

Deputy First Minister meeting with Exchange for Change – Minutes

Date: Wednesday 11 February 2026 (13:30–14:30)

Location: Tŷ Hywel, 4th Floor Conference Room (in person)

Attendees

- Deputy First Minister
- [], Exchange for Change
- [], Exchange for Change
- [], Exchange for Change
- [], Exchange for Change
- [], Exchange for Change
- [], Welsh Government official
- [], Welsh Government official
- [], Welsh Government official
- [], Welsh Government official

Agenda item 1 – Welcome

1. The Deputy First Minister welcomed representatives of Exchange for Change and set out the purpose of the meeting, namely to discuss the conditions attached to the UK Government's response to the Welsh Government's UK Internal Market Act (UKIMA) exclusion proposal and to reinforce Welsh Government expectations in relation to the application process to appoint a Deposit Management Organisation for Wales. The Deputy First Minister emphasised the importance of maintaining constructive working relationships and open lines of communication as the programme moves into a period of intensified technical and delivery discussions.
2. Exchange for Change welcomed the opportunity for early engagement and indicated a willingness to work collaboratively with Welsh Government, with a focus on interoperability and ensuring scheme arrangements operate smoothly across the UK. They signalled an intention to engage promptly on areas where Welsh Government considers further detail or clarification is required, and noted the importance of working at pace to protect overall delivery timelines.
3. **Action: Welsh Government officials to maintain regular engagement channels with Exchange for Change to support rapid clarification and**

resolution of issues as they arise, aligned to the assessment and regulatory timetable.

Agenda item 2 – DMO for Wales application

4. Officials provided an update on the DMO appointment process, noting that the application period has closed and that the assessment panel has completed the initial round of moderation. It was explained that the panel is preparing formal clarification requests which will be issued through formal correspondence. The Deputy First Minister underlined that the clarification stage is critical and that the applicant must provide robust, evidenced detail demonstrating how Welsh policy requirements will be delivered in practice, rather than relying on high-level statements or future aspirations.
5. The Deputy First Minister reiterated that Wales intends to deliver a scheme that goes beyond arrangements being developed elsewhere in the UK and that Welsh requirements must be demonstrably reflected in operational design, governance, financial planning and delivery capability. Particular emphasis was placed on ensuring Wales-specific outcomes are not treated as an adjunct to a wider UK model, and that the application clearly sets out how the applicant will deliver the Welsh approach, including appropriate engagement with Welsh stakeholders and the practicalities of delivery in the Welsh context.
6. There was focused discussion on glass and reuse. Welsh Government officials set out that glass is integral to Welsh policy intent and should not be approached as a secondary or optional component. It was stressed that the scheme must include a credible and practical pathway to reuse from the outset, and that delivery planning must avoid creating a requirement for industry to invest twice due to changes in direction or late infrastructure decisions. Exchange for Change acknowledged these expectations and indicated readiness to work through the detail, including the role of trials and clear messaging to support business confidence and capital investment.
7. The meeting also noted wider delivery considerations, including consumer behaviour in Wales in the context of high recycling performance, and the need for scheme design to account for incentives and return-point behaviour. Exchange for Change raised the importance of understanding behavioural responses at point of purchase and return, including potential differences in consumer responses to container sizes, and Welsh Government officials reiterated the need for Wales-specific analysis and assurance to support delivery confidence.

8. **Action: Assessment panel to issue formal clarification requests to Exchange for Change via correspondence, setting out the further information required to demonstrate Wales-specific delivery capability and outcomes.**
 9. **Action: Exchange for Change to respond to clarification requests within the agreed window, providing detailed, evidenced information on governance, finance, operations and delivery, including credible plans for glass and a pathway to reuse from day one.**
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Agenda item 3 – UKIMA exclusion conditions

10. Officials set out the current position on UKIMA, noting ongoing engagement with UK Government and the Devolved Administrations to support legal clarity and smooth cross-UK scheme operation. The meeting discussed the conditions proposed by UK Government in response to the exclusion proposal, including implications for the Regulations and scheme design. The Deputy First Minister highlighted the urgency of maintaining legislative and operational timelines and the importance of assessing impacts at pace.
11. The discussion focused in particular on the proposed extension to the 0p transition period for glass. Officials explained that the proposal would mean Wales continues to accept glass from launch, but that the appointed DMO would be required to fund the inclusion of glass for an additional year through to 2031. The Deputy First Minister and officials noted that this creates material delivery and funding implications and may affect incentives for infrastructure rollout. It was emphasised that any scheme approach in Wales must continue to reflect Welsh ambition on glass and reuse, and that risks created by the proposed conditions must be actively managed through regulatory design, appointment terms and delivery planning.
12. The meeting also considered delivery risks and mitigations. Officials noted the risk that the DMO, once appointed, may not roll out the infrastructure required for glass return points at the necessary pace, including soft-drop reverse vending solutions. It was discussed that tighter terms and conditions could mitigate this risk, whilst recognising that strengthening conditions could carry a risk of the applicant withdrawing if they do not accept the requirements. Officials also noted that industry may be unlikely to fund required infrastructure at rollout and that Welsh Government funding may therefore need urgent consideration, subject to the developing business case and wider fiscal constraints.

Action log

Action	Responsible	Deadline
Maintain regular engagement channels with Exchange for Change to support rapid clarification and resolution of issues.	Welsh Government officials	Ongoing (from w/c 11 Feb 2026)
Issue formal clarification requests to Exchange for Change via correspondence.	Assessment panel / Welsh Government officials	As soon as possible (noted as “shortly”)
Provide detailed, evidenced responses to clarification requests, including credible plans for glass and a reuse pathway from day one.	Exchange for Change	Within the agreed clarification window (noted as two weeks)
