

Copies of minutes of meetings held within the last 6 months between the Minister for Green Skills, Circular Economy and Biodiversity and Industry relating to the Deposit Return Scheme where concerns had been raised about the scheme:

**Meeting with SIBA to discuss Scotland's Deposit Return Scheme (DRS)
31 October 2022**

Attendees

Minister for Green Skills, Circular Economy and Biodiversity
Jamie Delap – SIBA Scotland Director
Barry Watts – SIBA Head of Public Affairs and Policy
Katriona Carmichael – Scottish Government
[Redacted] – Scottish Government

Meeting notes

The meeting purpose was to ensure the Minister fully understand the concerns of SIBA members, and the role that the Scottish Government can play in reaching pragmatic workable solutions. The Minister asked Jamie Delap (JD) to provide some opening remarks.

JD asked what can small businesses do to fit into the imperative to deliver DRS by August. Most businesses are coming out of the pandemic with debt, and rapidly spiralling input costs. Craft brewing is relatively small. For example, [Redacted] employees 5 people in total. There will be lots of work for small producers to comply with DRS, and also retail spaces to manage. Implementation is still not at the point where any small businesses can plan sensibly. It was thought that there may still be a tolerable space for large producers and retailers to be ready, but this was not thought to be possible for small businesses.

JD expressed the risk that if implementation is to go live next August, it is possible that small businesses may be forced out of business. Often, these are green, sustainable businesses, which are located across the country and which employ a lot of people.

SIBA is asking for an 18 month grace period, over which time small producers' EANs are not included in the scheme, as 'scheme articles'. This would allow small businesses to get bars and shops set up properly.

LS outlined the work being taken forward on exemptions and online takeback. She confirmed that support for small producers was CSL's number one issue. The Scottish Government does not want small producers to be collateral.

In terms of timing, JD outlined that the issue is about human resource, as there is a lot of work required in implementing DRS. There is a question about whether it is viable to meet requirements, especially small producers outwith Scotland. Businesses need information to make decisions. For example, on what the SKU

strategy is, what labelling requirements are and what that means for design and artwork. There is administration required for financial systems. There is a requirement for bar codes.

For many products, the logical change is to change to a OEANs and NEANs. That will require a whole sale change of products. Outside Scotland, it will not be worth taking this action, when the producer fee is combined with upfront fees. Businesses may choose not to sell into Scotland, if there is no profit for 2 years. There were thought to be too many unknowns. The largest of these is the producer agreement, and particularly the requirements around UK SKUAs. There is not enough detail for small businesses to engage.

The Minister asked whether simplified administration or support would be helpful. JD replied that any resource such as this would help, but that there is a large diversity in the sector. The nature of supply chains, and the work that is remaining, meant that it was not possible to be ready in 8 months.

SIBA's view is that it is the larger end of the craft sector, which faces the biggest problems. There is a need to look at support for up to medium sized businesses, which put about 25 million containers on the market. SIBA had also spoken to other sector industry groups, who thought it was something that could be explored.

In summary, JD outlined that SIBA has been consistent that a clear 18 months was needed to prepare. Twelve months was not suggested, in part because August is a busy period for businesses, and there will be major changes to the alcohol duty scheme. SIBA is recommending, instead, February to allow enough time to work through the issues.

Note of Ministerial meeting with the British Retail Council (BRC) to discuss the Deposit and Return Scheme (DRS) – 3 November 2022

Present

Minister for Green Skill, Circular Economy and Biodiversity

Helen Dickinson (HD) – BRC Chief Executive

Nadiya Catel-Arutyunova (NCA) - BRC

Ewan McDonald-Russell (EMR) - SRC

[Redacted] – Scottish Government DRS policy unit

[Redacted] – Scottish Government DRS policy unit

Discussion and action points

HD thanked the Minister for complete response to issues raised in their recent letter. She noted a shared ambition for DRS to succeed, but also noted retailers are very concerned about some issues. The main issues discussed are noted below.

Retailer handling fee - HD asked for the Minister to convene a meeting with Circularity Scotland (CSL) to discuss as they were at an impasse. The Minister suggested this was an issue BRC would have to take up with CSL as it would not be appropriate for her to intervene. HT noted that CSL were due to publish more detail on the retail handling fee calculations. The Minister suggested BRC could contact

officials if the details to be published by CSL do not provide the information BRC require.

Communications – the Minister outlined approach to communications. Business to business now, consumer comms around 6 weeks before scheme launch taking into account learning from other schemes. Would need to be very clear on cutover and how scheme will work in practice. EMR raised concerns around consumers blaming retailers for cost increases and urged government to take leading role in communications. The Minister suggested these issues are picked up with CSL, who will lead joint venture on communications, in the spring.

Online takeback – EMR set out position in relation to online takeback requirements, saying practical challenges were insuperable with large retailers suggesting even limited takeback for launch is not possible. He suggested CSL may be able to deliver a centralised solution with technical support from retailers that should be paid for by producers. EMR suggested retailers will pull out of online markets under current plans. The Minister indicated she is willing to consider amending the regulations to get to a workable position on online takeback and asked BRC to set out what would be possible. EMR indicated only a 3rd party solution would be workable by launch and would need to know detail of model before providing timeline for implementation. EMR agreed to write back with details of timescales for providing online takeback and details required on implementation, noting they had been raising concerns since 2017.

ACTION – BRC to provide details on information required and timescales for providing online takeback.

Note of Ministerial meeting with the Scottish Grocers' Federation (SGF) to discuss the Deposit and Return Scheme (DRS) – 23 November 2022

Present

Minister for Green Skills, Circular Economy and Biodiversity

Paul Stirling (PS) – SGF

Luke McGarty (LM) - SGF

Katriona Carmichael (KC) – Deputy Director, Circular Economy, Scottish Government (by MS Teams)

[Redacted] – Scottish Government DRS policy unit

[Redacted] – Scottish Government DRS policy unit

Discussion and action points

[Redacted]

The main issues discussed in the meeting are noted below.

Exemptions – PS welcomed positive actions on exemptions from previous meeting, although noted his view that many retailers might not realise they might lose footfall if they opted out of being a return point. PS also suggested that CSL were not moving

forward with consideration of “parade solutions”. Discussions have taken place with BIFFA. However, finding barriers in planning process, and costs of planning.

ACTION – SG to facilitate meeting between Glasgow City Council planning, SG planning, BIFFA and SGF to discuss planning issues.

Lack of information from CSL – LM expressed frustration at approach of CSL, citing issues relating to lack of information on bags and tags for machine, lack of online takeback handling fee (the Minister noted this is due to her considering online takeback model), and lack of confirmation on uplifts – this means that retailers don’t know if they need to apply for exemptions or not. It is SGF’s view that uplift information needs to be provided before next spring.

ACTION – the Minister agreed to pass operational concerns onto CSL.

Retail handling fee – PS raised concerns relating to CSL information on the handling fee, citing concerns about rates payable in relation to RVMs and volumes of returns – SGF believe CSL is going beyond its responsibilities under the regulations. SGF wants a fairer handling fee, with 1000 item limit for manual handling fee. The Minister suggested these were issues that SGF would have to take up with CSL. The Minister asked how she could help to facilitate a better relationship with CSL. LM suggested clarity on how administration would work would be helpful, as would providing guidance for retailers on the merits of retailers getting RVMs.

ACTION – SG to raise guidance issue with ZWS.

Exemption for hospitality operators – PS questioned if it would be possible to exempt all hospitality operators from the start of the scheme as they don’t have cash flow to cover deposits and other costs. The Minister stated this wasn’t an option she was considering but noted that CSL were looking at day 1 costs at the moment.

Meeting between Minister for Green Skills, Circular Economy, and Biodiversity and the British Soft Drinks Association (BSDA) - 24 November 2022

Attendees

Lorna Slater, Minister for Green Skills, Circular Economy, and Biodiversity

Paul Graham (PG), Britvic (President, BSDA)

William Watkins (WW), Radnor Hills (Vice-President, BSDA)

Gavin Partington (GP), Director General, BSDA

Sam Gold (SG), Public Affairs Manager, BSDA

Roger White (RW), AG Barr

Stephen Moorhouse (SM), Coca Cola European Partners

Peter Charles (PC), Red Bull

David Pearce (DP), Frobishers

[Redacted], Scottish Government

[Redacted], Scottish Government

1. PG highlighted support for DRS but raised a number of concerns. Concerns related to producer fees were described as relating to design and scale of collection system, apportionment of costs to materials and assumptions made by Circularity Scotland (CSL) in relation to balance sheet requirements. The Minister indicated she

was aware of concerns regarding fees and that CSL were revisiting producer fee levels and that they had indicated they would be making an announcement on that, including cash flow issues and day 1 fees imminently.

2. DP raised an issue relating to compliance with providing information relating to what will go to the Scottish Market as wholesalers not providing data voluntarily. There is a reluctance to sign up to producer agreement if there seems to a chance that will not be in a position to comply with the requirements of the scheme. The Minister noted this as an emerging issue and committed to taking this up with CSL/SEPA.

ACTION SG to raise issue with CSL/SEPA and to consider raising directly with wholesalers.

3. The Minister noted her intention to revisit online takeback requirements in the regulations to reduce burdens on small producers, noting that a system is required to protect vulnerable customers.

4. WW raised concerns re lack of clarity on VAT position and interaction with cash flow impacts. The Minister noted that UKG still to make a decision on VAT. SG had requested a grace period where it would not apply, but does not know UKG proposed approach. She noted this had been escalated to highest level in SG.

5. WW raised an issue relating to labelling challenges for smaller producers. Due to print run sizes it might be impossible to bring products to Scottish Market. The Minister asked for a proposed solution to labelling concerns.

ACTION – BSDA to provide proposal on what good labelling practice would look like.

6. There was a brief discussion on PRNs. The Minister commented that producers would not be expected to pay for DRS and PRNs for the same items.

ACTION – SG to share PRN update when available.

7. Budweiser Group has formed a refillable consortium and membership includes Coca Cola, Heineken and has supermarket/small retailer representation. The consortium is currently looking at a pilot to see if the consumers would be willing to participate and at how the logistics will operate. There is interest in the pilot from Council's in England however as DRS is rolling out in Scotland first, they are keen to see how this could work in Scotland.

8. The Minister confirmed with the launch of DRS in August 2023 that currently that was the main focus, however that DRS could evolve to consider including refillable products once the scheme had launched.

9. The Minister acknowledged that communications is a key issue especially for the cut-over period and noted that experience from other schemes suggested a public campaign 6 weeks from scheme launch is a good time for a concerted campaign.

10. PG raised a question regarding cross subsidy in the CSL funding model. The Minister took an action to raise with CSL.

ACTION – SG to raise with CSL.

**Meeting to discuss online takeback under Scotland’s Deposit Return Scheme
Thursday 1 December 2022**

Attendees:

Minister for Green Skills, Circular Economy and Biodiversity

Polly Jones, ASDA

Gerard Murray, Morrison’s

Jonathan Barley, Sainsbury’s

Andrew Woolfenden, Tesco

Olivia Brook, Tesco

David Wilson, Circularity Scotland Ltd

Tony McElroy, Tesco

Ewan MacDonald-Russell, British Retail Consortium

Nadiya Catel-Arutyunova, British Retail Consortium

Donald McCalman, Circularity Scotland Ltd

Katriona Carmichael, Circular Economy, Scottish Government

[Redacted], Circular Economy, Scottish Government

Summary of discussion

1. The Minister welcomed participants to the meeting and outlined her understanding from feedback that it has not yet proved possible to confirm ways in which online takeback services can be made feasible. She outlined the existing obligations in the DRS regulations, and set out her aim for a discussion focussed on what could work.
2. She outlined a brief vision for the type of service she wished offered to consumers, and asked participants for views on whether and when the model could be made to work, by when, and what could be done to support vulnerable customers.
3. In response, Ewan MacDonald-Russell (EMR) welcomed the constructive approach to framing the issues. Key concerns were about the expense of the model overall for supermarkets and pointed to several issues, previously outlined by the British Retail Consortium (BRC). So far, retailers have not been able to find an approach that they consider feasible, economically, environmentally or safely. It is the BRC’s view that it is not possible to provide such a service until such time as the rest of DRS achieves ‘steady state’. It was thought that a service for vulnerable people would best be provided by a waste operator, but retailers’ view was that they should not pay for such a scheme.
4. The minister summarised the 4 key issues raised about online takeback:
 - Cost
 - Legal
 - Health & Safety

- Practical infrastructure
5. On practical infrastructure, she asked participants to identify the questions that need addressed. It was outlined that one issue is that glass cannot be collected in bags, only crates, which would need to be a universal size. The infrastructure to get money back to customers was also thought to be difficult to achieve, as returns are not automated. While infrastructure can be created, it was thought it would make online operations in multiple businesses unviable.
 6. On costs, the Minister summarised issues expressed about both physical and IT infrastructure. Participants confirmed the key cost considerations are space, weight and staff time. It was clarified that costs are recoverable through the retail handling fee.
 7. EMR expressed the view that no model exists yet because of the lack of an 'operational blueprint', and there were concerns about the level of retail handling fee set. Other participants added that the revised exemptions guidance would mean that more materials will be pushed to larger retailers. The Minister challenged this point, as the updated guidance has the effect of bring return points down in line with the original business plan.
 8. The Minister asked participants to confirm potential legal issues. These were summarised as being associated with dealing with glass; waste management licences; and food hygiene. Cross UK sales were also thought to create challenges, including Internal Market Act risks. EMR commented that any decision to restrict the takeback obligation to larger businesses would need a robust justification.
 9. EMR expressed a view that a third party model in the foreseeable future could mean that organisations, with correct licensing, could operate a system. However, there were concerns about how data sharing could be made to work, given this might rely on consumer data being passed around a system.
 10. Some participants were of the view that even if retail handling fees were changed, the cost of investing in the scheme is out of proportion to the benefits gained by retailers. A key issue is that as the scheme articles have value, there is a requirement for validation at the point of handover. Another concern was environmental impact. Whatever is delivered has to be a sustainable solution, rather than increasing emissions through more deliveries.
 11. A welcome development would be if retailers were only obliged to collect scheme articles on delivery, but this would not alone resolve the challenges.
 12. The Minister confirmed her ambition to retail focus on consumers, and especially on disabled consumers. It was confirmed that businesses need clarity on what will be needed by August 2023, to allow a focus on physical build.

13. In summary, the Minister agreed to set out a proposal for what the vision might be, with a view to clarify issues that require to be resolved. EMR confirmed that this paper could be shared in confidence, and would be shared with an independent working group.

Meeting with Innis & Gunn - 12 January 2023

Participants

Minister for Green Skills, Circular Economy, and Biodiversity – Lorna Slater
Dougal Sharp – Innis & Gunn
[Redacted] – Scottish Government

Introductions

1. DS introduced himself as master brewer at Innis & Gunn, medium-sized brewing business serving Scottish market and export.

Summary of concerns

2. DS outlined main concerns with DRS:
3. Business impact. Additional costs to business that will disproportionately affect Scottish businesses.
4. Consumer impact. DS outlined there would be a substantial consumer price shock. Estimated increase of 40p per container. Alcohol price the second strongest driver of consumer behaviour. Would have knock-on impact on sales. Very likely to be a reduction in consumer choice, with all but main product lines being withdrawn. Would also be an impact on alcohol-related harm.
5. Scheme administrator impact. Risk to business model if lower number of scheme articles than anticipated due to 'grey market sales'. Would require increased producer fees, resulting in knock-on impact to businesses. Raised concern that elements of producer fee and fraud management approaches could breach UK law.
6. DS stated that grey market sales account for 35% of market in Sweden for alcohol. Consumers drive 7.5 hours to buy alcohol cross-border. Expected this to happen for Scottish-English border due to price differential. CSL had so far focused on trade rather than grey-market sales.

Proposed solutions

7. DS proposed that a solution that levied the deposit at the till (rather than on the solution) as in Sweden would simplify the scheme. Also sought removal of hospitality from the scheme and alignment with UKG, including a pause to the scheme and removal of glass.

8. LS assured that SG were working with UKG on interoperability, and have evidence base on recycling and alcohol harm impacts. LS agreed to speak to CSL regarding concerns about the producer agreement.

Note of Ministerial meeting with the Scottish Grocers' Federation (SGF) to discuss the Deposit and Return Scheme (DRS) – 17 January 2023

Federation House

Present

Minister for Green Skills, Circular Economy and Biodiversity

Pete Cheema (PC) - SGF

Paul Stirling (PS) – SGF

Luke McGarty (LM) - SGF

[Redacted] – Scottish Government DRS policy unit

Discussion and action points

Meeting minutes – PC expressed disappointment that SGF had not received the previous meeting minute until 11 January, and was of the view it was not an accurate reflection of the discussion.

ACTION – SG agreed to seek to share meeting notes within 10 working days.

Return point exemptions – The Minister confirmed that updated exemptions guidance was not a change to Regulations. PS and PC expressed concerns that the approach could isolate local communities from DRS, and that it would lead to a 'supermarket scheme'. There was also a lack of clarity over how blackspots would be managed where multiple businesses were eligible for an exemption.

ACTION – SGF to share list of information needed by small retailers.

ACTION – SG to follow-up with CSL on communicating information to retailers.

Online takeback – The Minister confirmed her intention to propose amendments to remove online takeback obligations from all but the largest grocery retailers, and delay full implementation until 2025. However, some form of service must be in place from Day 1 to protect vulnerable groups. Any change to Regulations must be approved by Parliament.

PS expressed the view that protection would be best achieved on a voluntary basis, based on local authority information on vulnerable people. PS offered to meet to discuss proposals. The lack of information from CSL on an online handling fee would need to be addressed.

ACTION – SG and PS to meet to discuss online takeback proposals.

Planning – PS confirmed that Glasgow City Council had agreed to a 8-10 store trial of outdoor RVMs. His view was that urgent action was needed to create a nationwide set of planning rules and remove fees. HT confirmed he was in discussions with planning officials and would bring the issue to the February meeting of local authority

Heads of Planning. PS noted this was too late, and would be willing to meet with planning officials at any time.

ACTION – PS to share planning slides with SG to inform discussions [completed]
ACTION – SG to follow up with SGF following planning discussions

Cost concerns – PC highlighted ongoing concerns over the handling fee, which was preventing investment in certain elements of the scheme. There were additional cost impacts resulting from cash flow. PS was of the view consumers would see a minimum price increase of 30p per container (20p deposit, 10p additional cost pass through); PC suggested this could be as much as 50p.

Collections - Key information had not been communicated by CSL to enable small retailers and the hospitality sector to make decisions about whether to apply for an exemption, or how to operate a return point. PC noted concerns that CSL would not commit to a collection schedule, and retailer contracts would not be available until March. Although Biffa's mapping exercise was underway, this had focused on supermarkets and did not properly incorporate the convenience sector.

CSL transparency – PC emphasised that CSL had not provided the necessary information or transparency into their operations and governance. SGF had strong concerns that CSL was not abiding by DRS Regulations or its own internal governance rules. For example, members had been appointed to the strategic advisory group without the required votes. There was a lack of an arbitration process for decisions. The Minister noted that as a private company this was not for her to comment, but that she would raise the issue with CSL.

ACTION – Minister to raise concerns regarding transparency and arbitration with CSL.

Hospitality – PS noted concerns that the hospitality sector was not prepared for DRS and faced a number of challenges including dealing with glass, and secure storage of materials.

ACTION – SG to speak to CSL about hospitality concerns and targeted communications for the hospitality sector.

AOB – PC invited the Minister to speak at an SGF event on 18 May.

ACTION – PC to confirm details of SGF event.

Meeting with the British Retail Consortium (BRC) and chief executives of major grocery retailers - 31 January 2023

Introduction

Lorna Slater (LS) welcomed participants and thanked participants for the on-going commitment, and significant investment and progress has been made on Scotland's Deposit Return Scheme (DRS). The purpose of the meeting was to discuss what the remaining challenges are and what is needed to overcome them.

Helen Dickinson (HD) opened discussions. There is concern from the group about the current timetable. While everyone's focus is on moving forward, there was a feeling across businesses that implementation is behind schedule, and this could lead to customer confusion and higher prices.

Discussions were based on four main themes:

1. Retail handling fee
2. Operational guidance
3. Online takeback
4. Customer experience

1. Retail handling fee

While there had been developments over recent days, HD expressed the view that the model for retail handling fees was not transparent.

David Harris (DH) summarised that Circularity Scotland (CSL) has been created through agreement between many organisations – this contract set out how the fee will be set. Following the change to exemptions guidance, PWC was asked to look again at fees, and these were updated, in a way which aimed to respond to concerns heard from businesses. When international comparisons are looked at, Scottish fees are the highest in the world. The published fee is for the first 12 months, and will be re-examined in light of future events.

Several points were raised in discussion:

- There must be clear high level engagement to get to one version of the truth.
- Transparency of data is necessary - this will give organisations more confidence about costs.
- A transparent cost model was requested

DH confirmed that he wished to have commercial level discussions, and offered to talk directly to any participant.

2. Operational guidance

HD commented that a number of partners are involved in delivery. There was a question about how project management sits across organisations and whether timetables can be met. Several points were raised in discussion:

- Retailers require to know how information should be displayed. Not having full operational guidance will create a bad customer experience. Retailers had asked for information 12 months ahead of time.
- It would not be possible to build IT systems to support the scheme with an incomplete model.
- More effort was required across SG, CSL and SEPA to get information out.
- Decisions on IT systems are being made without information on VAT.
- It was thought that of 19 different outstanding issues, 4 had been answered.

3. Online takeback

LS summarised that she had agreed to delay implementation of most online takeback requirements until 2025, to allow retailers to focus on physical launch in August. However, there must be a mechanism for getting returns from vulnerable people.

In discussion:

- Because of other outstanding issues, some retailers have no capacity to stand up an online solution.
- It was not possible to resolve this additional challenge without the core operational model.

It was suggested that a further discussion of this type focussed on what is in place and on outstanding actions, including on online takeback, would be welcomed. This idea was supported.

4. Customer experience

It was noted that customer experience would be a challenge, particularly over the cutover period and that communications would need carefully managed.

In discussion:

- It was noted that all retailers wished to make the scheme work, but it is being seen differently by different organisations. It would be important to agree an aligned view on what needs to be done.
- If issues are not resolved by the end of February, then it would not be possible to deliver in August.
- Fee structures need more discussion.
- A softer launch was suggested – the system will have to ‘learn as we go’, with a supportive compliance approach. An enforcement grace period was requested.
- There was concern about investment in kit. Implementation is not an administrative exercise, but understanding the data, insights etc that make the scheme a success.

It was agreed to move forward on an intense working period on remaining issues, with a follow up call with Chief Executives in two weeks.

DH commented on previous points made, that on fees CSL is following a process that is set out in contract. There is a collective communications challenge connected to a soft launch. It may be useful to think about specific retail and CSL comms group to make sure things are consistent.

Actions

- HD and DH to discuss how best to follow up on fee structure transparency.
- SG team to set up follow up meeting in two weeks.
- SG to coordinate summary of operational issues, their status and a RAG rating.

Attendees

Lorna Slater	Minister for Green Skills, Circular Economy & Biodiversity	
Helen Dickinson	Chief Executive	BRC
Hayley Tatum	Chief People and Corporate Affairs Officer	Asda
Richard Walker	Managing Director	Iceland
Ryan McDonnell	Chief Executive Lidl UK	Lidl
Simon Roberts	Chief Executive Officer	Sainsburys
Kevin Plant	Head of Food	Scotmid
Jason Tarry	Chief Executive Officer - UK & ROI	Tesco
Matt Hood	Managing Director Coop Food	Coop
David Potts	Chief Executive Officer	Morrisons
Giles Hurley	Chief Executive Officer - Aldi UK	Aldi
Sacha Berendji	Operations Director	Marks and Spencer
Andrew Opie	Director of Food and Sustainability	BRC
Ewan MacDonald-Russell	Deputy Head	SRC
David Harris	Chief Executive	Circularity Scotland
Vicki White	Head of Materials	SEPA
Kath McDowall	DRS Unit Manager	SEPA
Kevin Quinlan	Director, Environment and Forestry	SG
Katriona Carmichael	Deputy Director, Circular Economy	SG
[Redacted]	Circular Economy	SG

Meeting with small producer trade associations - 10 February 2023

Participants

Minister for Green Skills, Circular Economy, and Biodiversity – Lorna Slater
Colin Smith - Scottish Wholesaler Association
Margaret Smith – Caledonia Public Affairs
Jamie Delap – Society of Independent Brewers
Barry Watts – Society of Independent Brewers
Anna Graham – Scotch Whisky Association
Joe Hind - Scotland Food & Drink
Miles Beale - Wine & Spirits Trade Association
Freddie Joosten - Wine & Spirits Trade Association
David Harley – SEPA
Jo Zwitserlood - SEPA
Katriona Carmichael

[Redacted]

Agenda

To discuss DRS concerns following joint letter from small drinks producers submitted 03 February.

Opening remarks

Ms Slater thanked trade associations for ongoing engagement and highlighted the steps taken to reduce costs and wider implementation challenges for small producers.

Discussion with trade associations

Trade associations highlighted that the issues faced by small producers were systemic, urgent and valid, and had been backed up by the Gateway Review. Small producers would not be ready for scheme launch on 16 August.

Main issues raised included the requirement to register by the end of February, the lack of clarity on operational aspects of the scheme (e.g. invoicing), a lack of definition about who was a producer / importer, the requirement to use GS1 compliant barcodes, and overall cost concerns. All trade associations requested that producer registration should be extended.

Producers were not reassured by SEPA's proposed approach to Day 1 compliance as there was a lack of certainty, contrasting with legal requirements set out in Regulations and in CSL's producer agreement. Compliance officers within individual businesses along the supply chain must deal with these legal certainties. This may mean that, for example, retailers would only purchase products from producers that were fully compliant. Any compliance approach must be in writing.

Conclusion

The Minister thanked attendees for clarity on the issues faced and proposed solutions, and agreed to follow-up in the next fortnight to update on action taken.

Meeting with British Retail Consortium and chief executives of major grocery retailers to discuss Scotland's Deposit Return Scheme (DRS) 15 February 2023

By MS Teams

Attendees

Helen Dickinson	Chief Executive	BRC
Hayley Tatum	Chief People and Corporate Affairs Officer	Asda
Richard Walker	Managing Director	Iceland
Ryan McDonnell	Chief Executive Lidl UK	Lidl

Simon Roberts	Chief Executive Officer	Sainsburys
Kevin Plant	Head of Food	Scotmid
Jason Tarry	Chief Executive Officer - UK & ROI	Tesco
Matt Hood	Managing Director Coop Food	Coop
David Potts	Chief Executive Officer	Morrisons
Giles Hurley	Chief Executive Officer - Aldi UK	Aldi
Sacha Berendji	Operations Director	Marks and Spencer
Andrew Opie	Director of Food and Sustainability	BRC
Ewan MacDonald-Russell	Deputy Head	SRC
Simon Jones	Chief Operating Officer	Circularity Scotland
Donald McCalman	Programme Director	Circularity Scotland
Jo Zwitserlood	Head of DRS Programme	SEPA
Kath McDowall	DRS Unit Manager	SEPA
Kevin Quinlan	Director of Environment and Forestry	Scottish Government
Katriona Carmichael	Deputy Director of Circular Economy Division	Scottish Government
[Redacted]	Head of DRS Unit	Scottish Government

Introduction

The Minister thanked attendees for joining the meeting and provided an overview of the intended benefits of Scotland's DRS. While good progress was being made, there is no blue print and an important need to work in collaboration.

Helen Dickinson provided some opening comments. There was whole hearted support for the objective of what is trying to be achieved. Really good that progress has been made, including on VAT, rates and guidance on cutover. Some pretty substantial issues remained – these included online takeback for vulnerable consumers, pricing, concerns about exemptions guidance and further information about handling fees. A question was whether it was better to delay until issues are landed, or move ahead with customer confusion.

Pricing

SG provided short update on pricing, where engagement had been ongoing with SRC. Trading standards guidance had been released already, but there were concerns about its contents. It was understood for planning purposes that consistency of guidance was needed through time. The view that the deposit should be separate from price is shared with producers and others – this is the change being sought in the guidance. Clarity is also needed on the approach to compliance.

Exemption guidance

While guidance has been updated, it was thought that two issues remain:

- Applications which are being rejected, after this update
- Requirement to complete exemptions registrations, so that larger groceries to know what number of containers are required.

Handling fees

Donald McCalman provided an update. The highest handling fee in the world has been set. CSL had engaged with many organisations on their views on the fee. CSL had used all data available from stores, which were run through the model, and which did not identify any loss.

Handling fees could only be discussed with individual companies.

CSL confirmed it was not possible to publish the cost model as it was commercial information, but CSL has published all information available. Some participants welcomed the offer of a further individual conversation.

In discussion:

- The push for a change to pricing guidance was welcomed, as if price and deposit were not broken down, it would be a challenge for customers and all of us.
- Further clarity about exemptions criteria was welcomed. There was a concern about handling broken glass and that machines will become full quickly.
- On costs, it was thought that the current scheme does not cover operating costs or costs for machines and depreciation. As a result, some stores will need to consider operation in Scotland carefully.
- It was clarified that CSL is seeking to deliver within existing regulations, working with producers. It was not possible to address costs outside the regulations.
- The decision to reissue fees was driven by a change in the exemption guidance, which will change the nature of the return point network. If there are other significant changes (e.g. on material flow), these could also be a trigger to make changes in future to the fees.
- There was a suggestion that a timeframe should be put on any follow up meetings with CSL.
- CSL confirmed that account managers were in direct dialogue with organisations, and this would be ramped up and consistent documents that are required, will be shared.

Online & vulnerable customers

A solution was not yet in place, and there was a need for a collective work on ways to resolve that for vulnerable customers. It would be important to narrow down those customers who were dependent on online delivery. The Minister asked what good would look like.

In discussion:

- Because of the complexity of the scheme, some were focussed on how to make the scheme work in store. Previous work on online takeback had been stopped because of emissions and costs.
- The Minister reiterated her desire to see an industry led solution.
- Views included looking at insights from other countries, examining the number of customers involved, developing a central takeback approach operator by a third party provider.
- There were strong concerns about identifying the scale of service that would be required.
- The Minister confirmed that SG would continue to seek a solution and that numbers of people and locations remain critical.

Conclusion

It was agreed that a number of issues remained, which need to be resolved for customers.

A further meeting in 2 weeks was proposed.

Meeting with SIBA and small producer trade associations - 23 February 2023

Meeting Details	Meeting with small producer trade associations to discuss concerns over Scotland's Deposit Return Scheme (DRS) and Minister for Green Skills, Circular Economy and Biodiversity	
Date/Time	Thursday 23 rd February 2023 16:00 – 16:30	
Venue	Microsoft Teams	
Attendees		Jamie Delap - Society independent brewers (SIBA) Margaret Smith - Scottish Wholesaler Association Susanne Cameron-Nielson - Scotch Whisky Association Joe Hind - Scotland Food & Drink Freddie Joosten - Wine & Spirits Trade Association Jo Zwisterlood - SEPA Donald McCalman, Irene Steel - CSL
	Scottish Government	Lorna Slater MSP, Minister for Green Skills, Circular Economy & Biodiversity Katriona Carmichael [Redacted] Harry Huyton [Redacted]

Opening Remarks

The Minister opened the meeting by thanking attendees for meeting at short notice.

Reaction to CSL announcement

The Minister invited attendees to provide feedback and comment on the CSL announcement made on Tuesday 21st February outlining a package of cashflow support measures.

Margaret Smith stated that the announcement and package is welcomed, although it had not been possible to get feedback from all members. The financial aspect is only part of what is affecting small producers, with three working days left for producers to sign up and register. Clarity on outstanding issues is sought including on a potential 'grace period' for small producers.

Jamie Delap stated that the announcement has been received positively amongst small brewers but cautioned that significant work was still needed. Jamie asked for clarity on why the cut-off point of three million containers was chosen and shared concerns of unintended consequences including access to different funding sources available to producers with container production above five million.

Donald McCalman confirmed that the CSL announcement has been well received and that CSL understand other aspects remain a challenge. On the three million cut-off for containers Donald added that consideration had been given to where that cut-off should sit. A line was drawn at the level thought to benefit the most producers affected by the cash impact and day one charges.

All businesses will benefit from the first three million threshold with any unit above three million being the first unit for all producers.

Jamie Delap thanked CSL and the Minister for this clarity and noted it is helpful.

Registration and Other asks of SG / SEPA / CSL

On the upcoming producer registration deadline, assurance was provided that SEPA and CSL will support businesses with the registration process.

Donald McCalman added that CSL are seeking to find ways of making registration simpler. If small producers are struggling to obtain detail of product lines, they can provide a total at this stage. An important part of this registration process and the deadline is to understand totality and total volume. Donald encouraged attendees to do what they can to get producers on board.

The Minister asked about what barriers still exist to producers registering by the deadline.

Freddy Joosten stated that it would be good to have something in writing to help producers know what would be considered registration – what would suffice.

Donald McCalman confirmed that CSL would be happy to put that in a note and reminded attendees that producers should provide the best information they can by the deadline and that CSL and SEPA will work with them thereafter.

Action Point: Donald and CSL to prepare and issue a statement on the registration deadline for producers

Jamie Delap raised an issue with signing the producer agreement. Donald confirmed CSL want to understand any issues and asked the individual producers to contact CSL to discuss their concerns.

Margaret Smith also raised concerns about the number of producers still to sign up with no new information or clarity on issues that can support them in doing so.

Donald McCalman reiterated that those producers with concerns should contact CSL. On the matter of the deadline, Donald reminded attendees that the producer contract has been available since November 2022 whilst acknowledging that acceleration of registration in the final few days is expected.

Margaret Smith added that there are many unanswered technical and market questions.

The Minister added that it is not clear any of these are barriers to registration.

Jamie Delap raised an issue around producers who decide to pull out of Scotland following registration, and a concern that those producers could be charged for breaking a three-year contract.

Donald McCalman stated that CSL will have conversations around issues of this nature. He expected that the contract period alluded to by Jamie may be six months and not three years. Donald acknowledged uncertainties and provided assurance that CSL continue to work on these.

Irene Steel added that CSL are there to administer the scheme for producers and if, in the period following registration, the circumstances of a producer change that CSL will work with producers on this.

At 16:30 the Minister excused herself from the meeting to return to the Chamber and thanked attendees for sharing their concerns so clearly. The Minister confirmed that CSL will take forward the communication ask discussed at the beginning of the meeting.

Meeting with Scottish Grocers' Foundation - 27 February 2023

Meeting Details	Meeting between Scottish Grocers' Federation (SGF) and Minister for Green Skills, Circular Economy and Biodiversity	
Date/Time	Monday 27 th February 2023	
Venue	Microsoft Teams	
Attendees	SGF	Dr. Pete Cheema OBE, Chief Executive Luke McGarty, Head of Policy & Public Affairs Paul Stirling, SGF Board Member/G1 Group Pauline Mullen (Secretariat)

	Scottish Government	Lorna Slater MSP, Minister for Green Skills, Circular Economy & Biodiversity Allan Fraser Katriona Carmichael
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1. [Redacted]

[Redacted]

2. Review of Minutes of 17th January and Action Points

The Minister asked if any points remained outstanding.

P Cheema pointed to a document compiled by SGF and our members containing 41 outstanding operational issues which would significantly affect our members' ability to be ready for the Go Live date of 16th August. These points had been raised with CSL on a number of occasions (some points had in fact also been raised with ZWS and SEPA) however CSL will not engage with SGF to rectify these issues.

P Cheema confirmed that SGF's position is still to work with Government to deliver the scheme. It was agreed that this document would be sent to the Minister.

Action Point: Document containing 41 unanswered questions to be sent to the Minister.

[Redacted]

The point of manual handling was also discussed, whereby CSL have stated that for any retailer estimating to receive less than 5,000 vessels per week, they must look to take manual returns, with one collection per week. This could equate to just under 5,000 vessels, i.e. 34 bags of rubbish, which would be collected once a week from store. It is completely unacceptable to expect a small retailer to have the storage capacity available and dismiss the fact that they are entitled to purchase a RVM. Furthermore, when on the call CSL and ZWS suggested that should retailers be at full capacity in terms of returned vessels, they should turn the consumer away; this will only lead to tensions in store and loss of footfall for that retailer.

In relation to exemptions, the process was amended at the end of 2022 to make it simpler for stores to apply for an exemption where they thought appropriate, however our members' experiences do not reflect this at all with exemptions being refused despite stores are meeting the criteria for an exemption.

The EPOS integration is also a major stumbling block to allow retailers to be ready for the Go Live date; the fact it can take up to 12 months to have EPOS software reprogrammed however CSL have stated that they will not issue clear protocols for EPOS systems until June, 6 weeks before the Go Live date, is somewhat farcical, despite being told many times that much more time is needed.

Online takeback is also a huge concern. Despite reassurances from Government that this will not be implemented, until this amendment is passed by Parliament retailers

are legally bound to offer an online takeback service, and could be prosecuted should they not offer the service. Again, no information has been provided by CSL on what the return fee, or the process, would be for this.

[Redacted]

The Minister stated that she is aware that the primary focus of CSL is currently with producers given the deadline for them to register with the scheme being 28th February, therefore things are frustrating for our sector. The Minister also went on to speak of:

Vulnerable Persons – an amendment to the Regulations will be brought to Parliament by the Minister for Parliamentary Business, and thanked P Stirling for the work he had done with the Scottish Government in relation to the Equalities Act.

Pricing Separation – Trading Standards England are required to sign off on the deposit being labelled separately. The deadline for this to be done is the end of the month, however as this sits within the UK government, Minister has no powers of control.

Retailer Exemptions – Minister is unclear as to why exemptions are not being granted to some stores but will look into this further. It was again emphasised by SGF that retailers are unable to decide at this time if they should apply for an exemption without further information being available on the schedule of uplifts etc. To date only 200 applications for an exemption have been made.

RVM Sizes – it is the Minister's understanding that this is a decision for an individual business to take on whether it is financially viable to purchase a RVM or look at manual handling. P Stirling made the point that CSL have decided this based on what is best for itself and large producers and not what is best for the consumer. It is simply not feasible for a small store to handle just under 5,000 vessels on a manual takeback with only one uplift a week and store up to 34 bags of rubbish and waste. It is also unfair to ask a retailer to take a decision on being part of the scheme without furnishing them with details of uplifts until only 6 weeks before the Go Live date, there is no appeal process and nothing in writing to say how CSL will assist with these issues. The Minister suggested that this is a difficult matter to resolve as they can only schedule uplifts once they know how many return points/location of these will be within the scheme for uplift and some back and forth would be required on this. It was pointed out to her that we had asked for a mapping exercise to be done well over a year ago, and in fact BIFFA had actually offered to undertake this, but CSL did not allow for this to be done.

The Minister also suggested that the lack of engagement with CSL could be due to the fact that SGF has a poor relationship with them. This is something that was disputed by SGF attendees as we have continually tried to engage with them. It was also noted that many other groups and businesses dealing with CSL are facing the same frustrations as ourselves.

Return Point Operator Agreement – it was made clear to the Minister that until such time as all our questions and concerns have been answered, and specific guarantees have been given by CSL for the process going forward, members of SGF have agreed that they will not sign the RPO Agreement.

3. Letter to First Minister – lack of response

Not discussed.

4. Retailer Handling Fee – Criteria for Reaching RHF – Involvement of SAG

Not discussed.

5. Clarity on Exemptions

BIFFA allegedly visiting potential RPOs and encouraging exemptions rather than involvement in the Scheme

Not discussed.

6. Further clarity on Online Takeback

Not discussed.

7. Scheme Critical Failures for Go Live

As above.

The Minister called a close of the meeting at 1.10pm due to other diary commitments.

There was no further business.

ACTION POINTS		
Unanswered Questions	Document containing 41 unanswered questions to be sent to the Minister.	LM

Meeting with SIBA and small trade associations - 28 February 2023

Meeting Details	Meeting with small producer trade associations to discuss concerns over Scotland's Deposit Return Scheme (DRS) and Minister for Green Skills, Circular Economy and Biodiversity	
Date/Time	Tuesday 28 th February 2023 16:15 – 16:45	
Venue	Microsoft Teams	
Attendees		Society of Independent Brewers (SIBA) – Jamie Delap Scottish Wholesaler Association - Colin Smith, Margaret Smith Scotch Whisky Association –Susanna Cameron-Nielson Scotland Food & Drink – Joe Hind, John Davidson Wine & Spirits Trade Association – Freddie Joosten
	Scottish Government	Lorna Slater MSP, Minister for Green Skills, Circular Economy & Biodiversity Katriona Carmichael [Redacted]

Opening Remarks

The Minister opened by thanking attendees for meeting at short notice. This meeting is to follow up on the issues requiring clarity raised in the letter sent on 27th February.

Discussion on 'live' issues

John Davidson thanked the Minister for the opportunity to present the issues and passed to Joe Hind to outline these.

Joe Hind set out a request for a public announcement to detail the intentions of the Scottish Government around an 18-month extension period for SMEs noting that there has been a consistent position on this for several years from those representing SMEs. There are real issues for SMEs that justify a 'grace period' and that small producers are at the end of the line and often require decisions to be made by others, before preparation. The CSL announcement last week on upfront costs was welcome but issues with ongoing costs persist.

A second priority issue was how the Scottish Government intends to manage the process if producers do not register by the deadline. Reasons why producers are not signing up were outlined, including concerns with section 8.3 of the producer agreement as a barrier for producers in signing up due to uncertainty over fees being increased. The Internal Market Act exclusion has been raised by producers who are uncertain how the issues around legality will play out and have chosen to hold off on signing up for this reason. Statements made by leadership candidates had also created uncertainty. An extension to the deadline for producer registration should be put in place and clearly communicated alongside clarity on the direction of the scheme as small businesses need to know where they stand.

The Minister thanked attendees for working constructively on DRS and these matters noting that she was constrained in what could be said before making a statement to Parliament on 1st March which should provide clarity.

On the Internal Market Act exclusion and the media speculation around this, the Minister noted the confusion this is causing and confirmed to attendees that regulations are within devolved competence. The Scottish Government is engaging with the UK Government using the established process, and the First Minister had written to the Prime Minister that day.

On registration, the Scottish Government wished as many producers as possible to sign up by CSL's deadline and CSL would continue to support producers with this process. Where there are issues or concerns for producers, producers should speak to SEPA or CSL. CSL and SEPA will continue to work with producers who have not completed registration following the deadline in a constructive and positive way to ensure producers can sign up as soon as possible.

In addressing requests for a 'grace period', the Minister confirmed that options were being considered, and that these might require legislative changes.

Katriona Carmichael confirmed that the Scottish Government would need to look at any available options in the context of what was operationally and legally possible, and that further discussions would be required with this group.

Joe Hind and Jamie Delap raised concerns with non-registration by the deadline and the risk for businesses not being able to trade in Scotland. Participants asked for clear communication that evening. The Minister outlined that the concerns regarding the operational challenges of Scotland's Deposit Return Scheme for some producers were understood. Her understanding was that those who need more time to work with Circularity Scotland (The Scheme Administrator) when registering with them. [Redacted]

The Minister confirmed that lines on producer registration would be double checked and agreed with SEPA, and shared following the meeting.

Subsequently, the following lines were clarified and provided to members on 28/02:

- *We expect as many producers as possible to register tonight ahead of the deadline as this is an important milestone.*
- *We understand the concerns regarding the operational challenges of Scotland's Deposit Return Scheme for some producers. For those who need more time to register, SEPA will continue to work pragmatically with Circularity Scotland and producers beyond the 1 March to support businesses with their compliance ahead of the go live date.*
- *SEPA has agreed that, where there are clearly evidenced operational challenges and businesses are striving to meet their obligations, they will take a proportionate approach to compliance.*
- *They have committed to providing advice and guidance as the preferred route to achieving compliance. It is important that businesses understand their obligations and are taking action now to be ready for Scotland's Deposit Return Scheme.*

Susanna Cameron-Nielson confirmed that getting something in writing on the deadline and late registration will be helpful but wanted to note that things are still in a difficult space for members. Susanna stated that anything provided in writing on this would be appreciated and that they look forward to receiving more clarity in the Parliamentary statement tomorrow.

Freddie Joosten confirmed that the group had a request for an 18 month 'grace period', as 12 months would see introduction in August 2024 which is a particularly busy time for producers considering summer demand. Freddie explained that importer status is complex. It is difficult to work out who the 'producer' is from the regulations at the moment and asked for confirmation that there will not be penalties for those who are not currently producers or not aware that they are producers before the registration deadline.

The Minister assured attendees that it is not the intention to be punitive and that the SEPA would be taking a pragmatic approach where businesses are trying to do the right thing.

Freddie explained that something in writing acknowledging the pragmatic approach would be welcome.

Colin Smith added for clarity that there are two elements required of any statement on this; comfort on the registration process deadline and confirmation of what definition will be used for importers. Colin stated that SEPA were informed by CSL of the importance of a definition being agreed and that clarity is needed.

The Minister reaffirmed that the deadline remains and that SEPA will work pragmatically with CSL to support producers with their compliance. It is important that the number of articles and products are known as this allows planning and next steps to be taken which is why a deadline has been set but producers who submit late applications will be supported through the process.

Colin Smith asked that if the Minister is going to announce the option of a ‘grace period’ at any point, and in line with comments made on legality and operational issues, then Colin Smith wished to offer his assistance with narrative and how attendees see this working in practice.

Margaret Smith requested that any statement being made about action that will help their members could mention that those actions come, at least in part, due to how trade bodies have worked with the Minister.

Meeting with BSDA, BB&PA and other stakeholders - 28 February 2023

Meeting Details	Meeting with British Soft Drinks Association to discuss concerns over Scotland’s Deposit Return Scheme (DRS)	
Date/Time	Tuesday 28 th February 2023 17:30 – 18:00	
Venue	Microsoft Teams	
Attendees		Gavin Partington, Director General BSDA Sam Gold, Public Affairs Manager BSDA Paul Togneri, British Beer and Pub Association Kinvara Carey, Natural Source Waters Association Paul Graham, UK Managing Director Britvic and BSDA President William Watkins, CEO Radnor Hills and BSDA Vice President Stephen Moorhouse, General Manager UK CCEP Roger White, CEO AG Barr Ltd. [Redacted], Adesola Tolefe, Belhaven Andrew Lawrence, Molson Coors (and SBPA President) George Kyle, C&C Guy Mason, Heineken

	Scottish Government	Lorna Slater MSP, Minister for Green Skills, Circular Economy & Biodiversity Kevin Quinlan [Redacted]
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Opening Remarks

The Minister opened the meeting by thanking everyone for their continued input and support, and by listing the four items to be addressed:

- Clarity on IMA exemption
- Intent re exemptions for small producers
- Position on launch
- Extending deadline – producer registration

Clarity on IMA Exemption

On getting an exclusion for DRS from the IMA the Minister stated she understood the concerns around this and acknowledged that inaccurate information being reported by the media had been frustrating. The Scottish Government has followed the agreed process for this and began discussion with the UK Government on this matter in 2021. The Minister informed the group that it is now for the UK Government to make a decision as fast as possible and that the First Minister has written to the Prime Minister on this matter.

Kinvara Carey asked why there had been a delay in getting this exclusion agreed and also why had it not been resolved more swiftly considering this is such an important piece of work.

The Minister stated that it is frustrating for all that the decision is not with the Scottish Government already and that the Deputy First Minister wrote to the UK Government expressing dismay at the delay. The Minister affirmed that industry is certainly welcome to join the Scottish Government in writing to UKG for clarity.

[Redacted]

George Kyle thanked the minister and Kevin and asked what timescale Westminster has to give this decision.

The Minister confirmed there was no timescale for this and acknowledged that makes it is frustrating for the Scottish Government and businesses who do not have the clarity needed. The Minister assured attendees that the Scottish Government will push for a decision to made in a timely way.

Louise Dean asked what the unhappy path would be if a decision was not made by the scheme 'go live' date.

The Minister stated that she is confident a decision will be made and expects that to be before August.

Kevin came in to add some detail on the question from George re timescales - there will be an inter-Ministerial meeting in the coming week followed by a write around to other departments.

The Minister moved the group to the next item on exemptions.

Exemptions for Small Producers

Gavin Partington asked if the Scottish Government is considering a possible adjustment or exemption for small producers and added that on behalf of their members, they would not be supportive of this and that all producers have signed up to a level playing field.

The Minister explained that this is exactly the challenge, and the Scottish Government is under pressure to provide a 'grace period' for small producers but are very mindful of the playing field. The Minister added that it would be useful to hear about any proposals attendees had to support small producers to participate in the scheme.

[Redacted] added that Gavin mentioned the equity of fairness, but it's also about confusion for consumers having some products in the scheme and others not. On a two-tier system [Redacted] added that they understand the point about supporting small producers but the cost impacts on bigger and medium producers not just smaller ones.

Guy Mason added that you would end up having two price tiers and on top of that consumer confusion which does not feel like a fair place to land. Guy stated that they have been working towards a DRS all along in good faith and that it did seem that what this could look like could change overnight due to pressure on Scottish Ministers.

The Minister confirmed Guy had outlined very clearly the issues being faced.

William Watkins added that medium sized companies are going to be in a really difficult place and so where do you draw the line. William stated the playing field needs to be level.

The Minister stated this was very clear.

Adesola Tolefe came in to add their voice to that point explaining that there is no time left to design an alternative with exemption for small producers.

The Minister acknowledged that these are the challenges being looked at and considered. The group was then invited to move to the next item on the agenda re DRS launch timetable.

DRS Launch date and timetable

The Minister confirmed that, to her, momentum towards 16 August is feeling unstoppable at this stage, and acknowledged the substantial investment that

businesses have made and that the scheme has to 'go live' so they can get the return on their investment. The Minister reaffirmed the commitment to the August deadline and invited comment.

Gavin asked if the Minister would confirm the intention to stick to the August date in the parliamentary statement the following day.

The Minister confirmed that there is no intention to change the August date for launch.

Gavin added they are supportive of the August date and have made a lot of plans around this.

The Minister stated that attendees had outlined the reasons why there will not be a delay to the launch date.

[Redacted]

The Minister acknowledged that it is an important point and that would be taken on board, adding her appreciation for the work done by attendees and businesses so far which provides confidence of the momentum towards launch. The Minister reminded attendees of the producer registration deadline that evening.

Producer Registration

Paul Togneri raised the question about what happens beyond the midnight deadline for producers who have not signed up and if ministers are open to amending the regulations to allow late applications as they believe some producers are only recently aware of this obligation.

The Minister stated she wanted to be very clear that the deadline was that evening at midnight and asked attendees to appreciate the practicalities involved – detail on the number of products on the market and the number of businesses is required so that procedures can then be put in place. Attendees were informed that work was ongoing to support producers, especially small producers. Late applications can be made and CSL and SEPA will work with producers to meet their obligations. The Minister reiterated the need for as many producers to sign up by the deadline as possible.

Timiko Cranwell added that a one-week extension would be helpful as producers must give product numbers with a high degree of accuracy when signing up and that some producers have had to go through a higher level of authority in obtaining sign off and that CSL have told producers the deadline is in the regulations and cannot be changed but they want Government to know about this.

The Minister confirmed the deadline was that evening and is in the regulations.

Timiko stated that the practical help available to small producers would be helpful if extended to larger producers.

The Minister confirmed that a pragmatic approach will be taken and both CLS and SEPA will work to get everyone on board.

Andrew Lawrence agreed with Paul and Timiko and added that the uncertainty over the previous weekend with what had been in the media had changed things. Andrew stated that with producers having to complete registration by the end of the day they had spoken with their members to confirm this and that some had started but not completed the process of registration as they wished to show willingness but the uncertainty over DRS with the leadership contest was concerning especially with high monthly fees.

The Minister shared the frustration with some of the comments. She reiterated the momentum towards the 'go live' date in August and that everyone is working towards that date, it is not shifting and that she has sympathy with those struggling with the uncertainty. The Minister stated again that there will be a pragmatic approach to late registration and that the system is not intended to be punitive, that everyone wants to work constructively to get the scheme off the ground.

Kevin Quinlan added that if producers can work with CSL to work through issues that he knows CSL will be flexible.

The Minister invited final comments from the group.

A short discussion took place on the events that may interact with the launch date including the leadership contest outcome and the IMA decision from UK Government. Attendees were keen to hear what the point of no return may be for going live on 16 August.

The Minister advised the group that the decision on launch sits with the Scottish Government and her as the Minister, and that the date is in the regulations and so 16th August will be the date of launch. [Redacted]

Closing Remarks

The Minister thanked attendees for very clear statements and closed the meeting.

Meeting with hospitality sector representatives - 16 March 2023

Meeting Details	Meeting with representatives of the hospitality sector to discuss the operational challenges they are experiencing as they prepare for the launch of Deposit Return Scheme (DRS) and Minister for Green Skills, Circular Economy and Biodiversity	
Date/Time	Thursday 16th March 2023 14:45-15:30	
Venue	Microsoft Teams	
Attendees		Leon Thompson, Executive Director (Scotland) – UK Hospitality Paul Togneri, Policy Manager – British Beer and Pub Association

		<p>Ciarán Tragheim, Sustainable Sourcing Lead – Nandos</p> <p>Ross Ewing, Public Affairs Consultant – McDonald’s</p> <p>Keeley Buckley, Supply Chain Programme Manager – Elixir UK</p> <p>Dave Ingham, Senior Project and Portfolio Manager– Whitbread</p> <p>JP McKeown, Operations Director – Stonegate Group</p> <p>Andrew Raine – Stonegate Group</p> <p>Nicola Langdell, Procurement Manager – Mitchells & Butlers</p> <p>Stephen Gow, General Manager – Chester Hotel, Aberdeen</p> <p>Richard Galbraith, Head of Supply Chain and Distribution – Azzurri Group</p> <p>Alice Krige, Commercial Strategic Project Manager – Azzurri Group</p> <p>Additionally, there was representation from the following businesses:</p> <ul style="list-style-type: none"> • Star Pubs & Bars • Wetherspoons • Caledonian Heritable • Punch Pubs • Belhaven / Greene King • Admiral Taverns • BrewDog • Signature • Innis & Gunn <p>Joanna Zwitserlood, Head of Materials – SEPA</p> <p>Kath McDowall, DRS Unit Manager – SEPA</p> <p>David Harris, CEO, – CSL</p> <p>Simon Jones, Chief Operating Officer - CSL</p>
	Scottish Government	<p>Lorna Slater MSP, Minister for Green Skills, Circular Economy & Biodiversity</p> <p>[Redacted]</p>

Opening Remarks

The Minister opened by thanking attendees for meeting. This meeting is to discuss concerns specific to the hospitality sector.

Discussion on ‘live’ issues

1. Glass and can collection from hospitality venues.

- CSL advised that both glass could either be weighed and reconciled against purchase/sales records or scanned by businesses. A similar solution is being considered for cans. It was confirmed that cans can be crushed but must not be comingled with the PET stream. A solution for both materials would be confirmed w/c 20.3.23 which would include the condition of the material, how they must be stored, and a proforma of how sales / purchase data must be provided to CSL.
- An app is under development which will allow materials to be scanned prior to being collected, either manually or as the material is dropped into a container.

2. Frequency and timings of collections.

- It was highlighted by CSL that businesses should register as a return point operator as soon as possible. As part of the registration process, businesses will need to provide information including expected volumes of materials and any collection restrictions. This information will allow CSL to schedule collections.

3. Return point operator registration.

- Hospitality businesses were concerned about registering when they felt they didn't have all the information they required to do so.
- For business which have numerous premises in Scotland, there is a need to be able to do a bulk upload into the system. In order to do that businesses, need clarity about how this data needs to be provided.
- CSL advised that they were working through this and that this information would be shared w/c 20.3.23.

4. Cost of bags and tags.

- CSL advised that a supplier was in the process of being selected and costs shortly published. Ordering will take place through a portal on CSL's website.

5. Finance and accounting.

- CSL confirmed that reconciliation would be by establishment rather than group but confirmed they would clarify with their technology workstream and respond with further details.

6. Timescales are for the risk assessment process.

- It was confirmed by CSL that the process would start in July or sooner if possible.

7. Wider concerns

- It was asked how committed the Minister still is to the go-live date of 16th August 2023 since the hospitality sector still feel there are lots of unanswered questions which are preventing the sector moving forward with implementation. The sector want to make DRS work, but they are concerned about making a financial commitment when they feel there is still uncertainty.
- Both the Minister and CSL reiterated that they are committed to the date of the 16th August 2023. Resource is being dedicated to working with the hospitality sector to work through and resolve issues.

8. UK Internal Market Act.

- The Minister confirmed that it is a process based on evidence, which is being worked though and she fully expects it to go forward.

9. Exemptions

- Issues were raised regarding the functionality of the exemption service and the interface. Specific issues were related to closed loop businesses and the process for seeking exemptions for multiple sites.
- Scottish Government confirmed that they are working with Zero Waste Scotland to improve and streamline the process.

Closing Remarks

- A hospitality blueprint will be published wc 20th March which should answer most questions raised in this session. CSL are happy to work on an agile basis to ensure all questions are answered.
- Any additional issues are to be emailed to [Redacted] who will add to the log and share with CSL and SEPA.

Meeting with Ms Slater, DRS and Retailers - 18 April 2023

Invited Attendees

- Ewan MacDonald-Russell, SRC
- Dr Pete Cheema, SGF
- Paul Stirling, SGF
- Edward Woodall, ACS
- Hussan Lal, NFRN
- Mo Razzaq, NFRN,

- Stuart Lendrum, Iceland
- Tony McElroy, Tesco

Scottish Government

- Kevin Quinlan, Director of Environment and Forestry
- David McPhee, Deputy Director, Deposit Return Scheme
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

Circularity Scotland Limited

- Donald McCalman
- Irene Steele
- David Harris

Update from the Minister for Green Skills, Circular Economy and Biodiversity regarding the delay to DRS launch

- Ms Slater covered the revised launch date shifting from 16 August 2023 to 1 March 2024. LS acknowledged hard work, time and money invested into getting ready for an August launch. LS also stressed the importance of keeping momentum on preparations so that March 1 launch is as successful as possible.
- LS asked colleagues to continue work with CSL and SG officials to develop solutions to issues that still remain.
- LS assured colleagues that SG have been considering all ideas raised, along with legalities and fairness of these simplification options. Detailed update to follow in Thursday's statement.

Q&A

1. Ewan Macdonald-Russell

- important to get the fundamentals right, less about the when and more about the how.
- LS suggested she chair a delivery body every month with common set of milestones.

2. Stuart Lendrum

- Stressed that all issues must be resolved well ahead of launch - need commitment that all issues are closed off six months in advance.
- LS agreed to consider what can be put into place to achieve that aspiration.

3. Mo Razzaq

- Great deal of uncertainty for small retailers. Thousands of pounds invested to get ready for the scheme. Disappointed with the communication.
- LS stressed that we are working hard to get colleagues that certainty. Gone through every step to get this exemption to the Internal Market Act. Want to secure this in a timely manner. No barrier to UKG granting this - will continue to press so that we can offer that certainty. Ask for colleagues with UK connections to pass on pressure to UKG.

4. Paul Stirling

- Voiced concerns around online takeback, exemptions and planning regulations. Also, who will step up for smaller businesses to put in community return points?
- LS agreed these points are exactly what we need to table and have a common agreement around.

5. Tony McElroy

- Need for a clear timetable with accountabilities to fix the outstanding operational issues. Need to quickly get that timetable and ownership of solutions in place so we can operationalise it.
- Conscious that the period of time runs over Christmas. Need to accept that retail will have limited ability to work through solutions over that period.
- LS agreed that we must use this time wisely. Asked if colleagues are content that all operational issues are on the table.

6. David McPhee (SG)

- Pointed out that SG are keen to continue engagement with everyone. We want to engage regularly on all these issues. We see this as working with colleagues to define solutions. Ask of colleagues to engage with us all to allow for March 1 launch.
- LS keen for officials to start on organising a meeting on this front right away.

7. Stuart Lendrum

- List of operational issues needs to be updated because new issues have arisen since it was put together.

8. Hussan Lal

- Need for appropriate governance and representation of businesses of all sizes, inc. support for smaller retailers.
- LS assured this issue is to be tabled.

Ms Slater thanked attendees and closed the call.

Meeting with Ms Slater, DRS and Producers - 18 April 2023

Invited Attendees

- Sam Gold, BDSA
- Paul Graham, Britvic, President of BDSA
- Paul Togneri, BBPA
- Jamie Delap, SIBA
- Joe Hind, Scottish Food and Drinks
- Colin Smith, Scottish Wholesale Association
- Freddie Joosten, Wine Spirits Trade Association
- Fraser Grieve, Scotch Whisky Association
- Adesola Tolefe, Elizabeth Rennie Ltd
- Andrew Tighe, MacDonald Hotels
- Gavin Partington, BSDA

Scottish Government

- Kevin Quinlan, Director of Environment and Forestry
- David McPhee, Deputy Director, Deposit Return Scheme
- [Redacted]
- [Redacted]
- [Redacted]

Circularity Scotland Limited

- Donald McCalman
- Irene Steele
- David Harris

Update from the Minister for Green Skills, Circular Economy and Biodiversity regarding the delay to DRS launch

- Ms Slater confirmed that delayed launch to 1 March is not due to a reduction in commitment to the DRS and had become unavoidable due to UKG failure to agree an exemption to the IMA in a timely fashion.
- Important to keep momentum on preparations for March launch to ensure a successful launch and smooth delivery on new schedule.
- On Thursday 20th April, in a Ministerial statement to Parliament Ms Slater will announce simplification adjustments to the scheme. Details cannot be given now due to Parliamentary protocol but will meet with industry following the statement.

Q&A

9. Andrew Tighe

- Welcomed addition time to prep for the launch of the scheme.
- Welcomed the clarity the delay announcement offers - no partial exemptions for parts of the sector.
- Noted concern about financial liabilities and risks between now and March launch.

10. Gavin Partington

- Sought assurances regarding the IMA exemption - currently no time limit for a decision and fears another IMA related delay.
- Also asked if a timetable for taking another decision on whether to delay the launch again.
- LS confirmed SG had followed process in full and there was no barrier to the UKG taking a decision. Business can make lack of uncertainty issue clear to UKG.

11. Paul Graham

- Delay causing uncertainty and additional costs of delay.
- David McPhee (SG) noted that investment made won't be wasted and delay is caused by the IMA which is outside our control.
- Need strong assurance of 1 March launch. Fear that the Scottish DRS will be delayed until the launch of the rUK scheme.

12. Adesola Tolefe

- Asked if UKG gave a reason for not issuing an IMA decision and if SG have a hard stop date for the IMA decision.
- LS confirmed that UKG declined to answer why they have not given a decision. UKG have not given a timeline for a decision.

13. Sam Gold (BSDA)

- Need to consider what does the market look like on 16 August. Main concern is the stockpiling of products. Need to work with Trading Standards to give special dispensation to producers needing to put goods to market.

14. Jamie Delap (SIBA)

- Use time wisely for more constructive engagement to develop effective solutions. Still don't have the routes to address issues with CSL and SG. Biggest fear is having an unworkable scheme come Jan/Feb 24.
- Would help if CSL had person responsible for solving the end to end supply chain issues faced by smaller producers including the more complex issues.

15. Fraser Grieve (SWA)

- Welcomes delay, sought to use time to make fundamental changes to the scheme, including a de-minimis, inclusion of glass, VAT
- Kevin Quinlan (SG) emphasised that not everyone will get everything and differing incentives but aiming to get as much consensus as possible.

16. Peter Charles

- What plans are in place to ensure CSL remains viable and liquid until March?
- [Redacted]

- David Harris (CSL) confirmed CSL will be taking to members about impact of delay. The delay is a material change and will need to be addressed.

17. Freddie Joosten

- Welcomes delay. Any decisions/changes to DRS need to be made asap to allow industry to prepare.
- Some issues with the contract preventing SMEs from signing the contract and hindering registration.
- Ms Slater thanked attendees and closed the call.

Meeting with Ms Slater, DRS and eNGOs - Minutes - 18 April 2023

Attendees

Ms Slater - Minister for Green Skills, Circular Economy and Biodiversity

NGOs

- James Mackenzie, APRS
- Kat Jones, APRS
- Sarah Doherty, APRS
- Kimberley Pratt, Friends of the Earth Scotland
- Catherine Gemmel, Marine Conservation Society
- Calum Duncan, Marine Conservation Society
- Jenni Hume, ReLoop
- Phoebe Cochrane, Scotland Environment Link

Scottish Government

- Kevin Quinlan, Director of Environment and Forestry
- David McPhee, Deputy Director, Deposit Return Scheme
- [Redacted]
- [Redacted]
- [Redacted]
- Harry Huyton

Circularity Scotland Limited

- Donald McCalman
- Irene Steele
- David Harris

Meeting between the Minister for Green Skills, Circular Economy and Biodiversity to eNGOs regarding the delay to DRS launch from 16 August 2023 to 1 March 2024.

- Ms Slater confirmed that delayed launch to 1 March is not due to a reduction in commitment to the DRS and had become unavoidable due to UKG failure to agree an exemption to the IMA in a timely fashion.
- Important to keep momentum on preparations for March launch to ensure a successful launch and smooth delivery on new schedule.
- On Thursday 20th April, in a Ministerial statement to Parliament Ms Slater will announce simplification adjustments to the scheme. Details cannot be given now due to Parliamentary protocol but will meet with industry following the statement.

Q&A

1. Calum Duncan

- Wrote to recommend that the Committee vote down the regulations as they were not tough enough but appreciates we are in a different space now.
- How can we prevent further delays given there will be commitments to rUK scheme by October and business may want to delay Scottish scheme to align with rUK?
- LS emphasised need for IMA exemption decision in a timely manner.
- Aside from IMA decision, we now have 10 months to make DRS a real success.

2. Phoebe Cochrane

- Assumes that the delay will make scheme more expensive which adds ammunition to those who want further delay. What are SG doing to mitigate this risk?
- LS noted that some businesses welcome the delay/others (those who have invested in the DRS) have not. SG continue to work with businesses to assess impacts of the delay and address them where possible/appropriate.
- Will announce DRS simplifications on Thursday to help businesses.

3. James MacKenzie

- Asked if we had IMA approval would scheme have gone ahead?
- LS highlighted that IMA decision uncertainty resulted in a loss of momentum for the DRS.
- JM noted that APRS' view was that exclusion for small producers is against competition law.
- Concerns that delay is used to justify another delay. Is there anything else can do to cement launch in March (appreciated the IMA is out of hands)?
- LS noted need to get IMA decision and investment momentum behind the scheme.

4. Jenni Hume

- Can SG share an easy IMA explainer to educate eNGOs?
- Call for evidence that DEFRA published last week - what are the implications for the DRS - should Scottish NGOs reply to this?

- [Redacted] (SG) confirmed there was a common framework group for resources and waste and will pick this up via that.

5. Sarah (Guest)

- Asked what NGOs can do support against further delay?
 - LS requested that raise press attention of benefits, good/normal practice in other countries, point people to the right information to combat misinformation.
 - David Harris (CSL) highlighted clear political opposition to the launch of the scheme. CSL working hard to change the negative narrative and sought NGO support. Producers can engage. Need to keep in mind that over 600 SME producers have signed up to the scheme.

6. Kim Pratt:

- IMA decision may not have had such an impact if there was more political unity in Scotland. What is being done on this front?
- LS noted that DRS had cross party support but has become politicised. Will continue to engage with opposition parties.
- [Redacted]

Deposit Return Scheme - Meeting with Chief Executives and Senior Managers of key Producers, Retailers, and Circularity Scotland - 20 April 2023

In Attendance

Name	Organisation	Attended in Person or Virtually?
First Minister	Scottish Government	In Person
Minister for Green Skills, Circular Economy & Biodiversity	Scottish Government	In Person
Leon Thompson	UK Hospitality	In person
Eilisa Elschner	Lidl	Virtually
Stephen Montgomery	Scottish Hospitality Group	In person
Jenni Lang	Glenmorangie	In person
Polly Jones	Asda	In person
Andrew Weston	Campaigns Public Affairs	
Jamie Delap	Fyne Ales	In person
Jonathon McCreadie	Amazon	Virtually
Simon Oldham,	Highland Spring	In Person
David Harris	Circularity Scotland Limited	In Person
Donald McCalman	Circularity Scotland Limited	In Person
Kerra McKinnie	Circularity Scotland Limited	In Person
Linda Hughes	Amazon	In Person
John Kane	Booker	Virtually
Paul Togneri	Beer and Pub	In Person
Cath Marston	Booker	Virtually
Colin Smith	Scottish Wholesale	In Person

Martin Steele	A.G. Barr	In Person
Gareth Charlton	Accolade wines	Virtually
David Scott	Morrisons	Virtually
Dr Cheema	Scottish Grocers Federation	In Person
Benjamin Davies	Suntory	Virtually
Luke McGarty	Scottish Grocers Federation	In Person
Maeve McCormack	Marks & Spencers	Virtually
Paul Stirling	One O Retail	In Person
Fraser Grieve	Scotch Whisky Association	Virtually
Ewan MacDonald-Russell	British Retail Consortium	In Person
Tobias Topf	Lidl	Virtually
Sarah Catterick	Lidl	Virtually
Andy Tighe	Beer and Pub	Virtually
Jim Fox	Coca Cola European Partners	Virtually
Colin Wilkinson	The Scottish Licensed Trade Association	In Person
John Mcalaney	Aldi	In Person
Neil Adams	Marks & Spencers	In Person
Richard Casofsky	Heineken	
Ian Smith	Suntory	In Person
Vicky Plum	Suntory	Virtually
Vicky Reynolds	Heineken UK	Virtually
Matthew Hill	Asahi-beer	Virtually
Freddie Joosten	Wine and Spirit Trade Association	Virtually
Mark Kent	Scotch Whisky Association	
James Ellis	Sainsburys	
Mo Razzaq	Federation of Independent Retailers	Online

Official Support

Kevin Quinlan	Scottish Government
Elisabeth Campbell	Scottish Government
[Redacted]	Scottish Government
[Redacted]	Scottish Government
[Redacted]	Scottish Government

Note of Meeting

Item 1: Welcome – FM

- FM welcomed attendees.
- FM reaffirmed his commitment to delivering the DRS on 1 March 2024 to help address the climate emergency, reduce litter and create a circular economy for Scotland.

- FM recognised the huge level of investment and progress already made by so many businesses across Scotland.
- FM stressed momentum must be maintained over the next 10 months to ensure the scheme is ready for successful launch.
- FM asked that businesses continue to call upon the UK Government to make the exclusion from the Internal Market Act, noting that the process to secure this has been underway for almost 2 years. UK Government delay has caused great uncertainty for businesses and clarity is required as soon as possible.
- POST MEETING NOTE: FM wrote to the Prime Minister on 22 April seeking UKG confirmation of the IMA exclusion by the end of April.
- Successful delivery requires us all to work together and to pave the way for other successful schemes across the UK.
- Whilst significant progress has been made, we have been listening to businesses and recognise that many have legitimate concerns about the impact of the scheme on their business.
- FM is aware many retailers have stated that they would not be ready for launch in August and are concerned about the impact that will have on their customers.
- Some small businesses had also highlighted that they were finding it difficult to fully prepare for the August launch, particularly given the challenges they have faced in recent years.
- To address these concerns, the FM said he announced on Tuesday that the launch of the scheme would be delayed until 1 March 2024 to allow for a little more time for those businesses to prepare, which now gives us 10 months to get this right.
- Additionally, in parliament the Circular Economy Minister outlined the wider measures we are undertaking to adjust some elements of scheme to respond to those concerns from business.
- FM stressed that the fundamentals of the scheme remain. Overall the measures announced this week support all businesses, but particularly small businesses.
- While the measures will have a positive impact on many businesses, FM understands they will not be universally welcomed
- It is essential that we retain the integrity and ambition of the scheme as a whole that it is workable for all relevant businesses and for consumers and that we continue to work together.

Item 2: Package of measures in place – Minister for Green Skills, Circular Economy & Biodiversity

- Minister thanked colleagues from across industry – producers, retailers and trade associations – for taking time to meet with us.
- Minister is committed to take a pragmatic and collaborative approach to implementation of DRS, that is why we are, for example, removing the obligation on the vast majority of online retailers to provide takeback services.
- We have been listening to the concerns raised by businesses.
- In addition to the revised go live date, we have developed a package that is fair, pragmatic and supports the overall aims of the scheme:

- All drinks containers under 100ml will be completely excluded for the scheme. We estimate this will remove 0.2% of articles from the scheme but it will simplify things, and particularly address the concerns around miniatures.
- Secondly, the Minister said that all products with low sales volumes under 5,000 items a year will not need to be part of the scheme. This will apply to all businesses so a large business which has a niche product line with low sales volume will not need to apply a deposit to that line and a small business which only sells low volume products will not need to apply a deposit to any of their products. This change will only remove around 0.5% of articles from the scheme but will remove the need for around 44% of businesses to apply a deposit to their products, effectively removing many of the smallest producers from the scheme.
- Thirdly, the Minister said we plan to exempt all hospitality premises who sell the majority of their drinks products for consumption on the premises from acting as a return point. Officials will engage with hospitality businesses on the proportion of sales to which this will apply, and if this affects businesses to make their views known.
- In partnership with Zero Waste Scotland we have simplified the online process for retailers to apply for an exemption from operating a return point following feedback.
- Circularity Scotland has agreed to consider creating a short-form producer agreement. Those here who represent small businesses should engage with Circularity Scotland on this.
- The Minister has heard calls to change the scope of the scheme, to improve governance and most importantly the need for certainty.
- We are not changing the fundamentals of the scheme. It remains a producer responsibility scheme built on the polluter pays principle. There is no change to the materials in scope, and glass remains part of the scheme as does our commitment to accessibility, meaning return-to-retail model is essential.
- We have always said this is an ambitious scheme, and stick by this given the climate emergency.
- Success of the scheme will be down to the implementation, and most of the responsibilities for that lie with Businesses.
- SG team to come forward with holistic governance plans for scheme delivery.
- Regular communication is key. We need clear processes for resolution of issues, to mitigate risks and a clear set of milestones between now and launch to achieve successful delivery.
- Minister has agreed with FM that she will chair an assurance group for programme delivery and has asked officials to work with partners to set this up. The purpose of this group is to drive momentum, work collectively to develop resolutions and give businesses certainty so they can use the 10 months ahead to plan their own operational systems.
- Some of the measures announced 20 April and previously (changes to online takeback), require changes to the DRS Regulations. Officials are working now to ensure they are laid in Parliament as soon as possible and are live at the end of the summer, again to contribute to certainty.

- Minister gave her thanks to everyone for meeting the FM and looks forward to continuing to work with Businesses over the next 10 months.

Item 3: FM invited comment from participants

Key points from producers

(Contributors Coca-Cola and Highland Spring, Glenmorangie, Society of Independent Brewers, British Beer and Pubs Association, Scotch Whisky Association, Wine & Trade Association, Scottish Wholesaler Association)

- Welcomed the announcements, assurance group and FM engagement.
- Exclusion of products where sales are less than 5,000 units is welcome as a measure for smaller producers.
- Launch 1 March is now an achievable target.
- There are still issues with the scheme.
- The delay will impact on large producers who are ready - asked for discussion about compensation.
- Some asked for glass to be removed from DRS.
- Raised the preference for UK wide issue of label change to prevent border fraud as something we need to look at.
- Raised issue around labelling and producer agreement with Circularity Scotland and their ability to give appropriate time to digest and understand the contract.
- Asked if new governance and assurance groups replace the existing System Wide Assurance Group.
- Asked to be part of the assurance group.

Ministers' response

- Glass is not being removed from DRS.
- Agreed to keep up momentum and need for clearer, inclusive governance.
- Agreed operation clarity required and that all parties should work together to achieve this, businesses are essential part of finding solutions.

Key points from retailers

(Sainsbury's, Scottish Retail Consortium, Scottish Grocers Association, Federation of Independent Retailers, Association of Convenience Stores)

- Welcomed the delay to scheme launch and commitment to working together.
- Need to keep up momentum to ensure ready for 1 March 2024 launch.
- Asked for an operational blueprint and clear guidance.
- Concerned that online takeback will not work for businesses.
- Consider there are issues around consumer communication.
- Concerns that excluding products with low sales volumes from requiring a deposit will create additional complexity for retailers.

- Some retailers have invested in Reverse Vending Machines (RVMs) and will have costs associated with them given the 6 month delay, affordability is a big issue for small businesses.
- Payment terms for smaller retailers going from 7 days to 28 days presenting a huge cashflow issue.
- Request for cash flow assistance or grants.
- Need for greater transparency.
- Request to be part of new assurance group.
- Consider Christmas trading period in planning.
- Still issues with exemption process.
- Calls to align across UK.
- Need clarity on shelf edge labelling.
- SGF seek response to issues raised in earlier correspondence.
- Highlighted that the planning regulations do not exist for reverse vending machines in local community areas and that they need support.
- Issues around a lack of clarity from Trading Standards on pricing and labelling, which could potentially result in retailers inadvertently operating illegally.

Response

- Current arrangement is 7 days for manual handling, monthly for RVM. CSL happy to follow up. (CSL)
- Committed to systematically work through delivery issues as a group. (Ministers)
- Putting RVMs into community parades is not part of the policy. (Ministers)
- Changes have been made to simplify RPO exemption process.

Key Points from Hospitality Businesses

(UK Hospitality, Scottish Hospitality, British Beer and Pub Association)

- Need for greater certainty and operational detail to continue investments.
- Need to see timescales and milestones for the scheme as soon as possible.
- Highlighted that the blueprint/guidance needs to be in place very quickly.
- Welcomed the exemptions announcement but this may cause confusion for consumers about return point operators.
- Asked if we can remove hospitality completely.
- Asked to be part of the assurance group for programme delivery. Recommended that Biffa be on the assurance group.
- Raised the issue of £22m cash flow support package for producers and if hospitality can also receive support.

Actions/Commitments

- Assurance Group chaired by the Minister to be set up. Confirm if this will replace the current System Wide Assurance Group and membership.
- All partners work together to find solutions to remaining issues to provide operational certainty as soon as possible.
- CSL to work with businesses to ensure they have relevant operational detail.
- Set clear timescales and milestones for the scheme delivery.