

# Scotland's Deposit Return Scheme

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Scottish Government  
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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

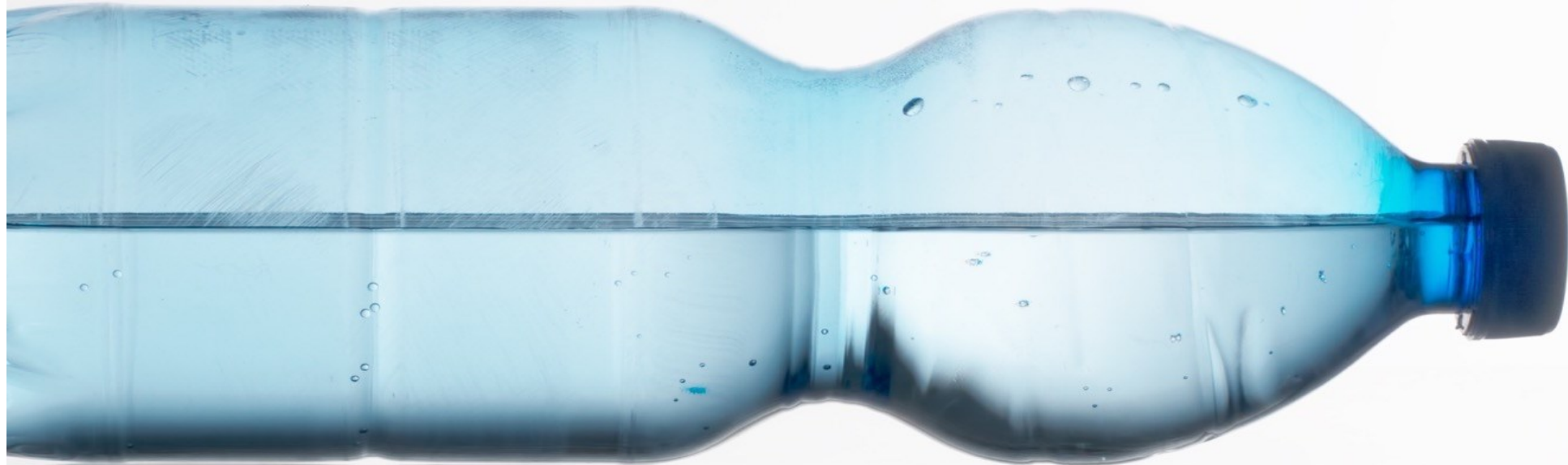


**ENCOURAGE**  
wider behaviour change  
around materials



**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**

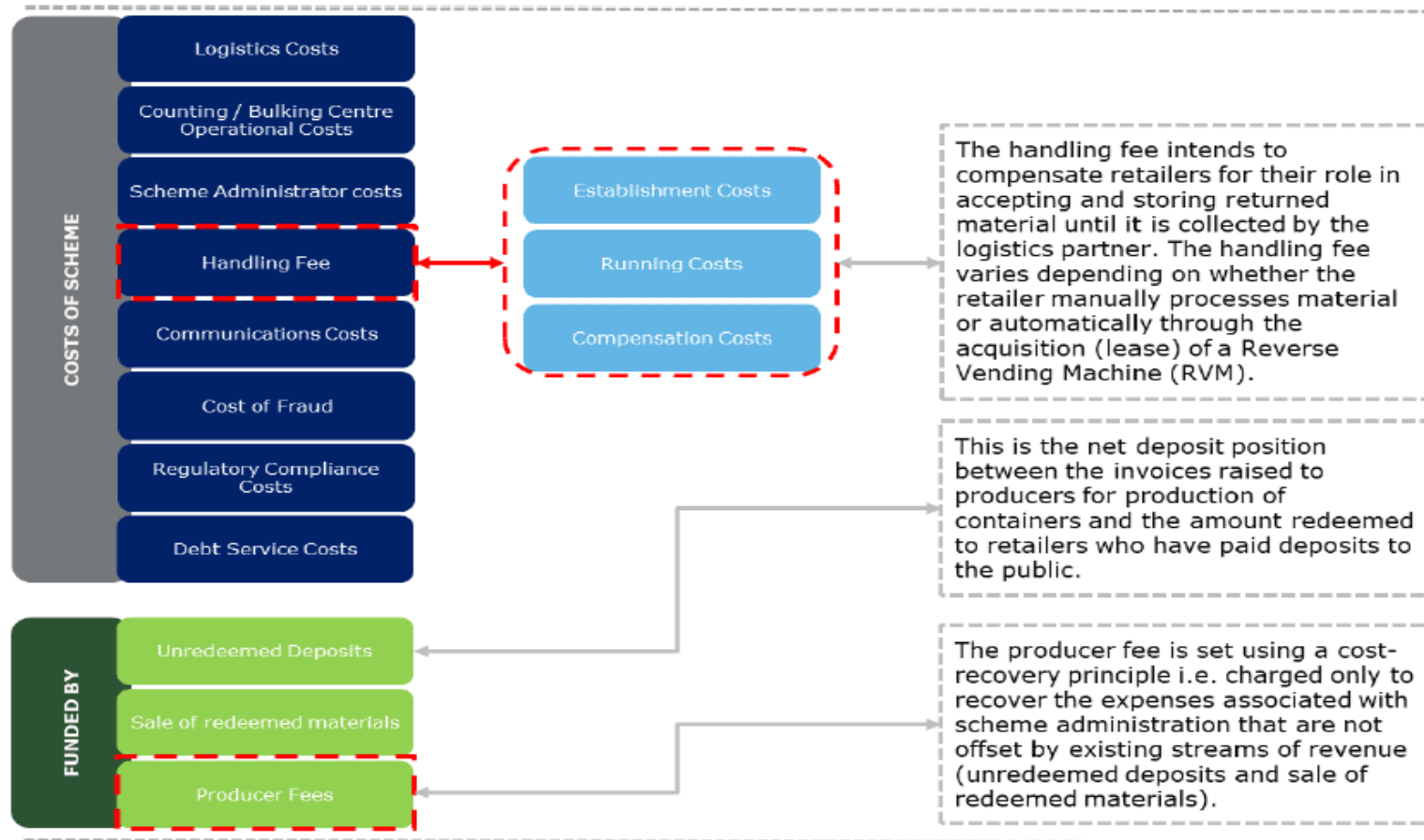
# Main Design Features

- 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

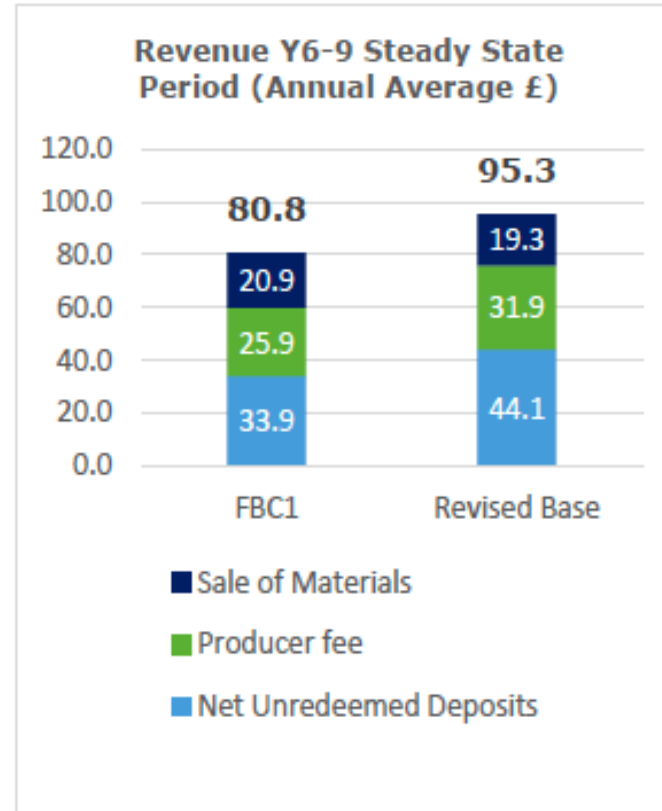
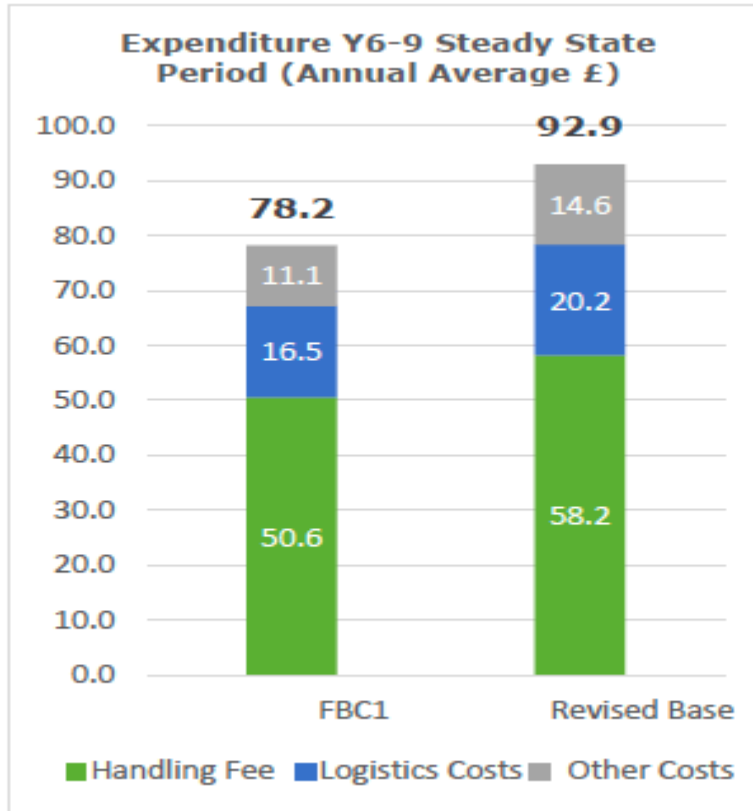
# Key facts and figures

- 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 CO<sub>2</sub>e per annum

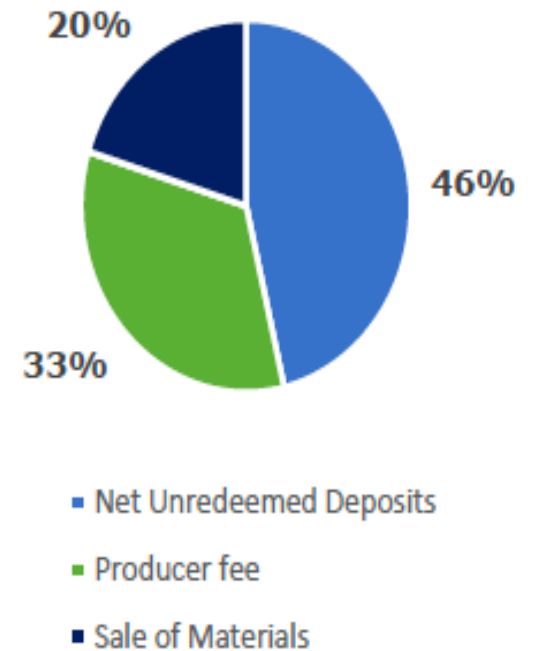
# Costs and funding



# Projected expenditure and revenue



**Revised Base % Revenue Y6-9**



# 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.

