

Response ID ANON-KV87-XRJX-V

Submitted to **The Deposit and Return Scheme for Scotland Regulations 2020: accompanying statement and proposed regulations**

Submitted on **2019-12-09 13:28:18**

Questions

Comments on Part 1 – General

Comments on Part 1 – General:

FDF represents the views of the food and drink manufacturing industry. FDF members are extremely concerned about the proposed timeframes for a DRS implementation in Scotland. We see this as both overly ambitious and inconsistent with. FDF members desire to see a single, GB-wide scheme, or at least compatible schemes, implemented at the same time to maximise efficiencies and investment throughout the value chain including in respect of consumer communications. This would also help to mitigate against potential for fraudulent operations across borders.

The 1st April 2021 introduction date also risks damaging SME drinks producers and that the scheme will not be fit for purpose from the outset. Many producers will require well in excess of 12 months before a “go live” date for e.g.

- o Finding additional warehousing space for Scottish DRS compliant packs.
- o Altering labels
- o Amending contracts with logistics providers

Comments on Part 2 – The deposit and return scheme

Comments on Part 2 – The deposit and return scheme:

Our members have raised concerns about the level of deposit being set at 20p. Many of our members have experience with DRS in other countries where the scheme administrator decides the appropriate level. We recommend that the Scottish Government should set realistic outcomes in terms of recycling targets for a DRS to achieve. It should then be up to the scheme administrator to set the deposit level to ensure that these targets are reached.

With 97% of food and drink manufacturers in Scotland being SMEs there are obvious cashflow issues for small businesses placing containers on the Scottish market with such a high deposit. We have heard anecdotal evidence from small drinks producers in Scotland that have decided to withdraw their products from Scotland and focus on the rest of the UK as they cannot afford the outlay on beverage containers.

Setting the deposit at a lower level initially would help to minimise the cash flow implications for Scottish SMEs at the outset. The level of deposit could then be reviewed and, if necessary revised by the scheme administrator once the system is operational.

VAT - VAT should not be applied to the deposit value. FDF is not aware of any communication from HM Treasury that deposits charged will be exempt from VAT. The application of VAT would create further unnecessary cost and complexity to producers, retailers and shoppers – who would be required to pay 24p rather than 20p deposit – for the proposed scheme.

Comments on Part 3 – Producers

Comments on Part 3 – Producers:

It is important that the Regulations provide reassurance that obligated producers do not continue to be liable under the existing PRN/PERN system from day 1 of the DRS becoming operational.

Comments on Part 4 – Scheme administrator

Comments on Part 4 – Scheme administrator:

We note that the regulations allow for more than one scheme administrator to be established. FDF recommends that a single scheme administrator should be established. This should be a producer led, privately owned, not-for-profit company limited by guarantee as the producers have the most in-depth knowledge of the drinks supply chain in Scotland. We do not recommend that a public-body or NGO administers the scheme.

Comments on Part 5 – Retailers and Return points

Comments on Part 5 – Retailers and Return points:

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Comments on Part 6 – Appeals or reviews

Comments on Part 6 – Appeals or reviews:

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Comments on Part 7 – Enforcement and offences

Comments on Part 7 – Enforcement and offences:

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About you

What is your name?

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Are you responding as an individual or an organisation?

Organisation

What is your organisation?

Organisation:

FDF Scotland

The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

Publish response with name

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

Yes

Evaluation

Please help us improve our consultations by answering the questions below. (Responses to the evaluation will not be published.)

Matrix 1 - How satisfied were you with this consultation?:

Neither satisfied nor dissatisfied

Please enter comments here.:

Matrix 1 - How would you rate your satisfaction with using this platform (Citizen Space) to respond to this consultation?:

Slightly satisfied

Please enter comments here.: