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On 18 April 2023, the newly appointed SNP leader and First Minister announced an 11-month delay in the launch of the controversial Deposit Return Scheme (DRS). I must confess that this announcement left me profoundly unmoved, apart from a passing reflection that surely more important matters of state should have preoccupied Mr Yousaf. But then a casual conversation on the DRS with a friend of mine and data expert pricked my curiosity. I soon found myself spiralling down a rabbit hole of missing, incomprehensible and frankly ridiculous figures.

The idea that levying a deposit charge on bottles and other containers prompts their return and hence increases recycling and diminishes littering is a very sensible one and has been adopted by several countries with some success. It is the very specific way in which the Scottish Government has conceived and managed the DRS that provides an interesting insight on the formulation and implementation of what should have been a fairly routine example of public policy.

After several years of incubation, in 2019 the Scottish Government had announced that a DRS would be launched on 1 April 2021. An unfortunate choice of date and certainly a missed deadline. The 151-page long document supporting ***A DRS for Scotland – Full Business Case Stage 1 (https://www.gov.scot/publications/deposit-return-scheme-scotland-full-business-case-stage-1/documents /)*** makes interesting reading both for the data it provides and for the data it omits.

The policy document envisages the setting up of a private not-for-profit company (Circularity Scotland) managing the scheme for the whole nation. The document provides estimates for both the costs and the benefits accruing to all relevant stakeholders over a 25-year period. A striking feature of these estimates is their fluctuating degree of accuracy.

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For example, over 25 years, Circularity Scotland is expected to incur costs ranging from £1.273bn to £1.795 billion (a range of over half a billion pounds) and to generate benefits ranging from £1.521bn to £2.043bn. Somewhat optimistically, the figure for the expected net benefits (benefits minus costs = £248m) is computed on the assumption that both benefits and costs are at the lower end, whereas if the costs were to materialise at the upper end, the net benefit would be a loss of £274m. No such imprecision appears in the cost-benefit analysis of 'other sectors' where the costs and the benefits are expected to be exactly £137m and £135m, respectively.

But the really surprising figures refer to the costs and benefits to 'the public': the document provides very specific estimates for the costs (£882m) and the benefits (£1,101m). What lies behind these very accurate amounts? On the cost side, the lion share is taken up by 'unredeemed deposits' (£657m), whereas the cost per annum of returning and redeeming the deposits is a puny £4 per household. Where is the massive £1.1bn of benefits coming from? This is where the policy document's writers must have stuck their collective fingers in the air and come up with a spuriously precise figure for 'avoided disamenity (sic!) from reduced litter in towns and neighbourhoods, based on the large reduction in volume by removing a significant amount of drinks containers from the litter stream'. No indication at all is provided on how this 'avoided disamenity' benefit has been computed.

One revealing figure that is omitted in the text is the remuneration of Circularity Scotland's CEO which, according to questions submitted to Holyrood by the Liberal Democrats, amounts to £300,000 p.a. If you wish to confirm this rather extravagant salary by submitting a Freedom of Information request to Circularity Scotland, do not bother. As a private company, they are exempt from the FoI Act – funny that.

Moving from the macro features of the DRS to the micro minutiae of its implementation, we enter Kafkian territory. One subtle detail of the DRS is that every returnable 'container' (glass or plastic bottles, cans, etc) must have a dedicated barcode, possibly with a tartan logo, given that such barcodes will be required for all drinks purchased in Scotland. But, in order to deter fraud, also all bottles and cans sold in the rest of the UK will have to carry the DRS barcode. Can you imagine the extra costs and red tape involved in this operation for, say, a single-estate French wine exporter, a microbrewery, or a small-scale cider producer? Is it a coincidence that the business members of Circularity Scotland are all very large, often multi-national, corporations (Coca Cola, Diageo, Heineken, Nestlé, Suntory, etc)?

And then there is the surreal issue of VAT. Is the 20p per bottle/can DRS levy liable for VAT? The 20p deposit is not VAT-rated, but it is if the bottle/can is not returned, which implies that the retailer will have to predict whether the customer is a returner, a litterer, or a self-recycler. Possibly a ploy to promote the trade in crystal-balls.

Lorna Slater, the Scottish minister in charge of the DRS, has recently called on MSPs to 'put an end to […] attempts to undermine Scotland's deposit return scheme'. No such call appears to be required as the *Full Business Case Stage 1* does a pretty comprehensive job at undermining itself.

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