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Edward Mountain MSP  
Convener Net Zero, Energy and Transport  
Committee  
Scottish Parliament  
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7 June 2023

Dear Edward

Following confirmation from the UK Government that it has refused a full IMA exclusion for our Deposit Return Scheme (DRS), I am writing to update the Committee on the future of the scheme. We will write to you separately in response to your letter of 27 April regarding the findings of the March Gateway Review, the context for which has clearly changed significantly.

I previously wrote to you when we announced a delay to DRS until 1 March 2024 and changes to the scheme scope in response to feedback from industry. The primary reason for the delay was to give time for the UK Government to make a decision on an exclusion from the Internal Market Act (IMA) for Scotland's DRS.

The UK Government has failed to agree the full exclusion from the IMA which we have been discussing for almost 2 years and instead has imposed a temporary and partial exclusion which excludes glass at the 11<sup>th</sup> hour despite 4 nation agreement on glass being in-scope at the outset; and includes a number of interoperability conditions which lack sufficient detail or timescales to form the basis of a workable way forward.

We have engaged with the UK Government on the exclusion process in good faith since 2021, providing considerable evidence for the inclusion of glass and I have reached out to the UK Government again to seek a commitment to joint working on interoperability at pace. It is still however unclear what we are being asked to agree to at a time when businesses need certainty to enable a 2024 launch as planned.

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This uncertainty is incredibly frustrating and disappointing. Given the unworkable conditions the UK Government has imposed on our DRS, it is with deep regret that we have taken the decision to re-set the launch date of the scheme as set out more fully in my statement to Parliament today. As a result, we will be seeking to revisit the amendment regulations that we laid in Parliament on 17 May. My officials will engage with parliamentary clerks on the timetabling of scrutiny.

Kind regards

**LORNA SLATER**

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