Scotland's Deposit Return Scheme

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Scotland

- Population circa 5.5m
- Population density is 65 persons per square kilometre and ranges from 8 in Highland to 3,298 in Glasgow
- Circa 90 inhabited islands
- Devolved government responsible for health, education, environment, justice, equalities, some tax powers etc

Investment Objectives

INCREASE
the quantity of target materials collected for recycling

IMPROVE
the quality of material collected, to allow for higher value recycling

ENCOURAGE
wider behaviour change around materials

DELIVER
maximum economic and societal benefits for Scotland

Currently, Scotland recycles around half of drinks containers

We are targeting a capture rate of 90% by the third full year of operation

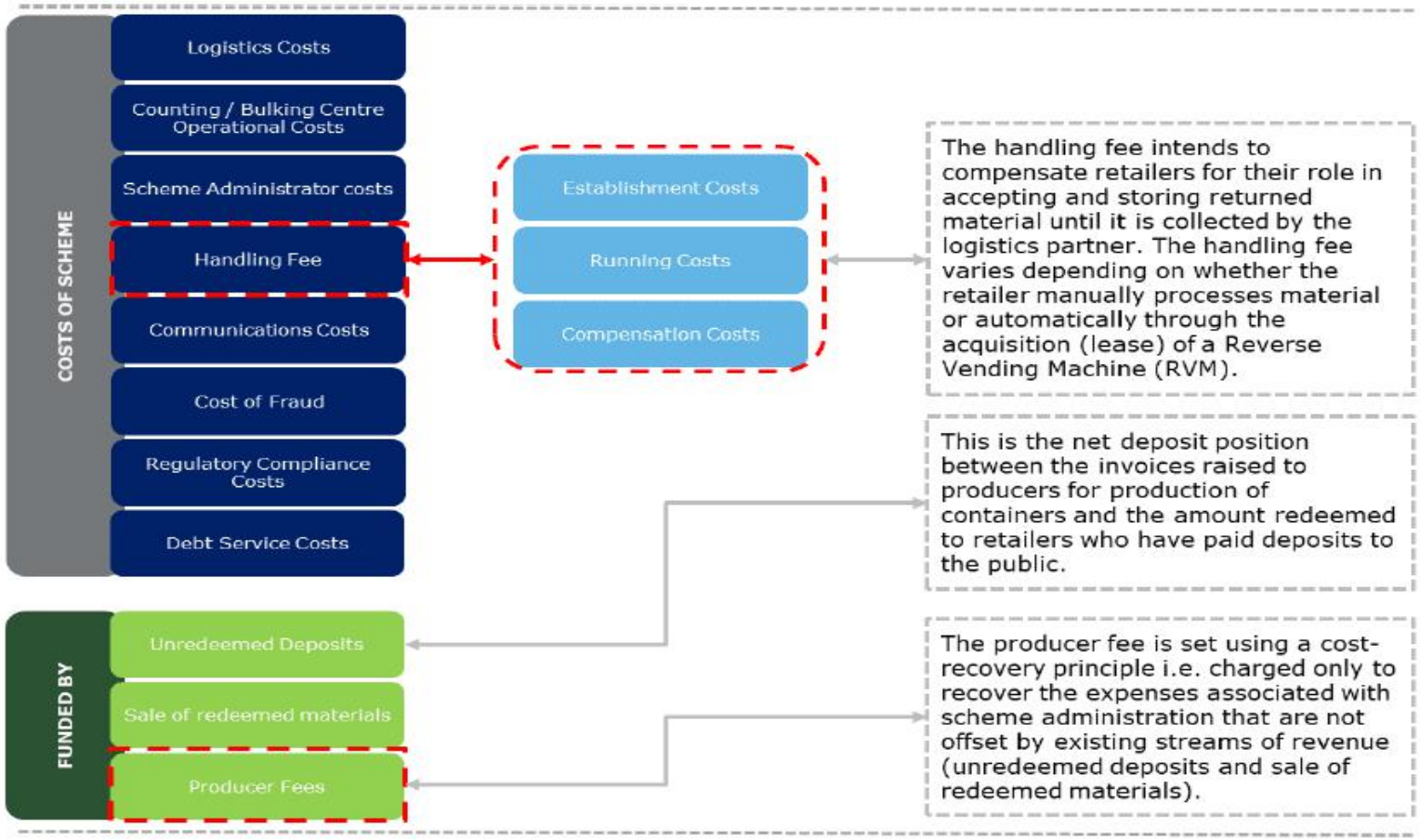
Main Design Features

- Return to retail model. Circa 17000 return points, limited exemptions
- Materials: Glass, PET plastic, aluminium, steel, not HDPE
- All beverage types (but HDPE exclusion means milk largely excluded)
- 20p deposit
- Industry-operated scheme
- Online sales included
- Hospitality can operate closed loop model
- Choice of manual or automated return
- Start Date July 2022

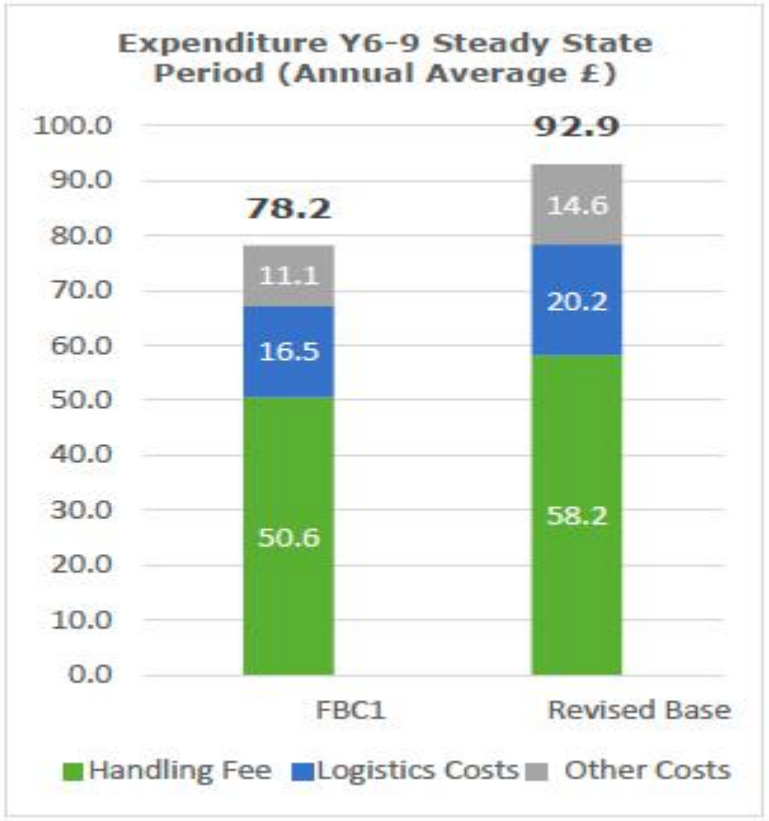
Key facts and figures

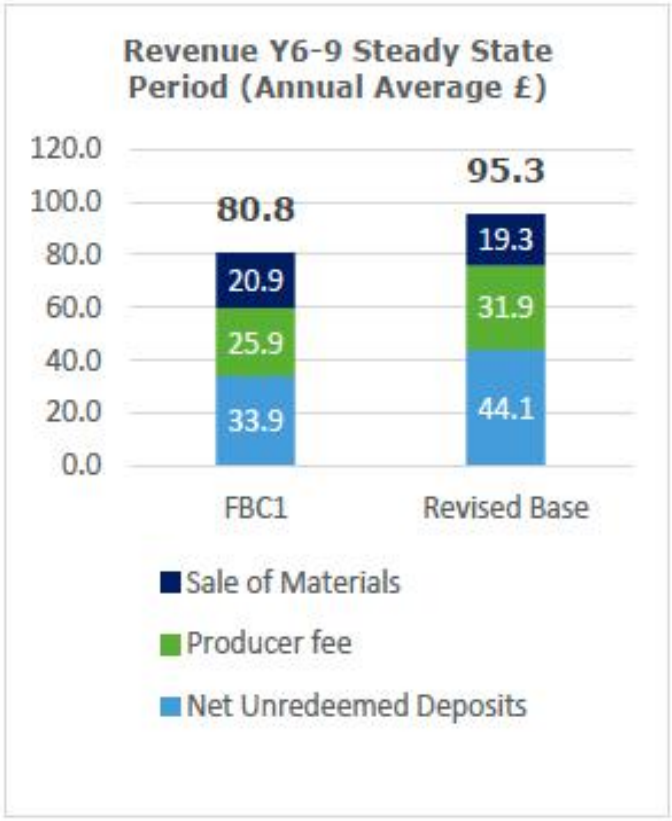
- Circa 2.2 billion containers per annum in scope
- Total net benefit of £590m over 25 year net present value (NPV)
- Emissions reduction of 160,000 tonnes of CO2e per annum

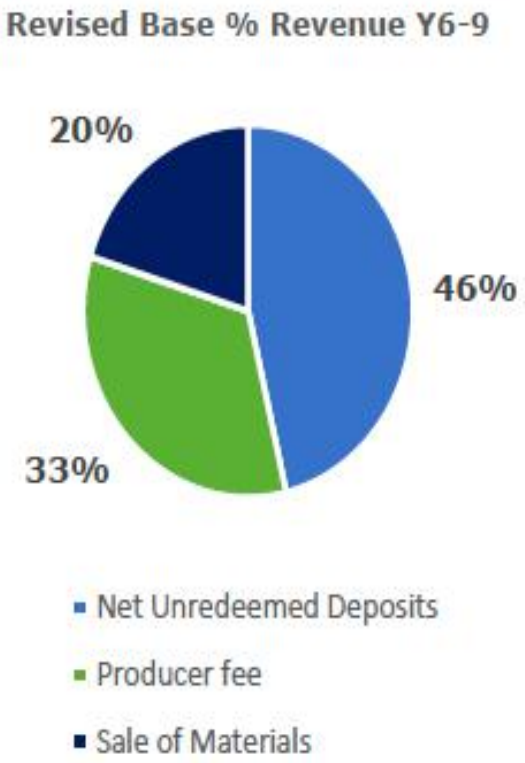
Costs and funding



Projected expenditure and revenue







Producer Fee Projection

	Producer Fee by Material Type	
	Observatory Period	Steady State
Non-material specific	3.1 pence	1.4 pence
PET	3.4 pence	1.8 pence
Aluminium / Steel	2.6 pence	0.8 pence
Glass (average)	3.4 pence	1.8 pence

All estimates as per Scottish DRS Full Business Case Analysis Stage 2

Handling Fee Projection

- To be agreed between producers and retailers, most likely via a system administrator
- Base case projection is that handling fee will be 2.8p and the manual handling fee will average 1.1p
- We have also modelled a higher costs scenario to try to avoid prejudicing negotiations with retailers

Key Choices

- Implementation date
- Inclusion of glass
- Deposit level and flat rate versus variable
- System ownership
- Link to potential scheme in England/rest of UK

March 2020

Final regulations are laid before parliament by the Cabinet Secretary.

May 2020

MSPs voted to pass final regulations into law.

2020

Scheme Administrator expected to be formed.

January 2021

Retailers can apply for exemptions and voluntary return points can apply to register.

January 2022

Date that producers can register with the scheme regulator SEPA and start to place deposit bearing containers on the market.

July 2022

Go-live date that all beverage containers being sold onto the Scottish market must bear a deposit and retailers must start acting as a return point.