRS letter to MSPs

[Redacted],

Following yesterday's developments regarding the Internal Market Act, I've updated the letter to include information relating to VAT and the Internal Market Act – see attached. This has been agreed with constitution policy colleagues and Harry.

Thanks,

[Redacted]

**From:** [Redacted] <[Redacted]@gov.scot>  
**Sent:** 07 February 2023 15:18  
**To:** Minister for Green Skills, Circular Economy and Biodiversity  
<MinisterGSCEB@gov.scot>  
**Cc:** [Redacted] <[Redacted]@gov.scot>  
**Subject:** RE: DRS letter to MSPs

Hi [Redacted],

Apologies, I've updated in the attached (and below for reference).

[Redacted]

We also announced proposals to bring forward amendments to the DRS regulations so that only the largest grocery retailers will initially be obliged to provide an online



takeback service from 2025 onwards – all other businesses will be exempt. This will particularly help smaller retailers and producers, many of whom provide **products** direct to consumers **via online** sales. We will of course undertake further work to identify how elderly and disabled people, who may not be able to get to a physical return point, will be protected during this phasing-in of online takeback.

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 07 February 2023 13:39

**To:** Minister for Green Skills, Circular Economy and Biodiversity  
<MinisterGSCEB@gov.scot>

**Cc:** Cabinet Secretary for Net Zero, Energy and Transport  
<CabSecNetZET@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>; Director of Environment & Forestry <director.enfor@gov.scot>; Carmichael K (Katriona) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] (Deposit Return Scheme) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>

**Subject:** DRS letter to MSPs

[Redacted]

Given the increasing volume of correspondence coming in on DRS, please see attached a letter for the Minister to issue to all MSPs which addresses some of the common questions being raised. This has been agreed between the policy team and Harry.

Grateful if you could confirm if the Minister is content or would like any amendments.

If the Minister is content, can you arrange for this to issue to all MSPs via the Minister for Parliamentary Business?

Thanks,

[Redacted]

[Redacted]

**Policy Engagement and Capability Manager  
Circular Economy – Deposit Return Scheme  
(Pronouns: she/her)**

Working from home – contact me on MS Teams

M: [Redacted]

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 08 February 2023 08:38

**To:** Minister for Green Skills, Circular Economy and Biodiversity  
<MinisterGSCEB@gov.scot>; Communications Net Zero & Rural Affairs  
<[Redacted]@gov.scot>

**Subject:** RE: IMMEDIATE: GMS TRANSCRIPT - DRS

Morning [Redacted]– will send over as soon as available.

[Redacted]

[Redacted] **Communications: News (Net Zero and Energy)**

Senior Media Manager

Scottish Government, St Andrew's House

e: [Redacted]@gov.scot

m: [Redacted]

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 08 February 2023 17:28

**To:** Minister for Green Skills, Circular Economy and Biodiversity

<MinisterGSCEB@gov.scot>

**Cc:** [Redacted] <[Redacted]@gov.scot>; Communications Net Zero & Rural Affairs

<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Communications

Constitution & Culture <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;

[Redacted] <[Redacted]@gov.scot>; [Redacted] (Constitution and UKR)

<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]

<[Redacted]@gov.scot>; Carmichael K (Katriona) <[Redacted]@gov.scot>;

[Redacted] <[Redacted]@gov.scot>; Director of Environment & Forestry

<director.enfor@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Coull AJ (Alison)

<[Redacted]@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>; [Redacted]

<[Redacted]@gov.scot>; Ingebrigtsen R (Ross) <[Redacted]@gov.scot>; Nicolson S

(Stuart) (Special Adviser) <[Redacted]@gov.scot>; McFarlane J (John) (Special

Adviser) <[Redacted]@gov.scot>

**Subject:** RE: FOR CONSIDERATION - BID - DRS - BBC THE NINE

Thank you [Redacted]– actioning that now

[Redacted] **Communications: News (Net Zero and Energy)**

Senior Media Manager

Scottish Government, St Andrew's House

e: [Redacted]@gov.scot

m: [Redacted]

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 08 February 2023 17:19

**To:** Minister for Green Skills, Circular Economy and Biodiversity

<MinisterGSCEB@gov.scot>

**Cc:** [Redacted] <[Redacted]@gov.scot>; Communications Net Zero & Rural Affairs

<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Communications

Constitution & Culture <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;

[Redacted] <[Redacted]@gov.scot>; [Redacted] (Constitution and UKR)

<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]

<[Redacted]@gov.scot>; Carmichael K (Katriona) <[Redacted]@gov.scot>;

[Redacted] <[Redacted]@gov.scot>; Director of Environment & Forestry

<director.enfor@gov.scot>; [Redacted]< [Redacted]@gov.scot>; Coull AJ (Alison) <[Redacted]@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Ingebrigtsen R (Ross) <[Redacted]@gov.scot>; Nicolson S (Stuart) (Special Adviser) <[Redacted]@gov.scot>; McFarlane J (John) (Special Adviser) <[Redacted]@gov.scot>

**Subject:** FOR CONSIDERATION - BID - DRS - BBC THE NINE

Hi [Redacted],

We have received a bid from the Nine to speak to Ms Slater this evening about DRS.

They would like to speak about today's BBC story on legality of the scheme (although can expect wider industry concerns to come up):

<https://www.bbc.co.uk/news/uk-scotland-64563015>

Advice from policy, comms and SpAds is to decline and issue the recently cleared lines. Grateful if you can confirm Ms Slater is content.

Best,

[Redacted]

WHO	OUTLET	TIME	LIVE/PRE-REC	INTERVIEWER	TOPICS	Recommendation	Other details (if required)
Ms Slater	BBC The Nine	9:10pm	Live (either in Edinburgh studio or remote)	TBC	Scotland's deposit return scheme	Decline and issue lines	following up on legal advice story running this morning. They're aware of David Henderson bid but this relates to story that broke after that.

[Redacted] | **Communications: News (Net Zero and Energy)**  
Senior Media Manager

Scottish Government, St Andrew's House

e: [Redacted]@gov.scot

m: [Redacted]

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 09 February 2023 17:50

**To:** Minister for Green Skills, Circular Economy and Biodiversity  
<MinisterGSCEB@gov.scot>

**Cc:** [Redacted] <[Redacted]@gov.scot>; Communications Net Zero & Rural Affairs  
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] (Deposit  
Return Scheme) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;  
[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Huyton H  
(Harry) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Cabinet  
Secretary for Net Zero, Energy and Transport <CabSecNetZET@gov.scot>

**Subject:** FOR CLEARANCE - MEDIA QUERY - DRS FRAUD - Express

PO / Minister for Green Skills, Circular Economy and Biodiversity

Hi [Redacted],

We have received a query from the Express on DRS fraud – the deadline is close of play.

They are looking for response to attached figures and quotes below. The figures are from the Final Business Regulatory Impact Assessment in 2021.

I'd be very grateful for the Minister's clearance on the following reply. This has been cleared by policy officials and SpAds.

Many thanks,

[Redacted]

## **DRAFT REPLY**

A Scottish Government spokesperson said:

"Scotland's deposit return scheme will recycle billions of bottles and cans, cut emissions, tackle littering and address public concerns in Scotland about the impact of plastic and other waste. Similar schemes are common in other European countries and have been shown to be very effective."

## **Background**

These figures are based on modelling undertaken by Zero Waste Scotland, with fraud estimated to be in the range of 0.79-1.06%. To note, the annual financial estimate for fraud is over 25 years.

## **QUERY**

Scottish Conservative MSP Maurice Golden said: "It's astonishing that the SNP-Green Government's own modelling for its Deposit Return Scheme assumes that it will produce fraud on this colossal scale.

"Had it been competently planned, we could have had a system that would have achieved its worthwhile objectives and made a real contribution to the circular economy.

"Instead, the SNP/Greens are going to saddle us with a shoddy, incredibly expensive and badly designed scheme that will impose unnecessary costs on businesses and consumers, and lead to this sort of unwanted outcome."

Daniel Lambert owns a Welsh Wine company. He said: "The Scottish Government want to start a system (DRS) which on their own figures will create £108 MILLION of fraudulent activity in Scotland. So they have a provision to enable criminals make money.

"Lorna Slater even your own colleagues and Senior members of the SNP are now quoted as saying this is the worst legislation of any government in the 43 years of their political career."

[Redacted] **Senior Media Manager**  
Communications: News (Net Zero & Energy)  
Scottish Government, St Andrew's House  
e: [Redacted]@gov.scot

m: [Redacted]

**From:** [Redacted] <[Redacted]@gov.scot> **On Behalf Of** Cabinet Secretary for Net Zero, Energy and Transport  
**Sent:** 10 February 2023 10:52  
**To:** Minister for Green Skills, Circular Economy and Biodiversity <MinisterGSCEB@gov.scot>  
**Cc:** Cabinet Secretary for Net Zero, Energy and Transport <CabSecNetZET@gov.scot>  
**Subject:** RE: DRS letter to MSPs

Thanks [Redacted],

Would you like to set this meeting up and commission joint briefing?

Regards,

[Redacted]

[Redacted] **I Assistant Private Secretary (Diary)**

**Private Office of Michael Matheson, Cabinet Secretary for Net Zero, Energy & Transport**

2N.08 | St Andrew's House | Regent Road | Edinburgh | EH1 3DG |

All e-mails and attachments sent by a Ministerial Private Office to any other official on behalf of a Minister relating to a decision, request or comment made by a Minister, or a note of a Ministerial meeting, must be filed appropriately by the recipient. Private Offices do not keep official records of such e-mails or attachments.

Scottish Ministers, Special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See [www.lobbying.scot](http://www.lobbying.scot)

**From:** [Redacted] <[Redacted]@gov.scot> **On Behalf Of** Cabinet Secretary for Net Zero, Energy and Transport

**Sent:** 10 February 2023 09:52

**To:** Minister for Green Skills, Circular Economy and Biodiversity <MinisterGSCEB@gov.scot>; Cabinet Secretary for Net Zero, Energy and Transport <CabSecNetZET@gov.scot>; [Redacted] <[Redacted]@gov.scot>

**Cc:** Huyton H (Harry) <[Redacted]@gov.scot>; Director of Environment & Forestry <director.enfor@gov.scot>; Carmichael K (Katriona) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] (Deposit Return Scheme) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>

**Subject:** RE: DRS letter to MSPs

Thanks [Redacted],

Would 12:30 – 13:00 on Wednesday, 8<sup>th</sup> March work following Ms Slater's & Cab Secs other meeting?

Regards,

[Redacted]

[Redacted] **Assistant Private Secretary (Diary)**

**Private Office of Michael Matheson, Cabinet Secretary for Net Zero, Energy & Transport**

2N.08 | St Andrew's House | Regent Road | Edinburgh | EH1 3DG |

All e-mails and attachments sent by a Ministerial Private Office to any other official on behalf of a Minister relating to a decision, request or comment made by a Minister, or a note of a Ministerial meeting, must be filed appropriately by the recipient. Private Offices do not keep official records of such e-mails or attachments.

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**From:** [Redacted] <[Redacted]@gov.scot> **On Behalf Of** Cabinet Secretary for Net Zero, Energy and Transport

**Sent:** 08 February 2023 16:33

**To:** [Redacted] <[Redacted]@gov.scot>; Minister for Green Skills, Circular Economy and Biodiversity <MinisterGSCEB@gov.scot>

**Cc:** Cabinet Secretary for Net Zero, Energy and Transport

<CabSecNetZET@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>; Director of Environment & Forestry <director.enfor@gov.scot>; Carmichael K (Katriona) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] (Deposit Return Scheme) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>

**Subject:** RE: DRS letter to MSPs

**This email is for the official record and confirms a Ministerial Decision. This email must be placed in the official record (eRDM) by your team in line with SG records management policy.**

Hi [Redacted], [Redacted],

Mr Matheson has noted for his interests and has suggested that we organise a session with Ms Slater and officials to go through the key points of concern still being raised by SRC, small breweries etc and the actions that are being taken to address concerns.

If agreeable, we can link up diaries and see when suits.

Thanks,

[Redacted]

[Redacted]

Deputy Private Secretary

Cabinet Secretary for Net Zero, Energy and Transport

CabSecNetZET@gov.scot

[Redacted]

[Redacted]

All e-mails and attachments sent by a Ministerial Private Office to any other official on behalf of a Minister relating to a decision, request or comment made by a Minister, or a note of a Ministerial meeting, must be filed appropriately by the recipient. Private Offices do not keep official records of such e-mails or attachments.

Scottish Ministers, Special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See [www.lobbying.scot](http://www.lobbying.scot)

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 07 February 2023 13:39

**To:** Minister for Green Skills, Circular Economy and Biodiversity <MinisterGSCEB@gov.scot>

**Cc:** Cabinet Secretary for Net Zero, Energy and Transport <CabSecNetZET@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>; Director of Environment & Forestry <director.enfor@gov.scot>; Carmichael K (Katriona) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot> [Redacted] (Deposit Return Scheme) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;

[Redacted] <[Redacted]@gov.scot>

**Subject:** DRS letter to MSPs

[Redacted],

Given the increasing volume of correspondence coming in on DRS, please see attached a letter for the Minister to issue to all MSPs which addresses some of the common questions being raised. This has been agreed between the policy team and Harry.

Grateful if you could confirm if the Minister is content or would like any amendments.

If the Minister is content, can you arrange for this to issue to all MSPs via the Minister for Parliamentary Business?

Thanks,

[Redacted]

[Redacted]

**Policy Engagement and Capability Manager**

**Circular Economy – Deposit Return Scheme**

**(Pronouns: she/her)**

Working from home – contact me on MS Teams

M: [Redacted]

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 10 February 2023 11:28

**To:** Minister for Green Skills, Circular Economy and Biodiversity  
<MinisterGSCEB@gov.scot>

**Cc:** Communications Net Zero & Rural Affairs <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] (Deposit Return Scheme) <[Redacted]@gov.scot>; Carmichael K (Katriona) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Director of Environment & Forestry <director.enfor@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>

**Subject:** TO CLEAR - MEDIA QUERY - DRS - Daily Mail

PO Minister for Green Skills, Circular Economy and Biodiversity,

We have received a query from the Daily Mail – deadline midday today.

Policy, comms and SpAds have agreed the following response - grateful if you can confirm the Minister is content to issue.

To note, we have also had a follow up from Materials Recycling World, asking us to clarify FM's comments at FMQs – I would intend to just send them the top two paras of the below response.

Best,



[Redacted]

**Circular Economy Minister Lorna Slater said:**

“We must take bold and ambitious action to tackle the climate emergency. Scotland’s deposit return scheme will be a major part of our efforts to reduce littering, cut emissions, and build a more circular economy when it goes live on 16 August this year. Similar schemes are common in other European countries and have been shown to be very effective.

“We understand that this is a big change, especially for smaller businesses, and have already announced changes that directly address issues raised by industry. We will continue to listen to the concerns of small producers and will consider if there is any further action we can take to support them ahead of the scheme going live.

“Circularity Scotland is actively engaging with businesses across Scotland to help them prepare for the introduction of the scheme and we would encourage all producers with queries about how the scheme will work to contact them.

“The formal process for excluding the deposit return scheme regulations from the Internal Market Act is well underway. This is the same process we went through to protect Scotland’s ban on many single-use plastic products. We expect a decision from the UK Government as soon as possible given that this is what is needed to give industry absolute clarity.”

**Background**

A formal process has been agreed between the UK Government and devolved governments to allow for certain policies to be excluded from the UK Internal Market Act where relevant regulations differ between UK nations. This was used to exclude Scotland’s ban on certain single-use plastic items to ensure the ban was effective.

SEPA is the regulator for the scheme and is actively working with partners, trade associations, working groups and individual businesses to help them understand what they need to do to comply. They have agreed that, where there are clearly evidenced operational challenges, they will take a proportionate approach to compliance.

The scheme will mean local authorities will have less waste to handle, as well as reducing litter and associated clean-up costs, which is good for residents and council budgets and we are supporting local authorities to prepare for the introduction of the scheme

**QUERY**

As I said, I’m writing a feature for the Scottish Daily Mail on the DRS due to go live in August.

It will cover multiple bases – the drinks producers who (on legal advice or otherwise) are refusing to sign up to it and who, faced with the enormous costs of compliance, fear it could put them out of business;

the views expressed by the Scottish Retail Consortium, on behalf of retailers, who warn of huge disruption and higher prices and say retailers still don't know how it will work;

the impact on kerbside collections;

the legalities of it which were called into question by Aidan O'Neill KC this week;

the concerns expressed by politicians such as Fergus Ewing who this week said it was the worst idea he had seen in his 43 years of politics.

Would the Scottish Government comment on these views and on the claims that DRS is simply not ready and should be rethought and rolled out at a later stage on similar lines to the scheme due to be launched in England in 2025?

My deadline for this is noon tomorrow.

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 10 February 2023 17:42

**To:** Minister for Green Skills, Circular Economy and Biodiversity <MinisterGSCEB@gov.scot>; [Redacted] <[Redacted]@gov.scot>

**Cc:** Communications Net Zero & Rural Affairs <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] (Deposit Return Scheme) <[Redacted]@gov.scot>; Carmichael K (Katriona) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Director of Environment & Forestry <director.enfor@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>

**Subject:** RE: TO CLEAR - MEDIA QUERY - DRS SRC COMMENTS - DAILY MAIL

Thanks, [Redacted]. Will issue now.

[Redacted]

**From:** [Redacted] <[Redacted]@gov.scot>

**Sent:** 10 February 2023 16:52

**To:** Minister for Green Skills, Circular Economy and Biodiversity <MinisterGSCEB@gov.scot>

**Cc:** Communications Net Zero & Rural Affairs <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] (Deposit Return Scheme) <[Redacted]@gov.scot>; Carmichael K (Katriona) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Director of Environment & Forestry <director.enfor@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>

**Subject:** TO CLEAR - MEDIA QUERY - DRS SRC COMMENTS - DAILY MAIL

PO Minister for Green Skills, Circular Economy and Biodiversity,

We have received a query from the Mail – deadline close of play.

Full details below. To note, the journalist had already spoken to CSL so we've kept our response short.

Policy, comms and SpAds have agreed the following – grateful if you can confirm the Minister is content.

Best,

[Redacted]

**A Scottish Government spokesperson said:**

“We understand that this is a big change, especially for smaller businesses, and we have recently announced practical action that directly addresses the concerns of retailers.

“Retailers have a key role to play in the scheme, but they will be financially compensated for that role through a handling fee.

“Scotland’s deposit return scheme will be a major part of our efforts to reduce littering, cut emissions, and build a more circular economy when it goes live on 16 August this year. Similar schemes are common in other European countries and have been shown to be very effective.”

**Background**

In direct response to feedback, we published updated guidance in December to make it clearer, easier and quicker for retailers wishing to apply for an exemption from acting as a return point either for environmental health or proximity reasons.

We also announced proposals to bring forward amendments to the DRS regulations so that only the largest grocery retailers will initially be obliged to provide an online takeback service from 2025 onwards – all other businesses will be exempt. This will particularly help smaller retailers and producers, many of whom provide products direct to consumers via online sales.

Public Finance Minister Tom Arthur has announced draft legislation on non-domestic rates (NDR). This would ensure that parts of properties solely used to house reverse vending machines would be exempt from NDR.

**QUERY**

Hi David,

As mentioned, the Scottish Retail Consortium is raising concerns about the £250m set up costs for DRS and also claim the handling fees will leave them tens of millions short each year. They are calling on the SG to deliver on the promise that the scheme will be cost neutral.

Ewan MacDonald-Russell, Deputy Head of the Scottish Retail Consortium, said:

“We estimate the Scottish deposit return scheme will cost retailers over £250 million to set up. DRS is meant to be cost neutral for retailers, but the current retail handling fee won’t come close to compensating shops. Instead, the fee will leave retailers to pick up a bill likely to run into tens of millions each year. That cost will have to be paid for by consumers, either through higher prices, less choice, or longer queues to

return their containers. The problem is exacerbated as scheme administrator Circularity Scotland has consistently refused to share the handling fee modelling; so retailers can't even understand why they aren't being compensated. With time running out, retailers want to see the Scottish Government fulfil their promise that the scheme will be cost neutral for our industry."

Regards,

[Redacted]

## **Letter to Convener of Net Zero, Energy and Transport Committee**

Minister for Green Skills, Circular Economy and Biodiversity  
Lorna Slater MSP  
T: 0300 244 4000  
E: scottish.ministers@gov.scot

□□□□

Edward Mountain MSP  
Convener  
Net Zero, Energy and Transport Committee  
The Scottish Parliament  
Edinburgh EH99 1SP

Dear Edward

### **DEPOSIT RETURN SCHEME (DRS) UPDATE**

I have carried out a considerable amount of engagement on DRS with many businesses and organisations over recent weeks, to whom I am very grateful. Industry has been making good progress on preparations for the scheme, which will go live in August 2023. It will be a major part of our efforts to reduce littering, cut emissions and build a more circular economy. However, I am aware of business concerns on some outstanding issues, particularly given the very significant pressures everyone is facing during the current cost of living crisis. We have committed to a pragmatic approach to implementation, and the action I am setting out today will help to make the scheme more efficient and reduce costs, while ensuring that environmental benefits are still delivered.

#### **Reduced producer fees**

Circularity Scotland has, this week, published significantly reduced producer fees and Day 1 payments. The changes reflect updated assumptions, enabled by the Scottish Government's revised guidance regarding return point exemptions and by an ongoing review of the scheme operating costs.

Circularity Scotland has also reviewed the timing of cashflows from producers to the scheme administrator for deposits and the producer fee. The revised profile of payments will mean producer costs are reduced at the point the scheme goes live.

The changes mean producer fees will be 8%, 30% and 40% lower for glass, PET plastic and metal containers respectively. The Day 1 payments for producers using UK-wide barcodes will also be reduced by two thirds, from 2.4 months of fees to 3 weeks of fees.

These are important changes and I am pleased that Circularity Scotland has also committed to continue to work on initiatives to seek to further reduce the financial

impact of the scheme on producers and return point operators, and optimise the cost of operating the scheme while still supporting consumers to return their empty containers.

### **Online takeback**

Having considered the concerns presented by online retailers regarding the takeback element of DRS, I am proposing to bring forward amendments to the regulations so that initially only the largest grocery supermarkets will be obliged to provide a takeback service; all other businesses will be exempt. In addition, the takeback obligation on those supermarkets will be phased in: we will set a date for takeback to be available to the general public in 2025. Before the amending regulations are introduced, I intend to undertake further work to identify how elderly and disabled people, who may not be able to get to a physical return point, will be protected during this phasing-in of takeback and also to investigate further steps that may make the takeback obligation easier to discharge.

### **Day 1 regulatory compliance approach**

I understand that there are concerns from industry about having enough time to prepare and be ready for DRS go live on 16 August 2023 and the risk of non-compliance with the DRS Regulations on Day 1. While I cannot speak on behalf of SEPA, as the independent regulator, the Scottish Government is encouraging joint working between it and Circularity Scotland to support industry with compliance as they transition towards full DRS operations.

As a result, SEPA, with support from Circularity Scotland, is working on a proactive and managed approach towards compliance where there are clearly evidenced operational challenges to industry readiness for go live in August 2023. SEPA has made it clear that it would like to see as many obligated businesses be ready and compliant for DRS next year as possible. It remains committed to providing advice and guidance as the preferred route to achieving compliance for businesses who are striving to meet their obligations.

### **Return point exemptions**

This week Zero Waste Scotland has updated the Return Point Exemption application forms and online guidance to reflect the changes I updated the Committee on in my last letter. These updated forms will make it easier for retailers to apply for an exemption and will streamline the process for retailers and hospitality providers, while also making sure that people all across the country can still easily access a return point. These changes and processes should also speed up the decision-making process and provide clarity to retailers on the outcome of their application at an earlier stage than currently.

### **VAT**

As you know, the application of VAT to DRS deposits is reserved policy determined by the UK Government. While I asked for much needed clarity on its approach to the application of VAT on deposits by July, to date, this clarification has still to be

provided. We continue to do all we can to press HM Treasury for a final decision on the treatment of DRS deposits but the issue remains unresolved at this time. I will provide the Committee with an update as soon as this becomes available.

## **Communications**

I recognise that communications and engagement are very important to the success of the scheme. I intend to make this a priority focus for the period between now and implementation. I am pleased that Circularity Scotland has recruited a senior communications expert to start in the New Year. This role will be pivotal in leading and co-ordinating communications with industry and with consumers.

Finally, I note that the progress that has been made has been confirmed by our independent review process. I am publishing two reports covering the independent Gateway Review undertaken in May 2022 and the follow-up Assurance of Action Plan review in October. These are attached with this letter and will be published on the Scottish Government website later today. While the most recent report confirms that there are still significant challenges to be overcome, they demonstrate an improving picture and confirm the feasibility of a scheme being in place for August 2023.

As I set out to you in my previous update, I will continue to work closely with businesses and others to ensure that we have pragmatic solutions in place to implement this transformational scheme. Again, I look forward to updating you further on progress, and to the launch of Scotland's Deposit Return Scheme next year.

Kind regards

**LORNA SLATER**

## **Circularity Scotland Press Release – Producer Fees**

### **CIRCULARITY SCOTLAND – PRODUCER FEES**

#### **CIRCULARITY SCOTLAND ANNOUNCES REDUCTION IN FORECAST PRODUCER FEES FOR DRS**

- Forecast producer fees have been reviewed and reduced for every type of scheme material
- Significant reductions in Day 1 costs for producers also announced

Circularity Scotland, the administrator of Scotland's Deposit Return Scheme, has announced that forecast producer fees have been reduced for every type of material included in the scheme, in what is being hailed as a 'big result' for industry.

The producer fees, which have been reduced by 40% in some cases, are calculated for each type of material, and now reflect the variations in collection costs as well as the sales revenues for collected materials.

The scheme administrator has also announced that the timing of cashflows from producers to Circularity Scotland for deposits have also been extensively reviewed. The revised profile of payments will see a reduction in cash to be paid by certain producers at the point the scheme goes live (particularly those retaining the use of UK-wide products).

These changes are a result of Circularity Scotland's ongoing dialogue with industry to reduce the cashflow impact of the scheme on producers, as well as engagement with the Scottish Government, which recently announced revised guidance around return point exemptions.

The final version of the Producer Agreement, including updated forecast fees and cashflows, is now available to view on the Circularity Scotland website.

**David Harris, Circularity Scotland CEO, said:** "As scheme administrator, Circularity Scotland's work is well under way to ensure that the Scotland's DRS is a success and runs effectively, efficiently, and at as low a cost as possible, from August 2023.

"The subject of forecast producer fees has been a huge focus for us, and we've been working with government and all stakeholders to make positive strides in this area. The reductions we've been able to announce today will lower all producer DRS costs and bring about significant reduction in Day 1 cash requirements.

"This is a big result for industry and our work continues to find even greater efficiencies. More information will be released shortly on the calculation of fees and administration of the scheme. In the meantime, Circularity Scotland will continue to work on initiatives to further reduce the cashflow impact of the scheme on producers and optimise the cost of operating the scheme. We will update industry in due course.



“We’re also here to help drinks producers prepare for scheme registration and our registration portal is open - so that businesses can appoint Circularity Scotland as their scheme administrator, which means we’ll manage their registration with SEPA and some of their scheme obligations.”

Drinks producers - defined under the scheme as brand owners, importers or website operators selling single-use containers made from PET plastic, glass, steel or aluminium, sized between 50ml and 3 litre - need to be registered with the scheme’s regulator, SEPA, by 28th February. Any drinks producers not registered by this date will be unable to legally sell scheme articles in Scotland after 16th August 2023.

SEPA producer registration opens on 1st January 2023.

To help producers with the application process, Circularity Scotland has prepared a guide to the registration process and a guide to the Producer Agreement, which is available on the website.

Circularity Scotland’s customer service team are on hand to answer any questions relating to registration or on DRS itself. They are available from 9am-5pm Monday to Friday and can be reached on 0141 401 0899. They can also be contacted via the contact form on the website.

**ENDS**

Forecast producer fees as of 14<sup>th</sup> December:

Producer Fee	Previous (August 2023) Value	Updated Value	Difference
Plastic	3.17p	2.21p	- 30%
Aluminium	3.42p	2.03p	- 40%
Glass	4.45p	4.10p	- 8%
Day 1 REAN Payment*	2.4 months	3 weeks	

## **Email attachment – Briefing to DFM on DRS & VAT.**

From: [Redacted]  
Environment & Forestry / Circular Economy  
19 January 2023

Deputy First Minister

### **Deposit return scheme and VAT**

#### **Purpose**

1. To provide briefing on the VAT treatment of deposits as part of our Deposit Return Scheme (DRS), following discussion of the issue with Ms Slater at January's Interministerial Group (IMG) meeting on 18 January.

#### **Priority**

2. **Urgent**

#### **Recommendation**

3. You are asked to:
  - note the continuing lack of clarity from UKG on the VAT treatment of deposits and the impact it is having on businesses and on implementation of DRS;
  - note that Ms Slater would be happy to discuss further with you if helpful;
  - consider urgently escalating the issue with the UK Chancellor. If you agree to this, we can work with your officials to determine the most appropriate way of doing so.

#### **Context and issues**

4. VAT policy is fully reserved. Since September 2019, officials have been engaging with HMRC and HMT regarding the VAT treatment of deposits under our planned DRS. The Scottish Government's well-stated position is that the deposit should fall outside the scope of VAT because it is not a payment for a supply but rather a charge to incentivise recycling and is designed to promote environmental benefits rather than raising revenue.
5. After lengthy discussions with officials and lobbying from industry (which strongly agrees with our position), the previous Financial Secretary to the Treasury formally rejected our approach in November 2021 and confirmed that VAT *would be* chargeable on deposits. At that point, HMT proposed an amendment to their regulations to allow producers to reclaim the VAT element of the deposit on returned drinks containers where the refund is made via a third party (i.e. the scheme administrator, Circularity Scotland Ltd) – what they call a 'VAT-neutral' approach.

6. Since then, more detailed exchanges about the mechanics have taken place between HMRC specialists and Circularity Scotland but no final solution has been identified. In the meantime, businesses have been continuing to lobby UKG, as they are concerned about the administrative burden and complexities across the supply chain associated with the apparent UKG approach. This has become a critical issue for them as they need to update systems to cope with UKG's solution. Time is running out for them to complete this for the go-live date of August 2023. Indeed, some have already said that they will not be able to be VAT-compliant within that timescale.
- 7. As a pressing issue, drinks producers must register for DRS by 28 February, but many have indicated that they are unwilling to do so until they understand VAT requirements, and would rather risk non-compliance or withdrawing from the market in Scotland.**
8. Defra is planning to introduce its own DRS but to a longer timescale than ours: the public line at the moment is late 2024 but we expect it to be late 2026 at earliest (and more likely 2027). Their Ministers have only relatively recently taken an interest in the VAT decision, which will apply equally to their scheme, and have been lobbying HMT themselves in line with our position.
9. HMT had said that we would have a solution by July 2022. This is the date that the Minister for Green Skills, Circular Economy and Biodiversity had pressed for. However, this decision is still outstanding.
10. The most recent Ministerial engagement following significant further engagement at Ministerial and official level. We had understood from officials at that point that a decision was 'imminent', or had even been taken. However, yesterday we were informed by Minister Pow that discussions were still underway and that a decision would be reached in due course.
11. While it is positive that the SoS is raising the profile and that she supports our position, it does mean that we still have no clear timeframe for a solution and businesses remain in limbo. We believe that this may be an opportune moment for you to escalate the issue with the Chancellor.

### **Conclusions and next steps**

12. The VAT treatment of deposits is one of the longest-running unresolved issues with implementation of DRS and the continuing lack of decision from the UKG now poses a material risk to the deliverability of the scheme itself.
13. Officials are of the view that short of excluding DRS from VAT then at this very late stage, the only viable way forward would be a 'grace period' for VAT on deposits, until such time as other UK DRS schemes are in place.
14. You are asked to:

- note the continuing lack of clarity from UKG on the VAT treatment of deposits and the impact it is having on businesses and on implementation of DRS;
- note that Ms Slater would be happy to discuss further with you if helpful;
- consider urgently escalating the issue with the UK Chancellor. If you agree to this, we can work with your officials to determine the most appropriate way of doing so.

[Redacted]

Environment & Forestry / Circular Economy

<b>Cabinet Secretaries and Ministers Copy List</b>	<b>For Action</b>	<b>For Information Portfolio interest</b>	<b>For Information Constituency interest</b>	<b>For Information General awareness</b>
Cabinet Secretary for Net Zero, Energy and Transport		X		
Minister for Green Skills, Circular Economy and Biodiversity		X		

#### **Officials Copy List**

DG Net Zero  
 DG Scottish Exchequer  
 Kevin Quinlan, Director Environment and Forestry  
 Andrew Scott, Director Tax and Revenues  
 Katriona Carmichael, DD Circular Economy  
 [Redacted], DRS Unit  
 [Redacted], DRS Unit  
 [Redacted], DRS Unit  
 [Redacted], DRS Unit  
 Lorraine King, DD Tax and Revenues  
 [Redacted], Reserved Taxes Unit  
 [Redacted], Reserved Taxes Unit  
 [Redacted], Reserved Taxes Unit  
 [Redacted], Future Environment  
 [Redacted], UK Relations  
 Harry Huyton, SpAd  
 Leanne Dobson, SpAd  
 [Redacted], Communications Net Zero & Rural Affairs

## **Letter to the Scottish Retail Consortium:**

**Minister for Green Skills, Circular Economy and Biodiversity** □□□□

Lorna Slater MSP  
T: 0300 244 4000  
E: scottish.ministers@gov.scot

[Redacted]  
Scottish Retail Consortium  
By Email: [Redacted]@brc.org.uk

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06 February 2023

I am writing to update you on the amendments that I intend to bring forward to distance takeback obligations under Scotland's Deposit Return Scheme (DRS). This follows extensive engagement with your members and other online retailers over concerns regarding the current distance takeback obligations.

I strongly recognise the implementation challenges that your members have raised in fulfilling this obligation in full by 16 August 2023. I have therefore decided that full takeback obligations should not come into force until 2025. In line with the feedback I have heard from your members, including at our meeting on Tuesday 31 January, this is intended to enable large grocery retailers to focus on delivery of physical return infrastructure, and provide a significant time period for implementation of the online takeback service.

Nevertheless, I have a clear expectation that vulnerable customers must be protected until such time as full takeback obligations come into force. Amending the takeback obligation requires the agreement of Parliament, and I expect close scrutiny of how our proposals will protect elderly and disabled peoples' access to the scheme. Without this protection it is unlikely that any amendments would be accepted, and the existing obligation will remain.

As raised at previous meetings, including my most recent meeting with you, I would therefore invite views from your members on how the requirement to protect vulnerable customers could be met. I know that my officials have already tested with you the proposal that a limited obligation to provide takeback for vulnerable people only would be placed on the largest grocery retailers from Day One. This recognises that the majority of online grocery deliveries, particularly for customers reliant on this service, are provided by the very largest grocery retailers. However, I am open to suggestions about alternative approaches that would provide protection for elderly and disabled people's access.

I want to ensure that any takeback service is made easier to discharge and, to that end, I would also invite proposals from your members on what is required to achieve this, which may include, for example, minimum thresholds for collection, the ability to

collect scheme articles at the time of making a delivery, and time-bound deadlines for redeeming the takeback service.

I appreciate your ongoing engagement on this aspect of Scotland's DRS, and the need for urgent clarity on this and other issues before the end of February. In addition to our planned further meeting on 15 February, I would be very happy to meet with you again in the coming weeks to discuss specific proposals from your members, ahead of laying any amending Regulations later this year.

Following on from our meeting on Tuesday, we will shortly respond to your list of outstanding issues requiring guidance. I understand that Circularity Scotland will also be writing directly to your members to follow up on questions about the retail handling fee and other operational matters.

**LORNA SLATER**