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Convener  
Environment, Climate Change and Land Reform  
Committee  
Room T3.40  
The Scottish Parliament  
Edinburgh  
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1 October 2019

Dear Gillian,

Thank you for your letter of 19 September concerning the Deposit and Return Scheme for Scotland Regulations 2020 (“the 2020 Regulations”) and for updating me on the Committee’s plans for scrutiny of those Regulations. I look forward to engaging in that process.

In the meantime, please find enclosed at **Annex A** a response to the initial questions raised by the Committee.

In addition, I understand that, in the course of an informal briefing offered by my officials to the Committee on 17 September, further clarity was sought on the status of “Distance Selling Regulations” and their relevance to our plans for deposit return.

I believe the Regulations being referred to in this context were the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 which implement the EU Consumer Rights Directive. They apply in part to distance sales and impose obligations on sellers to protect consumer rights. To the extent that they deal with consumer rights, they are reserved to the UK Parliament.

Although the 2020 Regulations do deal with distance sales, they do not amend, affect or impact on the 2013 Regulations. Nor is the purpose of the 2020 Regulations to impact on, or amend the law on consumer rights. As such, our analysis is that the 2013 Regulations do not impact on the 2020 Regulations.

I hope this is helpful.

Yours,

**ROSEANNA CUNNINGHAM**

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## **SCOPE (MATERIALS)**

### **Q. How will scheme packaging be made identifiable in practice?**

A. The Regulations do not mandate a particular approach for the identification of scheme packaging. Instead, they allow producers the flexibility to determine the best solution. Most other schemes use some form of labelling to identify packaging within the scope of the deposit return scheme.

### **Q. How will it be ensured that deposits are not returned for items not covered by the scheme?**

A. A return point may refuse to accept packaging if they are not able to identify it as part of the scheme. Where a return point has accepted an item of packaging that is not part of the scheme (and paid out a deposit on that packaging), a producer will not be obliged to accept that packaging nor to pay a deposit or any other fee for that packaging.

### **Q. Does the SG intend to review the scope of the DRS (in terms of materials included) in future and is there potential for further materials to be added?**

A. The materials included in the scheme received the most support in our consultation and commonly feature in other schemes internationally. This does not, however, limit us from adding other materials later.

### **Q. What are the reasons for including glass in the scheme and what impact does the SG aim the scheme will have on glass recycling and use?**

A. 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 best available evidence suggests the current recycling rate for glass sits at 64%, while international evidence suggests it is possible to achieve a glass recycling rate in excess of 85% through DRS.

The collection of glass separately from other recycle 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.

A survey recently published by Zero Waste Scotland also indicates strong (85%) public support for including glass.

**Q. Does the SG expect any issues in relation to determining whether materials are designed for single or multiple uses (and therefore are included or not included)?**

A. It should be clear where something is intended for multiple uses. A key test will be whether the producer has taken efforts to ensure items are returned, for instance by organising their own collection systems.

**Q. Will the scheme apply to 'bio-based' or 'compostable' plastics or other emerging materials?**

A. The Regulations currently cover PET plastic which is the most common form of plastic used for drinks containers. The materials included in the scheme received the most support in our consultation and commonly feature in other schemes internationally. This does not, however, limit us from adding materials later.

**Q. What are the key concerns of the glass industry in relation to their inclusion in the scheme?**

A. British Glass issued an open letter on 28 August outlining their concerns regarding the inclusion of glass within the scope of the scheme. A copy of that letter is enclosed for your convenience.

A copy of the letter issued by the Cabinet Secretary for Environment, Climate Change and Land Reform in response to those concerns is also enclosed.

**Q. In the SG consideration of international DRS models which include glass, what lessons were learned and how successful were these schemes in their objectives?**

A. The inclusion of glass within a DRS is already well established in many other European schemes including:

- Croatia
- Denmark
- Estonia
- Finland
- Germany
- Lithuania

Evidence from those countries suggests that the inclusion of glass in DRS can contribute towards achieving and maintaining recycling targets of 85% or more. Best available evidence suggests the current recycling rate for glass in Scotland sits at 64%.

## **SCOPE (RETAILERS)**

**Q. How does the SG intend to interpret ‘reasonable proximity’ under Regulation 22(a) and ‘reasonable access’ under Regulation 22(b) when considering exemptions?**

A. Accessibility of return points will be key to both the success and fairness of the scheme. Retailers will be the main point of return for consumers and we want to introduce a system where it’s as easy for someone to return a scheme article as it was for them to purchase it. As a result, the interpretation of both terms in relation to an application will depend on the context. Detailed criteria will be developed to support the consideration of any applications for exemption as part of the scheme’s implementation.

**Q. Where the grounds for exemption is based on distance to other return points – what are the implications of this in an urban retail setting where retailers might ‘compete’ for an exemption?**

A. The Regulations are clear that an exemption will only be afforded where there is an agreement between retailers concerning the operation of an alternative return point in reasonable proximity.

If both criteria under regulation 22(1) are met the Scottish Ministers will be in a position to grant an exemption, meaning it will be possible to grant multiple exemptions on the same street as long as sufficient return points remain.

Retailers placed close together, whether in an urban street setting or a shopping centre, will also have the option of working together to operate a voluntary return point that could function on behalf of a number of retailers if the criteria for their exemption are also met.

**Q. Has the SG considered workplace health and safety implications of retailers accepting scheme articles manually?**

A. It is, of course, important that employers pay particular care to their employees’ workplace health and safety and we would encourage retailers to consider how best to achieve this, drawing on experience in other countries that include elements of manual return.

As part of our implementation planning for deposit return, we are working with representatives of the DRS Implementation Advisory Group to trial different handling, storage and collection arrangements for DRS material, one of the purposes of which will be to identify the right containers and infrastructure to support safe handling

**Q. Regarding the ease of defining and determining on-site consumption and closed-loop settings – how will the regs apply to settings such as food courts, shopping centres and workplace canteens where there is a mixture of on and off-site consumption of items?**

A. Hospitality businesses that sell any drinks in scheme containers for off-site consumption, have the same obligations as any other retailer in Scotland's Deposit Return Scheme. This includes any canteens and food courts that sell products for off-site consumption.

**Q. Regarding distance sales - how will the requirement to accept returns be affected if the retailer conducting sales and the delivery body are different organisations (eg a courier service)?**

A. In such circumstances, the obligation to operate a takeback service will fall on the operator of the website through which the original sale was made. The Regulations do not specify how the takeback service should be operated other than to allow for the service to be provided either directly or on behalf of the retailer in question.

## **ENVIRONMENTAL IMPACTS AND TARGETS**

**Q. Regarding the targets in Schedule 3 – what are the consequences of producers failing to meet targets – would any penalty apply to the scheme administrator or to individual producers?**

A. Producers choosing to register directly with SEPA will be expected to meet their collection target and any enforcement action will fall on them. Where a producer registers through a scheme administrator, the scheme administrator will take on the obligations for their producer members and any enforcement action will fall on the scheme administrator.

SEPA, as the Regulator, will have a range of options available to it for enforcement if targets are not met.

**Q. What assessment has been carried out of the potential for the Regulations to incentivise producers or consumers to switch packaging (eg from multi-pack cans to single plastic bottles) and associated environmental impacts?**

A. The Scottish Government has conducted a Business Regulatory Impact Assessment (BRIA) on our proposals. That BRIA concluded that DRS could impact consumer choice, incentivising a shift, to some extent, towards purchasing larger sized products compared to what they were purchasing before. However, the scale of this change is likely to be small and would not be expected to cause consumers to change their choice or preference for a certain brand. The decision to pursue a scheme design which maximises consumer convenience and targets a high capture rate should also help to mitigate this impact.

**Q. Will the scheme generate funds for good causes (similarly to the carrier bag charge) and if so how will those funds be disbursed? Will funds be earmarked for environmental projects?**

A. Charitable giving is a common feature of international schemes and there is no reason why producers (or a scheme administrator acting on their behalf) could not facilitate such donations under these proposals. Charitable giving was highlighted as one of the potential additional benefits of DRS identified within the *Deposit Return Scheme: Full Business Case Stage 1* and we will be working with industry to promote the value of this as part of any final scheme design.

**Q. Even though the scheme applies to single-use containers, is there scope via the DRS to promote circular product design or packaging re-use (eg making use of DRS infrastructure)?**

A. As a form of producer responsibility, the costs of operating the proposed DRS will be met by those businesses supplying the Scottish drinks market. We accept and support the need for the scheme to be delivered as efficiently as possible and believe that effective product design with particular regard to recyclability could help to both reduce operating costs and maximise revenue generated from the sale of material captured through the scheme.

Re-usable bottles, for which return and refill schemes exist, do not fall within the scope of the scheme, meaning their operation will not be impeded.

## **EMPLOYMENT AND BUSINESS IMPACTS AND OPPORTUNITIES**

**Q. What employment opportunities will be created by the scheme and how will they be maximised, including the potential for local groups to provide services eg collection services?**

A. The Scottish Government's *Deposit Return Scheme: Full Business Case Stage 1* identifies that a scheme of the type envisaged would likely require to be supported by a small team of administration staff responsible for the central co-ordination of activities, supplemented by a workforce tasked with operating counting centres, of which the Full Business Case anticipates there will be four. Based on a high-level assessment of workforce requirements as informed by consultation with existing schemes in other jurisdictions, the workforce is expected to comprise supervisory and management staff, counting and sorting machinery specific staff, administrative and general facility staff and other technical staff.

It is recognised that DRS will result in an increase in the amount of material being transported from across the country and it will be important to explore how existing infrastructure can be best utilised to minimise the impact of this change. For example, the use of back haulage arrangements, operated in partnership with retailers and distributors already supplying communities, is an option. Alternatively, there may be scope to use existing local businesses or community sector logistics services. The identification of the preferred logistics solution will be a matter for producers or a scheme administrator acting on their behalf.

**Q. How will the DRS affect reprocessing capacity in Scotland, and is there a need for Government support to maximise the reprocessing capacity that can be delivered?**

A. We want Scotland to move towards a circular economy where our resources are kept in high value use for as long as possible and more of the re-processing of recyclable material is carried out in Scotland.

The introduction of deposit return will significantly increase the quantity and quality of recycle, creating an aggregated and high-quality feedstock for reprocessing. We are committed to working with industry to maximise the economic opportunities associated with this and, in particular, are exploring the opportunities associated with the re-processing of PET plastic captured through the scheme. A dedicated workstream is being led by Zero Waste Scotland to support delivery of this objective.

### **LEVEL OF DEPOSIT**

**Q. Has the Scottish Government assessed the implications of the charge being a uniform 20p and identified any potential negative impacts eg encouraging producers to increase packaging size with associated environmental or health impacts?**

A. Packaging decisions are ultimately a matter for individual producers, with product design influenced by a range of factors.

As outlined above, the Scottish Government's BRIA concluded that DRS could impact consumer choice, incentivising a shift, to some extent, towards purchasing larger sized products compared to what they were purchasing before. However, the scale of this change is likely to be small and would not be expected to cause consumers to change their choice or preference for a certain brand. The decision to pursue a scheme design which maximises consumer convenience and targets a high capture rate should also help to mitigate this impact.

Based on international evidence a higher deposit level (in the range being proposed) is likely to incentivise public participation and so support the delivery of a high performing scheme. The public consultation on DRS, undertaken in summer 2018, reinforced this point, with more than half of respondents calling for a deposit of 15p or more. We believe a round number such as 20p is likely to be easier to visualise and communicate to consumers, supporting the delivery of an accessible and easy to understand scheme. This position is supported by recent research undertaken at a UK level on deposit return.

Whilst not conclusive, modelling work undertaken by the Scottish Government suggests that DRS will result in an initial additional outlay of around £1.40 for those individuals falling within the lowest 10% household income group as defined by the Office for National Statistics. While this money can be reclaimed, it is anticipated that it will then be spent on servicing further deposits and so cannot be redirected to other priorities. The outlay rises to approximately £1.80 for the second lowest

household income decile. We have not found any evidence to suggest a 20p deposit is likely to result in an increase in negative health outcomes.

**Q. Does the SG consider there may be potential to review or vary the charge to deal with ‘problem’ items (eg for environmental or health reasons) in future?**

A. The Scottish Government believes, on the basis of the evidence outlined above, that a 20p deposit is most likely to deliver the outcomes sought. At the same time, it is acknowledged that there may be a requirement to review aspects of the operation of DRS at some future point.

**LOCAL AUTHORITIES**

**Q. What work has been done to assess the potential impacts of the Regs on LA kerbside collections or other local authority services?**

A. It is clear that a significant volume of material currently collected through kerbside and bottle bank collections will be diverted into DRS. Work has commenced to review the Household Recycling Charter Code of Practice in order to consider how it will need to be adjusted to reflect the introduction of DRS. The Scottish Government is committed to continuing kerbside collections alongside DRS.

Local authorities are likely to benefit from a reduction in gate fees and landfill tax previously paid as a result of scheme articles not being recycled properly and ending up in residual waste. Councils are also expected to benefit from a reduction in the impact of litter, for instance through reduced demand for street cleansing.

**Q. Are any estimates available of financial impacts of the regs on local authorities?**

A. The Scottish Government's *Deposit Return Scheme: Full Business Case Stage 1* outlines the overall economic impact of DRS on local councils.

The total costs to local councils over 25 years is estimated £46 million. These relate to increased sorting costs for the remaining dry recyclate not captured through DRS and the lost income from selling materials. These costs are, however, offset by an estimated £237 million in benefits linked to reductions in landfill tax and collection efficiencies.

Zero Waste Scotland continues to work with local authorities to assess the impact of deposit return on their individual waste collection services.

**Q. Is the DRS likely to free up capacity in LA (due to less materials for kerbside collections) and how could that be used (eg to expand collections in priority waste areas)?**

A. Drinks containers currently account for a significant amount of material in kerbside collections and work is underway to review the Household Recycling Charter Code of Practice in order to consider the opportunities associated with the additional capacity created as a result of the introduction of DRS. The planned reform of wider packaging producer responsibility arrangements also represents an opportunity to further strengthen our wider approach to kerbside recycling.

## **TIMING AND IMPLEMENTATION**

**Q. What exactly needs to be in place before the regs will be commenced?**

A. A phased approach to implementation of the Regulations is proposed, with provisions concerning: the approval of any scheme administrators(s); exemptions of return points; and registration of producers, planned to commence in advance of the remainder of the legal obligations being proposed.

The Instrument currently indicates a commencement date of 1 April 2021 for key provisions concerning the scheme's operation. It is at this point that DRS would be considered fully operational.

At this point, there will need to be sufficient infrastructure at return points to accept the return of containers from the public. Large retailers are likely to use Reverse Vending Machines although this is not mandatory.

Producers will require to have arrangements in place to support the identification of those products which fall within the scope of the scheme. Further, producers (acting either individually or through a scheme administrator) will require to have sufficient infrastructure in place to support the collection and counting of containers, reimbursement of deposits and payment of any handling fees charged by return points. Producers will also require to have the necessary systems in place to routinely report information to SEPA for the purposes of compliance monitoring.

**Q. Can the required infrastructure be delivered by 2021 (in particular including the required central counting centres), and what will enable that to happen?**

A. Ultimately, it is for industry to establish the infrastructure required to operate the scheme and the timeline set out in the draft Regulations reflects that adopted by other international schemes.

As is outlined in the statement which accompanies the Regulations, the timetable for implementation of the scheme is the subject of ongoing discussion with stakeholders, supported through the Scottish Government's DRS Implementation Advisory Group. The various commencement dates included in the draft Regulations are caveated for this reason.

**Q. What has Zero Waste Scotland been asked to deliver by SG to support commencement of the regs?**

A. Zero Waste Scotland is the Scottish Government's delivery partner for the establishment of deposit return. In this role, they continue to provide technical advice and expertise on implementation of the scheme. Much of the outputs of this activity will be presented through a Stage 2 Full Business Case for DRS which, based on extensive supplier engagement and industry consultation, will set out – amongst other things – further financial and commercial information concerning the scheme's operation.

The organisation will also continue to support industry's efforts to establish the necessary management structures and infrastructure capacity to deliver the scheme effectively.

**Q. Are there broader developments or events that may significantly affect the timetable for commencement of the regs (including EU exit outcomes)?**

A. We are working to deliver the Scottish Government's Programme for Government commitment to progress plans for a deposit return scheme in this Parliament. We will continue to consider external factors, and will take all possible steps to mitigate against the significant negative impacts associated with EU exit.

**Q. What is the rationale for setting fixed dates for the scheme targets in Sched 3 starting from 1 1 2022, when the commencement date for the regs is caveated?**

A. The scheme target dates included in the final set of Regulations will be appropriately aligned with commencement dates.

**Q. Is the full infrastructure and operational capacity required for the DRS at national level required from day 1, or is there any potential for staged implementation?**

A. Whilst it is unlikely to be possible to phase the implementation of DRS by product type or geographic location, we will continue to work with industry to identify the level of infrastructure that is considered to be sufficient for the purposes of commencing the scheme. We acknowledge there may be scope to enhance that infrastructure over time in order to maximise the benefits associated with the scheme's operation.

**FINANCIAL MODEL, GOVERNANCE AND OWNERSHIP**

**Q. How will the financial sustainability of the scheme administrator be secured under the proposed private ownership model?**

A. Deposit return represents a cost effective mechanism through which businesses will meet their producer responsibility obligations to manage packaging at end of life. In line with the principle of extended producer responsibility, it is for producers rather than Government to meet those costs

Were a Scheme Administrator to cease functioning for any reason, the obligations under the scheme would fall back directly on producers.

The Regulations require that any person wishing to act as a scheme administrator must provide Scottish Ministers with information to demonstrate that it is likely to subsist for a period of at least 5 years.

**Q. What is the process for securing the £28m capital investment that is estimated to be required and what is the role of SG in this?**

A. As noted above, In line with the principle of extended producer responsibility, it is for producers rather than Government to meet the costs of operating the scheme. The Scottish Government will, however, continue to be engaged around the financing of the scheme as part of the work of the Implementation Advisory Group and this will include exploring potential routes through which to support industry in accessing the necessary capital investment required. As outlined in the *Deposit Return Scheme: Full Business Case Stage 1*, there may be scope for aspects of the scheme to be supported through the Scottish National Investment Bank and this is being tested further.

**Q. The operational costs of the scheme are estimated to be £75m a year, with 42% from unredeemed deposits. How does this take into account the phased increasing targets for the first 3 years (70-90%) and what would the implications be of this level of funding not being available?**

A. The Regulations do not specify how the scheme should be funded. However, the Scottish Government's *Deposit Return Scheme: Full Business Case Stage 1* assumes that all producers, working through a scheme administrator, would utilise unredeemed deposits to offset the scheme's operating costs. The Full Business Case estimates that those deposits will account for 42% of operating costs once the scheme reaches steady state, with 90% of material being captured at that point.

Further information on revenue funding for the scheme can be found on page 113 of the Scottish Government's *Deposit Return Scheme: Full Business Case Stage 1*.

The Full Business Case highlights that, for audit purposes, any scheme administrator may need to adopt an initial observatory period during which it would not be possible to use unredeemed deposits to fund the scheme. In practice, the observatory period will be dictated by the volume and quality of evidence the scheme administrator is able to collate in the initial years of the scheme in order to provide sufficient comfort to auditors around the level of deposits that are likely to go unredeemed. A scheme administrator would accrue a significant cash balance over the observatory period.

**Q. What will the SG consider when approving a scheme administrator?**

A. Subject to an organisation providing the required information, including an operational plan that demonstrates it is capable of discharging the obligations, the Scottish Ministers will grant approval. A number of tests will apply, which are currently being finalised, but are likely to include the scheme administrator demonstrating sufficient producer membership and having sufficient funding.

**Q. Is additional SG support required (and if so provided) to develop scheme infrastructure in rural areas?**

A. Accessibility of return points will be key to both the success and fairness of the scheme. Retailers will be the main point of return for consumers and we want to introduce a system where it's as easy for someone to return a scheme article as it was for them to purchase it. There will also be flexibility for organisations other than retailers, including any scheme administrator, to run a return point. There may be a need for extra return points in remote areas, particularly where they experience periodic high levels of visitors. This will be a matter for producers, however, who will need to ensure sufficient coverage in rural areas in order to meet their collection targets.

**PILOT SCHEME**

**Q. How was the pilot scheme evaluated and what lessons were learned from it?**

A. Zero Waste Scotland ran a number of pilot schemes in 2013, primarily focused on rewards rather than deposit return. The analysis can be found here:

<https://www.zerowastescotland.org.uk/litter-flytipping/recycle-reward-pilot>.

A number of retailers have also carried out independent pilot projects but there is limited published evaluation material from these. Zero Waste Scotland has undertaken extensive evidence gathering on existing schemes around the world:

<https://depositreturnscheme.zerowastescotland.org.uk/background/global-context>

**BROADER WASTE POLICY CONTEXT/INTERACTION WITH OTHER MEASURES**

**Q. How does the SG expect the scheme might interact with a future DRS in the rest of the UK?**

A. Scottish Ministers have met with representatives of the UK Government on several occasions to discuss DRS, and officials maintain this engagement on an ongoing basis. We have been clear about our willingness to engage with the other UK administrations to deliver complementary schemes should their ambitions match those set out by Ministers and we note that a further consultation on a DRS for England, Wales and Northern Ireland is scheduled to take place in 2020. That said, the Scottish Government's climate change commitments have led Ministers to conclude it is not an option to delay progressing our proposals.

**Q. How will the DRS interact with UK level plans under development to expand extended producer responsibility schemes?**

A. Our view is that deposit return is a form of extended producer responsibility, and therefore producers whose packaging is being dealt with through DRS should be exempt from alternative packaging producer responsibility arrangements. We have set this position out to the other UK administrations and will continue to explore how this policy might best be given effect.

**CROSS BORDER ISSUES AND WASTE FRAUD**

**Q. What cross border issues are there likely to be in implementing the regs?**

A. Packaging for drinks sold to consumers outside of Scotland will not be part of the scheme and there will be no obligation on retailers or producers to accept it or pay out deposits on it. There is a possibility that people may seek to exploit the border by, for instance, fraudulently claiming that a container is a scheme item when selling it or trying to redeem a deposit on it.

As the cost for this would likely fall on those who own or run the scheme, they will need to consider how best to prevent this through, for instance, a clear identification system for Scottish products. However, this will be a decision for producers and any scheme administrator.

**Q. What is the legal basis for requiring producers that are not based in Scotland to charge the deposit and accept returns?**

A. The Regulations should make it impossible for any scheme article to be sold in Scotland if the producer is not registered with SEPA.

All producers registered with SEPA, regardless of where they are based, will be subject to the obligations under the Regulations, including charging a deposit when selling a product in Scotland, and accepting their packaging back.

Where a producer is not meeting their obligations under the Regulations it is likely that SEPA's first action will be to work with the producer to improve compliance. Where the producer has a legal presence of some kind in Scotland SEPA will also have the option of applying civil sanctions (to be added by a separate Order), or criminal sanctions. In the case where a producer has no legal presence in Scotland and is persistently failing to meet their obligations under the Regulations, SEPA will have the option of cancelling their registration, meaning it will become an offence for any person to sell their products in Scotland. As a result that producer will effectively be removed from the Scottish market.

Where a scheme article produced outside the UK is offered for sale in Scotland, the importer of the article is considered to be the producer and will pick up the same obligations. This will function in a similar fashion to the current producer responsibility regulations.

**Q. How are fraud prevention measures going to be developed and agreed?**

A. Under the Regulations, Producers are responsible for the full cost of the scheme. Accordingly, we believe it is appropriate that they should be afforded the necessary flexibility to ensure the adoption of the most efficient and effective measures to prevent fraud.

**SEPA**

**Q. What capacity and resources are expected to be required by SEPA to fulfil the functions set out in the regs?**

A. SEPA colleagues have been closely involved in the development of the scheme and are currently working to determine capacity and resource requirements associated with their compliance and enforcement functions.

**OFFENCES**

**Q. It is understood that the intention is that a separate instrument be brought forward to include specified offences in relation to the deposit and return scheme in the environmental regs (Enforcement Measures) (Scotland) Order 2015. Why is a separate instrument required to introduce offences?**

A. The enabling powers for DRS (provided for in the Climate Change (Scotland) Act 2009) only provide for strict criminal penalties. We recognise that may be disproportionate for some offences in the Regulations as they are now drafted.

SEPA already has a range of civil penalties and other enforcement options available to it in relation to offences listed in the Environmental Regulation (Enforcement Measures) (Scotland) Order 2015. We will therefore add offences under these Regulations to the relevant Order to ensure SEPA has a proportionate suite of enforcement options.

**PUBLIC/BUSINESS COMMUNICATION**

**Q. What will SG do to prepare the public for the changes?**

A. Consumer engagement with and understanding of the system will be vital to its success. We have been working to ensure activity to date receives publicity, and preparations are already being made for an extensive public engagement campaign. We are also working to make sure producers and retailers are aware of the coming changes, as they will be an important avenue of communication with their customers.

As producers/scheme administrators will have a vested interest in consumer engagement, we anticipate them taking a leading role in this once the scheme is functional. This is the approach generally taken in established and successful schemes.

## **REVIEW/EVALUATION**

**Q. How will the scheme be evaluated and reviewed and what will the timetable be for that?**

A. The Scottish Government is planning to undertake a full evaluation of the scheme. Whilst the final design of that has yet to be agreed, it is anticipated that it will focus heavily on the four investment objectives outlined in the Scottish Government's *Deposit Return Scheme: Full Business Case Stage 1*:

- Improving recycling quantity.
- Improving recycling quality.
- Encouraging wider behaviour change around materials.
- Delivering maximum economic and societal benefit for Scotland during the transition to a low carbon world.