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Dear Dave

Thank you for your letter of 28 August regarding the Scottish Government's plans to introduce a deposit return scheme (DRS) for single-use drinks containers.

I believe my decision to include glass in Scotland's proposed DRS remains the right one and I am confident that the scheme we have announced represents our best opportunity to deliver the increases in glass recycling that we wish to see.

The most recent household waste figures for Scotland, published on 17 September, report a less than 1% increase in glass recycling between 2017 and 2018. It is therefore clear that further intervention is required if we are to achieve recycling rates consistent with our wider ambitions for Scotland's circular economy. International evidence indicates that a glass capture rate in excess of 85% should be achievable through DRS, far in excess of both our current performance and future EU waste targets. This is the standard I believe we should be striving towards.

The experience of other schemes demonstrates the high levels of public participation that can be secured through DRS and, with the right investment in consumer information activity, I am confident that such a scheme can operate effectively alongside Scotland's kerbside collection and bring site arrangements. Local authorities will continue to collect glass containers not captured through deposit return, as required by the Waste (Scotland) Regulations 2012.

We estimate that the inclusion of glass will significantly reduce carbon emissions associated with glass drinks packaging over a 25 year period. Importantly, it will also help to address a visible and high impact component of Scotland's litter stream. The collection of glass separately from other recyclate through DRS should result in higher-quality cullet being made available for re-processing, a significant proportion of which is projected to be flint glass which we know is in high demand. We believe Scottish businesses can benefit from this high-quality feedstock, maximising economic opportunities and supporting jobs.

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While decisions regarding packaging are ultimately a matter for individual producers, we have seen little evidence to suggest that the introduction of DRS is likely to impact negatively on demand for glass. Where such shifts have taken place in other countries, it is recognised that other trends, including for example a reduction in the use of refillable glass bottles, have been a factor.

I accept that the inclusion of glass within the scheme increases operating costs and these are reflected in our *Deposit Return Scheme for Scotland: Full Business Case Stage 1*, published on 8 May. On balance, I believe the Business Case demonstrates the benefits associated with including glass outweigh those costs, estimated to be approximately £14 million per annum. It is also worth noting that a delay in reaching a final decision on glass is likely to significantly increase the complexity, and so cost, of accommodating this material in future.

The draft Deposit and Return Scheme Regulations 2020, published on 10 September, recognise that it is for producers to determine how the scheme's operating costs should be met. This includes the setting of any fees to be paid to a scheme administrator acting on their behalf. It must also be borne in mind that if glass were to be excluded from DRS, it would have to be covered by alternative producer responsibility arrangements, the costs of which are likely to increase significantly in the period ahead.

We recognise that other countries have successfully secured high glass recycling rates without adopting DRS. The existence of long-standing extended producer responsibility schemes and the adoption of "Pay as You Throw" consumer charging measures are often key to that success. Neither of these is a feature of the Scottish landscape and, whilst I am supportive of the steps being taken to reform the UK's current packaging producer responsibility arrangements, I do not believe those arrangements, however well designed, can deliver the same improvements that are anticipated as a result of DRS.

Of course, it has been important to design the scheme in such a way as to ensure those improvements can be fully realised. The adoption of a return to retail model which maximises consumer convenience is particularly important given our decision to include glass, which is, by nature, more difficult to transport due to its relative bulk and weight. The capture of glass bottles intact should also help to address concerns both around the storage of broken glass, and the potential for material to be lost as a result of processing.

We recognise the importance of working with industry to ensure glass can be accommodated effectively within the scheme and I appreciate your continued willingness to engage with the Scottish Government on our proposals. We also continue to work with representatives of the DRS Implementation Advisory Group to trial different handling, storage and collection arrangements for glass and I would be happy to explore how that preparatory work could be expanded further.

Yours sincerely



ROSEANNA CUNNINGHAM

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