

First Minister lays down a deadline over DRS

The First Minister Humza Yousaf has set down a deadline on Monday for the UK Government to rethink on their response to the Scottish deposit return scheme (DRS).

Mr Yousaf has written to the Prime Minister urging him to revoke the UK Government's rejection of glass in the DRS by 5 June.

The First Minister said the UK Government's demands, including the removal of glass from DRS, would impact the environment, detrimentally affect businesses based in Scotland, and threaten the viability of the scheme.

The full text of the letter is below:

Rt Hon Rishi Sunak

Prime Minister

10 Downing Street

London

SW1A 2AA

02 June 2023

Dear Rishi,

On Friday 26 May the secretaries of state for DEFRA, LUHC and Scotland wrote to me indicating the UK Government is not prepared to agree a full exclusion from the Internal Market Act for Scotland's Deposit Return Scheme (DRS), and instead insist on the exclusion of glass, among other conditions.

These conditions will have a stark environmental impact and detrimentally impact businesses based in Scotland.

Specifically, the letter sets out that the UK Government is only prepared to agree to a temporary exclusion if we remove glass, agree a UK-wide cap on deposit levels, achieve reconciliation between scheme administrators to ensure fair distribution of payments, have one administration fee per participating company, and agreement of a single common UK logo. The removal of glass fundamentally threatens the viability of Scotland's DRS with reduced revenue for the scheme administrator.

Removing glass will also have a significant impact on business. For example, C&C Group – owners of the iconic Tennent's brand – has been explicit that the decision by the UK Government to remove glass threatens investment and jobs. Other Scottish businesses have raised similar concerns privately with us.

We cannot – and will not – put Scottish businesses at a competitive disadvantage by the UK Government's eleventh hour changes to the range of materials included, impacting Scottish jobs, inward investment and potentially reducing choice for consumers in Scotland.

The UK Government had intended to include glass in the English DRS from 2019 right up until March 2022 – two years after our Regulations were passed by the Scottish Parliament, and we planned our scheme on this basis. As late as January 2023, the UK Government confirmed that it was for devolved governments to decide the scope of their DRS. The Welsh Government's

stated intention has been to include glass in their DRS, meaning that it is the English scheme which is out of step with the design of other UK schemes.

In relation to interoperability, we have already been working with your officials to ensure alignment and we agree in principle that this is desirable. The conditions imposed by your letter of 26 May, however, are so lacking in detail as to make this requirement effectively impossible to meet. The reality is that your scheme is at such an early stage of development that you are unable to provide the operational details required to allow the schemes to be interoperable. Businesses need certainty and they need it now – not in two years' time when the UK Government scheme potentially, hopefully launches. The UK Government has significantly undermined the clarity and certainty that businesses unanimously tell us they need.

Businesses need firm evidence that the UK scheme will actually launch in 2025. There is no UK legislation in place yet or scheme administrator appointed. Until the full design and timescales of your DRS are in place it is unclear what operational detail we are being asked to align with or agree to.

In essence your letter asks the Scottish Government to either remove glass and sign up to a list of unfinalised and vague conditions to allow us to proceed in March 2024 or delay and align with a more limited UK Government scheme that is, frankly, unlikely to proceed in October 2025.

There are much wider consequences of the decision. This UK Government intervention at such a late stage demonstrates a major erosion of the devolution settlement. I urge you to revoke the conditions set out in your letter and grant a full exclusion for Scotland's DRS, to be implemented as per the regulations agreed by the Scottish Parliament in this area of devolved competence. Without this, the Scottish Government is

not prepared to put Scottish businesses at a competitive disadvantage due to the last minute demands the UK Government has made. There is little doubt your Government's action have put the future of DRS in grave danger not only in Scotland but also in the rest of the UK due to the damage to consumer and investor confidence.

I would be grateful for a reply by close on Monday 5 June to enable my Cabinet to consider the matter and the Scottish Parliament to be updated thereafter.

HUMZA YOUSAF

Scottish Greens environment spokesperson Mark Ruskell MSP said: "Politicians, businesses and environmental groups up and down the country are rightly furious at the Prime Minister's failure of leadership and utter disregard for the environment, jobs and investment in the decisions he and his ministers have taken.

"Not only are they at real risk of fatally damaging Scotland's deposit return scheme, his decision poses a huge threat to future schemes in other parts of the UK.

"There is a potential big prize here for the UK. A full exemption to the power-grabbing IMA would see Scotland go ahead with the scheme which our parliament voted for and which the UKG itself wanted until a sudden u-turn last year. It could be a trailblazer for the UK, an opportunity for shared learning.

"Instead, where we are today blows a huge hole in the environmental and economic case. Arbitrarily forcing Scotland to rule out glass bottles is a two-finger response to cleaner beaches and parks, better recycling and reduced carbon emissions.

"But even worse, the UK Government has imposed a set of half-baked conditions which threaten to keep shifting goalposts at

a time when businesses are pleading for certainty. The UK Government is asking the Scottish Government to do the impossible and accept their conditions without knowing what they are.

“These are the actions of the polluter’s party – the party that gives permission for coal mines, that would have us burning oil and gas until the wells run dry, and is content for litter to keep piling up in our parks and streets.

“The Scottish Greens in government offer the other path. We are putting record funding into nature restoration, we are encouraging people back onto public transport through free travel for U22s and cheaper rail, we are consulting on an energy strategy that has a presumption against fossil fuels, and tackling how we heat our buildings.”

He added: “The deposit return scheme was passed by the Scottish Parliament, in the knowledge that the same idea was in the UK Government’s own 2019 election manifesto until it kowtowed to business lobbying last year.

“That’s why I am so angry and disappointed. This is happening not because of the science, or the expertise, or the economy. It is constitutional warfare being waged by the UK Tory Government against Scotland’s Parliament as the Tories burn the house down before being kicked out of office next year. It’s short-sighted political game-playing against jobs, investment and our environment.

“These are dangerous times for democracy in Scotland as a result and the price is being paid by those who may now lose their jobs, the businesses who had invested heavily in doing the right and responsible things, the companies which had made their preparations, and above all, our environment which will be left more polluted and degraded.”

The Deposit Return Scheme is postponed until next year, but was devised to include glass and all single use drinks

containers. The consumer will pay 20p on any drink and then recoup the cost at a reverse vending machine or drinks outlet. The containers will then be recycled.

The Internal Markets Act is getting in the way as the Scottish scheme would be the first in the UK to become operational and the Scottish Government had asked for the DRS legislation to be exempted from the act – the UK Government agreed on condition that glass is removed from the scheme. The Welsh scheme which is not yet operational includes glass as currently drafted in UK Government papers.



Photo by mali maeder on [Pexels.com](https://www.pexels.com)