

Net Zero, Energy and Transport Committee  
Tuesday 27 May 2025  
19<sup>th</sup> Meeting, 2025 (Session 6)

## **Note by the Clerk on the Deposit and Return Scheme for Scotland Amendment Regulations 2025 (draft) and the Deposit and Return Scheme for Scotland (Designation of Scheme Administrator) Order 2025**

### **Overview**

1. At this meeting, the Committee will take evidence from the Acting Cabinet Secretary for Net Zero and Energy and Scottish Government officials on two Scottish Statutory Instruments (SSIs) relating to Scotland's Deposit and Return Scheme (DRS) before debating motions in the name of the Acting Cabinet Secretary inviting the Committee to recommend approval of the instruments.
2. These are draft SSIs, which requires approval by resolution of the Parliament before they can become law. More information about the instruments is summarised below:

**Title of instrument:** [The Deposit and Return Scheme for Scotland Amendment Regulations 2025](#) (draft)

**Laid under:** sections 84, 89, 90 and 96(2) of the Climate Change (Scotland) Act 2009

**Laid on:** 2 May 2025

**Procedure:** Affirmative

**Lead committee to report by:** 10 June 2025

**Commencement:** the instrument will come into force the day after it is made

**Title of instrument:** [The Deposit and Return Scheme for Scotland \(Designation of Scheme Administrator\) Order 2025](#) (draft)

**Laid under:** sections 85 and 96(2) of the Climate Change (Scotland) Act 2009

**Laid on:** 2 May 2025

**Procedure:** Affirmative

**Lead committee to report by:** 10 June 2025

**Commencement:** the instrument will come into force the day after it is made

3. The policy notes accompanying each instrument are included in **annexe A** (for the Deposit and Return Scheme for Scotland Amendment Regulations 2025) and **annexe B** (for the Deposit and Return Scheme for Scotland (Designation of Scheme Administrator) Order 2025). These include a summary of the consultation undertaken on each instrument, impact assessments carried out, and the anticipated financial effects.

## **Procedure**

4. Under the affirmative procedure, an instrument must be laid in draft and cannot be made (or come into force) unless it is approved by resolution of the Parliament.
5. Once laid, the instrument is referred to:
  - the Delegated Powers and Law Reform (DPLR) Committee, for scrutiny on various technical grounds, and
  - a lead committee, whose remit includes the subject-matter of the instrument, for scrutiny on policy grounds.
6. The lead committee, taking account of any recommendations made by the DPLR Committee (or any other committee), must report within 40 days of the instrument being laid.
7. The normal practice is to have two agenda items when an affirmative instrument is considered by the lead committee:
  - an evidence session with the Cabinet Secretary and officials, followed by
  - a formal debate on a motion, lodged by the Cabinet Secretary, inviting the lead committee to recommend approval of the instrument.
8. Only MSPs may participate in the debate, which may not last for more than 90 minutes. If there is a division on the motion, only committee members may vote. If the motion is agreed to, it is for the Chamber to decide, at a later date, whether to approve the instrument.
9. In respect of these instruments, because they are related, there will be one evidence session with the Cabinet Secretary and officials on both instruments. There will then be a separate debate on each motion.

## **Purpose of the instruments**

### **The Deposit and Return Scheme for Scotland Amendment Regulations 2025**

10. The policy note accompanying the instrument explains that its purpose is to amend the Deposit and Return Scheme for Scotland Regulations 2020 “to alter the full implementation date for Scotland’s Deposit Return Scheme (“DRS”) to 1 October 2027 and to make other amendments designed to support delivery and operation of a successful DRS, and technical amendments”.

11. A DRS would work by charging a small deposit when purchasing a drink in a single-use container. The deposit would be refunded when the empty container is returned. The aims behind a DRS are to increase recycling, reduce litter and meet climate change targets.
12. The amendments being made to the Scottish DRS regulations by this instrument are to align it with schemes due to be introduced in England and Northern Ireland on 1 October 2027. The Scottish Government, UK Government and the Department of Agriculture, Environment and Rural Affairs for Northern Ireland (DAERA), have agreed to proceed with DRS on a three-nation basis. (Wales is continuing to develop a separate scheme that will include glass).
13. In order to align with the schemes for England and Northern Ireland, certain policy changes are being made to the Scottish regulations, including:
  - a. The launch date is being moved from October 2025 to October 2027. (On this point, the policy note states that the revised timeline allows time for the Scheme Administrator “to establish itself as an organisation to run DRS on behalf of industry and to set up the necessary infrastructure it needs to operate DRS, as well as to provide businesses with the information needed to prepare for DRS launch”.)
  - b. Glass single-use drinks containers will no longer be part of the DRS. (On this point the policy note states that the Scottish Government continues to believe that glass should be included but “is keen to progress with DRS and it is therefore accepted that having a scheme with a more limited scope is better than having no DRS at all”.)
  - c. Groceries retailers with a limited retail space (less than 100m<sup>2</sup>) that are situated in an urban area will be automatically exempt from having to provide a return point. A groceries retailer can apply for an exemption if there is an alternative return point within reasonable proximity; or if the location, layout, size, design, or construction of the retail premises does not permit, or cannot reasonably be altered to permit, the operation of a return point.
  - d. Groceries retailers who sell single-use drinks containers online will no longer be required to provide a takeback service.
  - e. Minimum size of scheme article has increased from 100ml to 150ml.

### **The Deposit and Return Scheme for Scotland (Designation of Scheme Administrator) Order 2025**

14. The policy note explains that the purpose of this instrument is to designate a Scheme Administrator to operate the DRS in Scotland and to confer functions on the Scheme Administrator to enable it to operate the DRS.
15. The instrument designates the UK Deposit Management Organisation Limited as the Scheme Administrator for Scotland. The policy note says that the Scottish Ministers made the decision to designate the UK Deposit Management Organisation Limited following an administrative application and assessment process during which the Scottish Ministers worked cooperatively with the Department for Environment Food and Rural Affairs (acting for the scheme in England) and DAERA (acting for the scheme in Northern Ireland).

16. The functions conferred on the Scheme Administrator include:

- submitting its operational plan to SEPA by 31 March 2026 for approval,
- determining the payment to be paid to each return point operator,
- reviewing return points at such intervals as it considers appropriate.

17. The policy note states that the functions conferred on the Scheme Administrator “are broadly consistent with those given to the Deposit Management Organisation (DMO) for DRS in England and Northern Ireland”. The DMO for England and Wales is the equivalent body to the Scheme Administrator in Scotland. In each case, the designated body to perform this function is the UK Deposit Management Organisation Limited.

## **Delegated Powers and Law Reform Committee consideration**

18. The DPLR Committee considered the instruments on 20 May 2025 and reported on them in its [35<sup>th</sup> Report, 2025](#). The DPLR Committee raised points in relation to both instruments.

## **The Deposit and Return Scheme for Scotland Amendment Regulations 2025**

19. In respect of these regulations, the DPLR Committee has reported 7 drafting issues under the general reporting ground. Many of these the Scottish Government has committed to correcting. However, there are two matters on which corrective action is not proposed:

- a. New schedules 1A, 1B and 1C specify information to be provided in various applications under the regulations. One such bit of information is: “Where the [body] is a company, the company registration number as kept by Companies House, if applicable”. The DPLR Committee considered it to be more in line with standard drafting practice to stop the sentence after “number”. Their report stated that “If applicable” is redundant if the body is a company, and the company's registered number is not normally described in legislation as being “kept by” Companies House. The Scottish Government considered that the drafting is acceptable, citing the same drafting in the 2020 DRS regs. However, the DPLR Committee considers that the wording, while not likely to cause confusion, is not in line with standard drafting practice and highlights that there is time to make changes to the drafting in both instances before the DRS comes into operation.
- b. Regulation 31(7A) (inserted by regulation 28(f) of the instrument) creates an offence of failure by the scheme administrator to comply with a request for payment by SEPA of SEPA's costs under new regulation 30A. New regulation 30A provides that the payment is to be made in a way that is to be agreed between SEPA and the scheme administrator. The DPLR Committee report states that “It is relatively unusual that the person whose failure to comply would constitute an offence is given power to agree the terms with which it must comply”. The Scottish Government accepted that the wording of the provision may be unusual but explained that it is the policy intention for the deposit and return scheme to be run by industry through the body that industry has set up as the scheme administrator and

the Government does not want to specify how costs are to be paid. The Government considers this an operational matter that would be included in the operational plan that has to be approved by SEPA. The DPLR Committee report states that the Committee “notes the unusual nature of this aspect of the new offence. As this is bound up with policy decisions this is something that the lead Committee may wish to pursue”.

20. The DPLR Committee also reported this instrument under reporting ground (i), “defective drafting”. This indicates a more serious drafting concern than those reported under the general reporting ground, one which could impact on the operability of the instrument. The error related to applications for exemptions for operating a return point. Exemptions can be given on the basis of “location, layout, **size**, design or construction” (emphasis added). However, in Schedule 1C there is a list of information that a groceries retailer who wishes to apply for an exemption must provide in their application. This includes information to demonstrate that the premises are unsuitable on the basis of their: “location, layout, design, or construction”. “Size” is missing from this list. The Scottish Government has advised it will take corrective action on this point.

### **The Deposit and Return Scheme for Scotland (Designation of Scheme Administrator) Order 2025**

21. In respect of these regulations the DPLR Committee has reported two drafting issues under the general reporting ground; one more serious drafting issue under reporting ground (i) “defective drafting” (the same issue as set out above in respect of “size” being missing from a list of grounds which the Scheme Administrator is to consider); and one issue under reporting ground (h) “meaning could be clearer”. The Scottish Government has undertaken to take corrective action on all of these points.

### **Committee consideration**

22. The Net Zero, Energy and Transport Committee has undertaken ongoing scrutiny of Scotland’s proposed DRS, following on from the work of its predecessor Committee in Session 5 of the Parliament. The Scottish Government initially announced the design of a DRS on 8 May 2019 and published draft Regulations on 10 September 2019. These were approved by the Scottish Parliament on 13 May 2020.
23. The initial launch date of the DRS was July 2022. However, the Scottish Government then delayed the scheme’s launch to August 2023, citing the Covid-19 pandemic and EU exit as reasons for a 2022 launch being impractical.
24. In April 2023, the launch was delayed again, to March 2024, to allow “for confirmation of the Internal Market Act exclusion, resolution of outstanding operational issues and extensive testing of IT and logistic systems.”
25. In June 2023, the then Minister for Green Skills, Circular Economy and Biodiversity informed the Committee that the UK Government’s had decided to grant only a temporary and partial exclusion from the UK Internal Market Act 2020, which she considered made the scheme “unworkable”. The Scottish Government laid regulations setting a revised launch date of 1 October 2025,

matching the UK Government's planned date for DRS operating across other parts of the UK.

26. A timeline on the progress towards Scotland's DRS, and the Committee's scrutiny of this, is set out below.

**13 May 2020**

[Deposit and Return Scheme for Scotland Regulations 2020](#) approved by the Scottish Parliament allowing for the proposed DRS to launch on 1 July 2022.

**15 December 2021**

[Deposit and Return Scheme for Scotland \(Amendment\) Regulations 2022](#) laid in the Scottish Parliament with the purpose of delaying the scheme's launch until 16 August 2023.

**23 February 2022**

Deposit and Return Scheme for Scotland (Amendment) Regulations 2022 approved by the Scottish Parliament.

**14 March 2023**

Committee [evidence session](#) with the Scottish Government.

**28 March 2023**

Committee [evidence session](#) with senior executives of Circularity Scotland Ltd.

**18 April 2023**

The [Minister for Green Skills, Circular Economy and Biodiversity wrote to the Convener](#) giving details of the Scottish Government's intention to delay the Scheme's launch to 1 March 2024 – to allow “for confirmation of the Internal Market Act exclusion, resolution of outstanding operational issues and extensive testing of IT and logistic systems.”

**17 May 2023**

[Deposit and Return Scheme for Scotland \(Amendment\) Regulations 2023](#) laid in the Scottish Parliament with the purpose to delay the scheme's launch until 1 March 2024.

**7 June 2023**

The [Minister wrote to the Convener](#) notifying that an exclusion from the Internal Market Act had not been secured in full (the agreed exclusion did not include glass).

**9 June 2023**

The [Minister wrote to the Convener](#) setting out the Scottish Government's intention to delay the launch of the Scheme to 2025 – citing issues of interoperability across the UK and securing an exclusion from the Internal Market Act. The letter also set out the Scottish Government's intention to bring forward further legislation to delay the launch date to 1 October 2025 – following recent discussions with the UK Government.

**13 June 2023**

Committee [evidence session](#) with the Scottish Government.

**28 June 2023**

Deposit and Return Scheme for Scotland (Amendment) Regulations 2023 approved by the Scottish Parliament – delaying the launch of the scheme until 1 March 2024.

**30 June 2023**

[Deposit and Return Scheme for Scotland \(Miscellaneous Amendment\) Regulations 2023](#) laid in Scottish Parliament – to delay the scheme to October 2025 as announced in June by the Scottish Government.

**26 September 2023**

Committee [evidence session](#) with the Scottish Government.

**25 October 2023**

Deposit and Return Scheme for Scotland (Miscellaneous Amendment) Regulations 2023 approved by the Scottish Parliament – further delaying the launch of the scheme to October 2025.

**2 May 2025**

[The Deposit and Return Scheme for Scotland Amendment Regulations 2025](#) (draft) and [The Deposit and Return Scheme for Scotland \(Designation of Scheme Administrator\) Order 2025](#) (draft) laid before the Scottish Parliament.

27. At its meeting on 27 May, the Committee will take evidence from the Cabinet Secretary on the DRS. The Committee also invited the UK Minister for Nature to give evidence but she [responded](#) that she was unable to accept due to diary constraints. She stated that she would be willing to provide a written response to any questions the Committee has.

## Report

28. The Committee will be invited to agree to preparing a single report, covering the evidence-taking and debates on both instruments. The Convener may invite the Committee to delegate to him authority for considering and approving a draft report, prepared by the clerks after the meeting. In relation to any report finalised in this way, Committee Members may ask to see the draft and comment on it before the Convener authorises it for publication.

**Clerks to the Committee  
May 2025**

# **Annexe A: Scottish Government Policy Note for the Deposit and Return Scheme for Scotland Amendment Regulations 2025**

## **POLICY NOTE**

### **THE DEPOSIT AND RETURN SCHEME FOR SCOTLAND AMENDMENT REGULATIONS 2025**

#### **SSI 2025/XXX**

The above instrument was made in exercise of the powers conferred by sections 84, 89, 90 and 96(2) of the Climate Change (Scotland) Act 2009. The instrument is subject to the affirmative procedure.

#### **Summary Box**

Purpose of the instrument is to amend the Deposit and Return Scheme for Scotland Regulations 2020 to alter the full implementation date for Scotland's Deposit Return Scheme ("DRS") to 1 October 2027 and to make other amendments designed to support delivery and operation of a successful DRS, and technical amendments. These amendments align with schemes due to be introduced in England and Northern Ireland on 1 October 2027.

#### **Policy Objectives**

The main policy driver for Scotland's Deposit Return Scheme (DRS) is to promote and secure an increase in recycling of materials by applying a deposit to single-use drinks containers made of PET plastic and metal from 1 October 2027.

This forms part of the Scottish Government's response to the global climate emergency by ensuring the targeted materials are collected in larger quantities and separately to other materials, making them easier to recycle.

The Scottish Government initially announced the design of a DRS on 8 May 2019 and published draft Regulations on 10 September 2019. The DRS design and the draft Regulations were informed by extensive public consultation, international best practice and engagement with a broad range of stakeholders.<sup>1</sup>

The Deposit and Return Scheme for Scotland Regulations 2020 ("the 2020 Regulations") were approved by the Scottish Parliament in May 2020 and have subsequently been amended by the Deposit and Return Scheme for Scotland Amendment Regulations 2022, the Deposit and Return Scheme for Scotland Amendment Regulations 2023 and the Deposit and Return Scheme for Scotland (Miscellaneous Amendment) Regulations 2023.

Following the UK Government's decision on a UK Internal Market Act exclusion for DRS, the Scottish Government confirmed on 7 June 2023 its intention to align with the introduction of deposit return schemes in other parts of the UK.

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<sup>1</sup> <https://www.gov.scot/policies/managing-waste/deposit-return-scheme/>



In a Joint Policy Statement published in April 2024, the Scottish Government, alongside the UK Government, Welsh Government and the Department of Agriculture, Environment and Rural Affairs (DAERA) in Northern Ireland, committed to working together to introduce Deposit Return Schemes across the UK in October 2027.<sup>2</sup> In November 2024, the Welsh Government announced that they would not be proceeding with the four nation joint DRS process.<sup>3</sup>

The Scottish Government, alongside the UK Government and DAERA, have agreed to proceed with DRS on a three-nation basis. There is a shared ambition to increase recycling rates of single-use plastic and metal drinks containers to at least 90%, to significantly cut littering, and to expand opportunities to collect and reprocess high quality materials.

In order to move forward with a DRS in conjunction with the UK Government and DAERA, the Scottish Ministers have decided to make certain policy changes to Scotland's DRS which include:

- DRS launch date moved from October 2025 to October 2027.
- Glass single-use drinks containers will no longer be scheme articles under the 2020 Regulations and will therefore not be part of DRS.
- Retailers who sell scheme articles online will not be obligated to provide takeback of drinks containers from consumers who have purchased scheme articles online.
- The scope of return point obligations on retailers is reduced. Groceries retailers must operate a return point at any retail premises in Scotland unless they have an exemption. They are automatically exempt if the premises of the groceries retailer has limited retail space (less than 100m<sup>2</sup>), and is situated in an urban area. A groceries retailer can apply for an exemption from operating a return point if there is an alternative return point within reasonable proximity; or if the location, layout, size, design, or construction of the retail premises does not permit, or cannot reasonably be altered to permit, the operation of a return point.
- Groceries retailers who sell scheme articles online will no longer be required to provide a takeback service; but any person can apply to be registered as a takeback service provider.
- Minimum size of scheme article has increased from 100ml to 150ml.
- Retailers will only be able to sell scheme articles which are marked with a label and a scheme code showing that the drink is within the scope of DRS.
- Designation of a new Scheme Administrator (SA), UK Deposit Management Organisation Limited, by the Scottish Ministers which will be responsible for operating DRS in Scotland.
- The SA will be subject to certain obligations, including operating in accordance with its approved operational plan, collecting empty scheme packaging from return points and refunding deposits, as well as meeting collection targets.
- The SA will also have additional functions; it is to be responsible for deciding on the deposit level, which may be a variable or flat rate depending on the size of the

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<sup>2</sup> <https://www.gov.uk/government/publications/deposit-return-scheme-for-drinks-containers-policy-statements/deposit-return-scheme-for-drinks-containers-joint-policy-statement>

<sup>3</sup> <https://www.gov.wales/written-statement-development-deposit-return-scheme-wales>

container, and determining the scheme logo to appear on all scheme articles, as well as registering producers, groceries retailers (both those operating return points and those which apply for an exemption), voluntary return points and takeback service providers.

This policy note relates to the Deposit and Return Scheme for Scotland Amendment Regulations 2025, referred to in this note as “this instrument”. This instrument amends the 2020 Regulations. The Deposit and Return Scheme for Scotland (Designation of Scheme Administrator) Order 2025 ) (“the Order”) was made at the same time. Therefore the 2020 Regulations (as amended by this instrument) and the Order both comprise the legislation which establishes the DRS in Scotland. The 2020 Regulations and the Order should therefore be read together. The policy note for the Order explains in more detail the provisions contained within the Order.

This instrument in particular makes the following amendments to the 2020

#### Regulations: Launch date for DRS

The coming into force provisions in the 2020 Regulations are amended so that DRS is to launch on 1 October 2027. This is a change from the current launch date of 1 October 2025 and aligns with the scheme in England and Northern Ireland. The revised timeline allows time for the SA to establish itself as an organisation to run DRS on behalf of industry and to set up the necessary infrastructure it needs to operate DRS, as well as to provide businesses with the information needed to prepare for DRS launch. It further allows the time for businesses to make the changes required for DRS including for example: IT infrastructure, retailer activity on return points, producer activity on labelling and consumer engagement activity.

#### Scheme articles

The materials within scope of the DRS will be PET plastic, steel and aluminium. Glass bottles have been removed from the scope of the scheme and they will therefore no longer fall within the meaning of ‘scheme article’.

The Scottish Government continues to believe that including glass in DRS is the best way to achieve our 90% target glass recycling rate, as demonstrated by successful international schemes. However, the Scottish Government is keen to progress with DRS and it is therefore accepted that having a scheme with a more limited scope is better than having no DRS at all. This instrument amends the 2020 Regulations to require the Scottish Ministers to review DRS, including the materials within the scope of the scheme, by 1 October 2032 (which is within 5 years of launch). The Scottish Government will therefore continue to work constructively with the UK Government and Northern Ireland on the material scope of DRS and maintain its commitment to achieving high levels of glass recycling.

#### Size of scheme articles

The sizes of scheme articles within the scope of the DRS will be between 150ml and 3 litres. This is a change from existing legislation which included containers between 100ml and 3 litres. Any containers outside of this range will be in scope of the Extended Producer Responsibility for packaging (packaging EPR)<sup>4</sup>. Setting the minimum level for the size of

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<sup>4</sup> <https://www.gov.uk/guidance/extended-producer-responsibility-for-packaging-who-is-affected-and-what-to-do>

scheme articles at 150ml will improve the efficiency and effectiveness of the returns process from scheme launch, as very small containers can be challenging to label, or may cause issues with reverse vending machines. The Scottish Government, together with the other nations, will review the size of scheme articles once the scheme is operational to ensure the scheme is meeting its environmental objectives.

#### Low volume drink products

In relation to low volume drink products, producers may choose to notify the SA if they will have product lines which will not exceed more than 5000 units placed on the market across the UK (or 6250 in the first 15 months of operation). This is a change from the existing legislation which specified a threshold of 5000 units placed on the market only in Scotland. However, consistent with the previous policy, these low volume drink products will be exempt from specific DRS obligations, such as the requirement to pay producer fees, apply deposits, and carry DRS labelling.

Producers of low volume drink products will still register with the SA and report to it the number of containers placed on the market for each product. This exemption is designed to support producers with very specialist or low volume sales products (such as those being sold at a farm shop or market) who would find DRS requirements disproportionately burdensome.

The low volume drink products exemption will be reviewed once the scheme has launched, and we will consider whether to adjust or remove the exemption over time. The low volume drink products will still have obligations under the DRS, so will not be in scope of packaging EPR.

#### Producer registration

Producers who wish to market, offer for sale or sell scheme articles to a consumer in Scotland will be required to register with the SA before 1 October 2027. This is a change from the existing legislation which required producers to register with SEPA. As part of their registration information, producers will be required to provide the SA with data on the volume and size of the scheme articles placed on the market. It is expected that the SA will develop a single registration and reporting process where producers can register for all three- nation schemes through a single system. This will reduce the administrative burden on drinks producers. However, these systems are for the SA to design and operate.

A registered producer is subject to new obligations under the amendments made by this instrument to pay to the SA any producer registration fees which the SA may charge and the amount of the deposit for each scheme article that they market, offer for sale or sell in Scotland. Producers will no longer be required to pay an annual registration payment. The SA will recover the costs associated with operating DRS, including the fees charged to them by SEPA, through 3 key revenue streams:

- producer fees charged on a per container basis
- revenue from the sale of collected materials
- unredeemed deposits.

#### Scheme administrator

This instrument revokes from the 2020 Regulations the provisions regarding the approval of a scheme administrator since the scheme administrator is designated by the Scottish Ministers under the Order. This instrument, however, imposes an

obligation on the scheme administrator to operate in accordance with the operational plan which has been approved by SEPA under the Order. The scheme administrator is also required to submit an annual report to the Scottish Ministers and to SEPA, within 6 weeks of the end of each calendar year.

#### Collection targets

The collection targets for single-use plastic and metal drinks containers set out in schedule 3 of the 2020 Regulations are now imposed on the scheme administrator, rather than on producers. A year 1 (by end of 2028) collection target of 70% has been reinstated into schedule 3.

The scheme administrator must also collect scheme packaging from return points, hospitality retailers and takeback service providers and refund deposit amounts which they have repaid to consumers. In addition, the scheme administrator must pay a handling payment to the return point operators. The scheme administrator must supply returns data to registered producers and to SEPA.

#### Return points

Groceries retailers (in effect supermarkets, convenience stores and newsagents) will be required to operate return points, unless their retail premises are less than 100m<sup>2</sup> and in an urban area (as defined in the amendments made by this instrument). This is a change from all retailers of scheme articles being obligated to act as return points. Other types of organisations that sell scheme articles including hospitality venues, food to go stores, schools, gyms, sports or recreation centres, community centres, and mobile caterers would not be groceries retailers and will not be required to host a return point, but they will be able to apply to host a voluntary return point. Experience from international schemes shows that hosting a voluntary return point is popular, as organisations see the benefit of increased footfall.

Groceries retailers which require to operate a return point will be required to register with the SA.

Groceries retailers may still apply for an exemption from the requirement to operate a return point on the grounds of either (1) the retail premises' location, layout, size, design, or construction does not permit operation of a return point or (2) close proximity to another return point. Retailers will apply to the SA, which will determine whether an exemption can be granted. This is a change from the existing legislation which required Scottish Ministers to determine applications for return point exemptions. There will also no longer be a need for a groceries retailer applying for an exemption on the grounds that there is an alternative return point to secure the agreement of the alternative return point in advance of submitting an application.

Return points will still be required to accept returns of empty scheme packaging. This is also extended by this instrument to require them to accept returns of equivalent drinks containers which are subject to the DRS in England and Northern Ireland. Groceries retailers who do not sell alcohol for reasons of faith or belief will be able to refuse returns of containers of alcoholic drinks. This new provision is in response to stakeholder feedback.

Voluntary return points: as noted above, people or organisations may apply to the SA to be registered to operate a return point voluntarily. The SA will be required to register voluntary

return point operators. This is a change from the existing legislation which required Scottish Ministers to determine applications for registration as a voluntary return point operator.

#### Takeback services

Takeback service providers are people or organisations which collect empty scheme packaging from consumers, refund deposits, and return the material to the SA. People or organisations must register with the SA to operate a takeback service on a voluntary basis. This is a change from requirements in the existing legislation which required large groceries retailers to provide a takeback service to consumers who had purchased scheme articles online.

This requirement to provide a takeback service was removed partly in response to feedback from industry who consistently expressed their concerns about the feasibility of providing such a service. The equivalent DRS Regulations for England and Northern Ireland do not impose takeback obligations for drinks containers sold online; therefore, large groceries retailers in Scotland would have had to develop bespoke takeback services for Scotland only. The need for a Scotland-only takeback service increases the risk that retailers would restrict online drinks sales in Scotland which would mean that they would not have corresponding takeback obligations. This potential restriction of online drinks sales would have had a wider and more detrimental impact on all consumers in Scotland.

Irrespective of how consumers purchase scheme articles, the Scottish Government's aim is that access to return points is as broad as possible, and that no one is excluded from participating in the scheme and unable to redeem their deposit. Officials across the three- nations have developed mitigations to review progress towards the establishment of takeback services. If voluntary models developed with the support of the SA are not sufficient, then the Scottish Government would have the option to review this policy again and to consider an alternative solution which could include re-introducing mandatory provision of online takeback services.

#### **UN Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 Compatibility**

The Scottish Ministers have made the following statement regarding children's rights.

"In accordance with section 23(2) of the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 (the Act), the Scottish Ministers certify that, in their view, the Deposit and Return Scheme for Scotland Amendment Regulations 2025 are compatible with the UNCRC requirements as defined by section 1(2) of the Act."

#### **EU Alignment Consideration**

The relevant EU legislation that relates to Scotland's DRS includes Directive (EU) 2019/904 on the reduction of the impact of certain plastic products on the environment; Directive 94/62/EC on packaging and packaging waste (PPWD); and Regulation (EU) 2025/40 on packaging and packaging waste, amending Regulation (EU) 2019/1020 and Directive (EU) 2019/904, and repealing Directive 94/62/EC (PPWR).

Under the PPWR EU member states were required to take measures, such as national programmes, incentives through extended producer responsibility schemes and other economic instruments, to prevent the generation of packaging waste and to minimise the environmental impact of packaging and to meet recycling targets. This will be repealed by the PPWR which applies from August 2026. Amongst other things, the PPWR establishes further requirements for extended producer responsibility, packaging waste prevention, such as the reduction of unnecessary packaging and the re-use or refill of packaging, as well as the collection and treatment, including recycling, of packaging waste. In particular, it obliges EU member states, by 1 January 2029, to ensure the separate collection of at least 90% per year by weight of the following packaging formats which are introduced on to its market for the first time in a given calendar year:

- single-use plastic beverage bottles with a capacity of up to 3 litres;
- single-use metal beverage containers with a capacity of up to 3 litres.

To achieve these targets, EU member states must ensure that deposit and return systems (DRS) are set up for the relevant packaging formats and that a deposit is charged at the point of sale.

The PPWR also stipulates minimum requirements that DRS systems must meet, including:

- ensuring equal access and fair conditions for all economic operators,
- establishing control procedures and reporting systems,
- fixing a minimum deposit amount to achieve the collection targets,
- obliging final distributors to accept the deposit bearing packaging,
- deposit bearing packaging is clearly labelled.

In line with a derogation in the PPWR, hospitality retailers are not required to charge a deposit for scheme articles which are consumed on the premises. The PPWR also allows a derogation to exclude scheme articles with a minimum size of 100ml where it is technically not feasible to include them in DRS. At the moment this instrument provides for a minimum scheme article size of 150ml, but this will be kept under review.

The 2020 Regulations (as amended by this instrument) together with the Order provide the necessary legislation to align with the requirement of the PPWR to increase recycling rates of single-use plastic and metal drinks containers to at least 90% and to establish a DRS to do so.

## **Consultation**

An extensive public consultation was carried out in 2018 to inform the design of Scotland's DRS. The Scottish Government reviewed the implementation timetable in 2022 following an independent gateway review and engagement with industry stakeholders, resulting in a revised implementation date of 16 August 2023.

Stakeholder engagement as part of scheme assurance processes throughout March and April 2023 included producers, retailers, the then scheme administrator

and hospitality sector representatives.

Since publication of the Joint Policy Statement, stakeholder engagement has continued on a three-nation basis. This includes a regular Industry Forum and its associated industry sub-groups, attending meetings with the scheme administrator candidate, comprised of a cross section of industry - as well as regular meetings with environmental groups and individual stakeholder meetings. Scottish specific industry engagement will continue to address any issues as the scheme develops.

As a result of continued stakeholder engagement these policy changes to delay and align the scheme with other schemes in the UK have been developed to provide certainty of the scheme scope, and this instrument and the Order have been made to provide sufficient time for businesses to prepare ahead of 1 October 2027.

### **Impact Assessments**

The following impact assessments have been updated to evaluate the likely impacts of the amended policy.

- A Partial Business and Regulatory Impact Assessment was published on 9 January 2025. A [Final Business and Regulatory Impact Assessment \(BRIA\)](#) has been completed following consultation feedback and will be published to coincide with the laying of this instrument and the Order.
- An [updated Equality Impact Assessment \(EQIA\)](#) will be published to coincide with the laying of this instrument and the Order.
- A [Fairer Scotland Duty Assessment \(FSDA\)](#) will be published to coincide with the laying of this instrument and the Order.
- An [Island Communities Impact Screening Assessment \(ICIA\)](#) will be published to coincide with the laying of this instrument and the Order.
- A [Child Rights and Wellbeing Impact Assessment \(CRWIA\)](#) will be published to coincide with the laying of this instrument and the Order.

It is recognised, taking into account experiences of existing deposit return schemes in other countries, that the scheme imposed by the 2020 Regulations and the Order will have an impact upon industry and consumers. The DRS will be reviewed once it is fully operational and sufficient time has passed to allow data to be available to evaluate its impact on all sectors. Scottish Ministers must complete a review of the scheme by October 2032.

### **Financial Effects**

As noted above, a Final Business and Regulatory Impact Assessment (BRIA) has been completed for this policy and will be published alongside this instrument.

Over the 10-year assessment period, the DRS in Scotland is estimated to cost £900 million and to deliver a benefit of £1,270 million. This gives a Net Present Value of £366 million and a Benefit Cost Ratio of 1.4.

Scottish Government  
Environment and Forestry Directorate, 2 May 2025

## **Annexe B: Scottish Government Policy Note for the Deposit and Return Scheme for Scotland (Designation of Scheme Administrator) Order 2025**

### **POLICY NOTE**

#### **THE DEPOSIT AND RETURN SCHEME FOR SCOTLAND (DESIGNATION OF SCHEME ADMINISTRATOR) ORDER 2025**

#### **SSI 2025/XXX**

The Scottish Ministers make the following Order in exercise of the powers conferred by sections 85 and 96(2) of the Climate Change (Scotland) Act 2009(a). The instrument is subject to the affirmative procedure.

#### **Summary Box**

Purpose of the instrument is to designate a Scheme Administrator to operate the Deposit and Return Scheme in Scotland and to confer functions on it to do so.

#### **Policy Objectives**

The main policy driver for Scotland's Deposit Return Scheme (DRS) is to promote and secure an increase in recycling of materials by applying a deposit to single-use drinks containers made of PET plastic and metal from October 2027.

This forms part of the Scottish Government's response to the global climate emergency by ensuring the targeted materials are collected in larger quantities and separately to other materials, making them easier to recycle.

The Scottish Government initially announced the design of a DRS on 8 May 2019 and published draft Regulations on 10 September 2019. The DRS design and the draft Regulations were informed by extensive public consultation, international best practice and engagement with a broad range of stakeholders.<sup>5</sup>

The Deposit and Return Scheme for Scotland Regulations 2020 ("the 2020 Regulations") were approved by the Scottish Parliament in May 2020 and have subsequently been amended by the Deposit and Return Scheme for Scotland Amendment Regulations 2022, the Deposit and Return Scheme for Scotland Amendment Regulations 2023 and the Deposit and Return Scheme for Scotland (Miscellaneous Amendment) Regulations 2023.

Following the UK Government's decision on a UK Internal Market Act exclusion for DRS, the Scottish Government confirmed on 7 June 2023 its intention to align with the introduction of deposit return schemes in other parts of the UK.

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<sup>5</sup> <https://www.gov.scot/policies/managing-waste/deposit-return-scheme/>



In a Joint Policy Statement published in April 2024, the Scottish Government, alongside the UK Government, Welsh Government and the Department of Agriculture, Environment and Rural Affairs (DAERA) in Northern Ireland, committed to working together to introduce Deposit Return Schemes across the UK in October 2027.<sup>6</sup> In November 2024 the Welsh Government announced that they would not be proceeding with the four nation joint DRS process.<sup>7</sup>

The Scottish Government, alongside the UK Government and DAERA, have agreed to proceed with DRS on a three-nation basis. There is a shared ambition to increase recycling rates of single-use plastic and metal drinks containers to at least 90%, to significantly cut littering, and to expand opportunities to collect and reprocess high quality materials.

In order to move forward with a DRS in conjunction with the UK Government and DAERA, the Scottish Ministers have decided to make certain policy changes to Scotland's DRS which include:

- DRS launch date moved from October 2025 to October 2027.
- Glass single-use drinks containers will no longer be scheme articles under the 2020 Regulations and will therefore not be part of DRS.
- Retailers who sell scheme articles online will not be obligated to provide takeback of drinks containers from consumers who have purchased scheme articles online.
- The scope of return point obligations on retailers is reduced. Groceries retailers must operate a return point at any retail premises in Scotland unless they have an exemption. They are automatically exempt if the premises of the groceries retailer has limited retail space (less than 100m<sup>2</sup>), and is situated in an urban area. A groceries retailer can apply for an exemption from operating a return point if there is an alternative return point within reasonable proximity; or if the location, layout, size, design, or construction of the retail premises does not permit, or cannot reasonably be altered to permit, the operation of a return point.
- Groceries retailers who sell scheme articles online will no longer be required to provide a takeback service; but any person can apply to be registered as a takeback service provider.
- Minimum size of scheme article has increased from 100ml to 150ml.
- Retailers will only be able to sell scheme articles which are marked with a label and a scheme code showing that the drink is within the scope of DRS.
- Designation of a new Scheme Administrator (SA), UK Deposit Management Organisation Limited, by the Scottish Ministers which will be responsible for operating DRS in Scotland.
- The SA will be subject to certain obligations, including operating in accordance with its approved operational plan, collecting empty scheme packaging from return points and refunding deposits, as well as meeting collection targets.

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<sup>6</sup> <https://www.gov.uk/government/publications/deposit-return-scheme-for-drinks-containers-policy-statements/deposit-return-scheme-for-drinks-containers-joint-policy-statement>

<sup>7</sup> <https://www.gov.wales/written-statement-development-deposit-return-scheme-wales>

- The SA will also have additional functions; it and is to be responsible for deciding on the deposit level, which may be a variable or flat rate depending on the size of the container, and determining the scheme logo to appear on all scheme articles, as well as registering producers, groceries retailers (both those operating return points and those which apply for an exemption), voluntary return points and takeback service providers.

This policy note relates to the Deposit and Return Scheme for Scotland Designation of Scheme Administrator Order 2025, referred to in this note as “this instrument”. The Deposit and Return Scheme for Scotland Amendment Regulations 2025 (“the Amendment Regulations”), which amend the 2020 Regulations, were made at the same time. Therefore the 2020 Regulations (as amended) and this instrument both comprise the legislation which establishes the DRS in Scotland. The 2020 Regulations and this instrument should therefore be read together. The policy note for the Amendment Regulations explains in more detail the provisions contained within the Amendment Regulations. Subsequent references in this policy note to the 2020 Regulations are to the 2020 Regulations as amended by the Amendment Regulations.

The main purpose of this instrument is to designate a scheme administrator which will operate and manage the DRS in Scotland. It also sets out the obligations and functions of that scheme administrator. These functions are broadly consistent with those given to the Deposit Management Organisation (DMO) for DRS in England and Northern Ireland. The DMO for England and Northern Ireland and the SA for Scotland will operate under the relevant legislation in each nation.

The main provisions made by this instrument are set out below:

#### Scheme administrator

This instrument designates UK Deposit Management Organisation Limited as the Scheme Administrator (SA) for Scotland. Scottish Ministers made their decision that it was appropriate for UK Deposit Management Organisation Limited to be designated as the SA for Scotland following an administrative application and assessment process. The assessment carried out by Scottish Ministers was in line with the process set out in application documents<sup>8</sup>. During its assessment of the scheme administrator application, the Scottish Government worked cooperatively with DEFRA, acting on behalf of the UK Government for the scheme in England, and DAERA, acting for the scheme in Northern Ireland.

#### Operational plan

This instrument makes provisions regarding the operational plan for the SA. It requires the SA to submit its operational plan to SEPA by 31 March 2026 for approval. The operational plan must set out how the SA intends to exercise its DRS functions. The SA must review its operational plan at least every year and if it revises it, SEPA must agree any revisions to the SA’s operational plan. Under the 2020 Regulations the SA is required to act in accordance with its approved

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<sup>8</sup> [Apply to manage the Deposit Return Scheme for drinks containers - GOV.UK](#) - 2 December 2024.

operational plan.

#### Scheme logo and scheme code

This instrument makes provision for a scheme logo, scheme packaging logo (if required) and requirements of a scheme return code to be issued by the SA. The SA must issue a logo which will allow scheme articles to be recognised by consumers and a machine readable code which will allow the labels to be read by reverse vending machines. The SA may also choose to issue a logo to identify multipacks containing scheme articles. Under the 2020 Regulations, scheme articles can be sold only if they bear the scheme logo and code.

#### Deposit level

This instrument makes provision for the determination of the deposit level and the use of such deposit by the SA. The SA must determine the deposit level, which may be a flat or variable rate. The SA must retain the deposit amounts paid to it by registered producers and use those amounts to meet the costs of paying the return point operators, hospitality retailers or takeback service providers the deposits for each item of scheme packaging which the SA collects. Any remaining funds after these costs have been met, must be used towards any of SEPA's costs which have not otherwise been met. Once these costs have been met the SA may use any remaining amount to fund operation of scheme.

#### Handling payment

This instrument makes provision for the SA to determine the payment to be paid to each return point operator, referred to as the 'handling payment'. The SA is required to calculate the handling payment having regard to a range of factors, including costs for collection/storage of scheme packaging and for staff time. It further allows for the SA to calculate the handling payment based on average costs incurred by return point operators or a class of return point operators; it therefore does not need to be based on the individual costs of each return point operator. The SA could, for example, set a handling payment for small retailers in a rural area. This will, however, be a matter for the SA to determine.

#### Return points

Under the 2020 Regulations, groceries retailers (in effect supermarkets, convenience stores and newsagents) are required to host return points, unless their retail premises are less than 100m<sup>2</sup> and in an urban area. This instrument requires the SA to review return points at such intervals as it considers appropriate, taking into account particular specified matters including whether there is sufficient access to return points for persons living in villages and rural areas and on islands. As a result of such a review it could increase or decrease the number of return points. The SA must collect all scheme packaging accepted by return point operators as well as scheme packaging retained by hospitality retailers who sell scheme articles or scheme packaging collected by takeback service providers.

The SA must register a groceries retailer as a return point operator if that retailer is required to operate a return point. Under the 2020 Regulations, groceries retailers may apply for a return point exemption on the grounds of either (1) the retail premises' location, layout, size, design, or construction does not permit operation of a return point or (2) close proximity to another return point. Retailers will apply to

the SA, which will determine whether an exemption should be granted. This is a change from the existing legislation which required Scottish Ministers to determine return point exemptions.

The SA must publish and maintain a register of groceries retailers who operate return points as well as a register of any groceries retailers to whom it grants an exemption from operating a return point.

The SA may operate return points itself.

#### Registration of voluntary return points and takeback service providers

Voluntary return point operators and takeback service providers are required to register with the SA. The SA is required to publish and maintain a register of voluntary return point operators and takeback service providers.

#### Cooperation between other SAs

This instrument allows the SA to enter into arrangements with its counterpart scheme administrators in other parts of the UK where it considers that it is appropriate to do so to ensure the efficient and effective performance of the DRS.

#### Producer registration fees

The SA may charge a fee to registered producers. That fee may be used to cover SEPA's costs and the costs incurred by the SA in exercising its functions in relation to DRS. The amount the SA can charge registered producers is the aggregate of the amount of the items of scheme packaging made from each of the scheme materials (PET plastic, steel and aluminium) which the producer expects to market, offer for sale or sell in a relevant year, multiplied by the fee for the relevant year for each type of scheme material.

When determining the registration fee, the SA must have regard to the likely value, or if known the actual value, of each type of material which the SA expects to be recycled from all the scheme packaging which is collected by, or returned to, the SA in the relevant year. The registration fees for one scheme material may not subsidise the costs for another scheme material.

#### Registration of producers

The SA is required to register producers who intend to market, offer for sale or sell any scheme articles to consumers in Scotland if they apply for registration and provide specified information about their scheme articles. The SA must also publish and maintain a register of producers. This is a change from the registration requirement placed on SEPA under the existing legislation.

#### Consultation requirements

Where the SA is required to determine the logo, deposit level, producer registration fee, and handling payment, the SA will be required to consult with affected producers or retailers. It must also consult their representatives and any other persons it considers appropriate. In particular, the SA must consult persons who represent the interests of small producers or small retailers or wholesalers, as appropriate.

### Internal review of SA decisions

Under this instrument the SA will be required to take a number of decisions, for example on cancellation of the registration of producers or decisions on registration fees or handling payment. This instrument also provides a right of internal review by the SA in relation to specified decisions on request from an affected person. If the person remains dissatisfied with a decision of the SA following an internal review, then the remedy for an affected person would be to challenge it by means of judicial review.

## **UN Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 Compatibility**

The Scottish Ministers have made the following statement regarding children's rights.

"In accordance with section 23(2) of the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 (the Act), the Scottish Ministers certify that, in their view, the Deposit and Return Scheme for Scotland (Designation of Scheme Administrator) Order 2025 is compatible with the UNCRC requirements as defined by section 1(2) of the Act."

## **EU Alignment Consideration**

The relevant EU legislation that relates to Scotland's DRS includes Directive (EU) 2019/904 on the reduction of the impact of certain plastic products on the environment; Directive 94/62/EC on packaging and packaging waste (PPWD); and Regulation (EU) 2025/40 on packaging and packaging waste, amending Regulation (EU) 2019/1020 and Directive (EU) 2019/904, and repealing Directive 94/62/EC (PPWR).

Under the PPWD EU member states were required to take measures, such as national programmes, incentives through extended producer responsibility schemes and other economic instruments, to prevent the generation of packaging waste and to minimise the environmental impact of packaging and to meet recycling targets. This will be repealed by the PPWR which applies from August 2026. Amongst other things, the PPWR establishes further requirements for extended producer responsibility, packaging waste prevention, such as the reduction of unnecessary packaging and the re-use or refill of packaging, as well as the collection and treatment, including recycling, of packaging waste. In particular, it obliges EU member states, by 1 January 2029, to ensure the separate collection of at least 90% per year by weight of the following packaging formats which are introduced on to its market for the first time in a given calendar year:

- single-use plastic beverage bottles with a capacity of up to 3 litres;
- single-use metal beverage containers with a capacity of up to 3 litres.

To achieve these targets, EU member states must ensure that deposit and return systems (DRS) are set up for the relevant packaging formats and that a deposit is charged at the point of sale.

The PPWR also stipulates minimum requirements that DRS systems must meet,

including requirements in relation to a scheme administrator such as:

- a single system operator is established or, in the case there is more than one system operator, there are to be measures in member states to ensure coordination between the different system operators;
- the system operator is a non-profit and independent legal entity;
- the system operator coordinates the functioning of the deposit and return system.

This instrument together with the 2020 Regulations provide the necessary legislation to align with the requirement of the PPWR to increase recycling rates of single-use plastic and metal drinks containers to at least 90% and to establish a DRS to do so.

## **Consultation**

An extensive public consultation was carried out in 2018 to inform the design of Scotland's DRS. The Scottish Government reviewed the implementation timetable in 2022 following an independent gateway review and engagement with industry stakeholders, resulting in a revised implementation date of 16 August 2023.

Stakeholder engagement as part of scheme assurance processes throughout March and April 2023 included producers, retailers, the then scheme administrator and hospitality sector representatives.

Since publication of the Joint Policy Statement, stakeholder engagement has continued on a three-nation basis. This includes a regular Industry Forum and its associated industry sub- groups, attending meetings with the scheme administrator candidate, comprised of a cross section of industry - as well as regular meetings with environmental groups and individual stakeholder meetings. Scottish specific industry engagement will continue to address any issues as the scheme develops.

As a result of continued stakeholder engagement these policy changes to delay and align the scheme with other schemes in the UK have been developed to provide certainty of the scheme scope, and this instrument and the Amendment Regulations have been made to provide sufficient time for businesses to prepare ahead of 1 October 2027.

## **Impact Assessments**

The following impact assessments have been update to evaluate the likely impacts of the amended policy.

- A Partial Business and Regulatory Impact Assessment was published on 9 January 2025. A [Final Business and Regulatory Impact Assessment \(BRIA\)](#) has been completed following consultation feedback and will be published to coincide with the laying of this instrument and the Amendment Regulations.
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### **Financial Effects**

A Final Business and Regulatory Impact Assessment (BRIA) has been completed for this policy and will be published alongside the Amendment Regulations.

Over the 10-year assessment period, the DRS in Scotland is estimated to cost £900 million and to deliver a benefit of £1,270 million. This gives a Net Present Value of £366 million and a Benefit Cost Ratio of 1.4.

Scottish Government

Environment and Forestry Directorate

*2 May 2025*