

The exceptions applied in this instance are:

Information has been withheld under regulation 10(4)(d) (material in the course of completion, unfinished document or incomplete data). This exception is subject to the 'public interest test'. Therefore, taking account of all the circumstances of this case, we have considered if the public interest in disclosing the information outweighs the public interest in applying the exception. We have found that, on balance, the public interest lies in favour of upholding the exception. We recognise that there is some public interest in releasing the information as part of an open, transparent and accountable government. However, this is outweighed by the public interest in ensuring that unfinished or incomplete information is not disclosed when it might misinform the public or give a misleading impression of the Scottish Government's view or position on the matter to which the information relates.

Information has been withheld under regulation 10(4)(e) (internal communications). This exception is subject to the 'public interest test'. Therefore, taking account of all the circumstances of this case, we have considered if the public interest in disclosing the information outweighs the public interest in applying the exception. We have found that, on balance, the public interest lies in favour of upholding the exception. We recognise that there is some public interest in releasing the information as part of an open, transparent and accountable government. However, this is outweighed by the greater public interest in allowing Scottish Government officials and Ministers a private space to share free and frank views for the purpose of deliberation of any given policy.

Additionally, a small amount of information relating to cross government communications has also been withheld under regulation 10(4)(e) (internal communications). This exception is subject to the 'public interest test'. Therefore, taking account of all the circumstances of this case, we have considered if the public interest in disclosing the information outweighs the public interest in applying the exception. We have found that, on balance, the public interest lies in favour of upholding the exception. We recognise that there is some public interest in releasing the information as part of an open, transparent and accountable government. However, there is a greater public interest in maintaining good relations between the Scottish Government and other UK administrations, and in protecting the free exchange of information between said administrations to ensure that we keep each other fully and regularly informed about matters of mutual interest. There is no public interest in disclosing information when that could potentially damage cross government relationships and disrupt future communications.

Information has been withheld under regulation 10(5)(f) (third party interests). This exception is subject to the 'public interest test'. Therefore, taking account of all the circumstances of this case, we have considered if the public interest in disclosing the information outweighs the public interest in applying the exception. We have found that, on balance, the public interest lies in favour of upholding the exception. We recognise that there is some public interest in releasing the information as part of an open, transparent and accountable government. However, disclosure of this particular information would, or would be likely to, prejudice substantially the

confidentiality of commercial information provided by private 3<sup>rd</sup> party companies and cause substantial harm to their commercial interests.

Finally, a small amount of information has been withheld under Regulation 11(2) – Personal Data as it contains personal information and disclosing it would contravene the data protection principles in Article 5(1) of the General Data Protection Regulations (GDPR) and in Section 34(1) of the Data Protection Act 2018. This exception is not subject to the ‘public interest test’.

**Copies of internal and external correspondence in relation to the meeting between the Minister for Green Skills, Circular Economy and Biodiversity and Circular Scotland Ltd on 13 April 2023 and 18 April 2023:**

Meeting between Minister for Green Skills, Circular Economy and Biodiversity

When 14:45 13 April , MS Teams

Attendees: [Redacted] – CEO CSL, [Redacted] – Programme Director, [Redacted], Chair CSL

Officials: Kevin Quinlan, [Redacted], [Redacted], [Redacted].

Purpose of the meeting between Minister and Circularity Scotland

- To maintain close working relationship with CSL
- To confirm and maintain confidence in SG commitment to scheme as a whole

[Redacted]

**Key Points**

- Understand the need for certainty on IMA and Ministerial position to rebuild momentum.
- Understand the CSL core projects are developing at pace
- However the Gateway Review and stakeholder engagement makes clear that the system as a whole is not ready for launch in August that will be a positive customer experience.
- There are gaps in the whole system Governance. SG to lean in to provide leadership on some of those, for example whole system vision and definition of minimum viable product and development and management of critical path. We have build a bigger team with the skills to do this.
- Call on CSL to lean in to support the whole system in delivery. To ensure they have the information and clarity required and to support retailers to get ready.
- Success will be judged on experience. We should focus our efforts not only on technical plans but on how the plan will deliver a positive customer experience.
- Most customers will interact with DRS through retailers. We need them to feel supported, be technically ready and on board with full range of communications when they come.
- Consumer confidence and the flow of 20ps is what we need to get scheme items into the recycling operations you have put in place with BIFFA.
- Governance and relationships are key. I have asked the SG Team to redesign programme Governance so that I have full and regular sight of the critical path, progress towards this and risk.
- I also anticipate keeping FM up to date.

Minister GSCEB – CSL – 13/04

- 100% supportive of DRS and CSL's ability to deliver
- Some things out of our control – IMA and trading standards
- Understand where things are. Can't say anything before goes to Parliament

-[REDACTED]

- Entire DRS industry has been paused due to level of uncertainty
- Two major retailers have paused programmes – too much uncertainty
- Industry as a whole have lost time
- CSL have been given task to aim for and will deliver that.
- Bigger concern is that not everyone else will be there
- And main issue is winning hearts and minds of consumers. If mess that up will have a much bigger hill to climb

If alternatives to August – very difficult decision with regards to customers, particularly those that have signed up to support CSL if there is a delay.

-28 producers signed up to do so.

-[Redacted]

[Redacted]. CSL will continue to focus on the 16<sup>th</sup>. If CSL have more time will use it wisely for testing etc. [Redacted]

As chair of the board – one of the main responsibilities is to creditors – banks and producers.

[Redacted]

[Redacted]

[Redacted]

-Concern about IMA – agreed to provide read-out after upcoming meeting with UK

-Broader look at governance, particular focus on delivery and implementation

-Greater focus on customer experience

CSL asked when Parliamentary announcement could be made. The Minister confirmed that Parliament must be informed before sharing any information.

***MEETING WITH Retailers following FM statement on 18<sup>th</sup> April***

<b><i>Date and Time of Engagement</i></b>	16:20 to 16:50 on Tuesday 18 <sup>th</sup> April
<b><i>Where</i></b>	Teams Call

<b>Who will Chair the meeting</b>	Kevin Quinlan
<b>Key Message</b>	We are committed to delivering DRS and the delay we have put in place is to ensure that all parties involved in delivering this will be ready for the new launch date on 1 <sup>st</sup> March
<b>Who</b>	Retail trade bodies and large retailers
<b>Why</b>	Following the FM's speech this is an opportunity to explain the reasoning behind a delay in more detail.
<b>Official Support Required</b>	The following officials will be on the call: <ul style="list-style-type: none"> <li>• Kevin Quinlan</li> <li>• Elisabeth Campbell</li> <li>• David McPhee</li> <li>• [Redacted]</li> <li>• [Redacted]</li> </ul>
<b>Media Handling</b>	No specific media handling
<b>Dress code</b>	Online meeting so no dress code
<b>Greeting Party and specific meeting point on arrival (if at a non SG Building)</b>	Online meeting
<b>Specific entrance car/parking arrangements/secure bicycle rack</b>	Online meeting
<b>Briefing contents</b>	Annex A – Agenda Annex B – Summary Page Annex C – Meeting Attendees

**Numbered Agenda (with suggested timings)**

1. FM's announcement on Delay (10 mins)
2. Further announcement on Thursday (10 Mins)
3. Questions (10 mins)

**Speaking Points**

**On 6 months Delay**

- I recognise all the hard work that you have done to get ready for the launch of DRS
- I know that many of you have invested time and money in preparation for the scheme and this has still been valuable investment
- Moving the launch date from 16 Aug to 1 March is not about any reduction in commitment to DRS but instead is about providing some additional time to deal with ongoing issues – not least IMA and Trading Standards issues which the UK Government have not provided clarity on.
- It is important that we keep momentum on preparations to ensure that they launch on 1<sup>st</sup> March is as successful as possible.
- Many of you have indicated that you would prefer a delay and hopefully the 10 months that we now have following the delay the FM announced will be welcomed
- However I am also aware that some of you were keen to go ahead in August but I know that all the investment you have put in will stand us in good stead for launch in March.
- I am also aware that many of you have made it clear that you need further information on a range of issues to allow you to prepare for the delivery of the scheme
- I am very keen that we work together at pace to get clarity on these issues and allow you to push forward your preparations so that we can provide a good customer experience of DRS at launch on 1<sup>st</sup> March
- I would ask all of you to continue work with CSL and with SG officials to help us to develop solutions to the issues that still remain.

**On Further Support**

- Officials have been speaking to a number of you over recent weeks to consider what can be done to ensure the scheme is as effective as possible while most effectively supporting businesses.

- I am very grateful to you all for engaging in such a positive
- Various ideas have been put forward around how Scottish Government, CSL and SEPA can provide support to businesses as well as ideas on how to adjust the scope of the scheme
- We have been considering all of the ideas raised and have been considering the legality and fairness of these
- On Thursday I will outline in detail further adjustments to simplify the scheme
- Given parliamentary protocol I am not able to provide you with more detail on this now.

### **Online takeback**

- You will be aware that I intend to amend online takeback obligations so that initially they apply only to the largest grocery retailers.
- You have raised concerns with me about the feasibility of providing takeback services, and have been clear that you cannot deliver this in 2023.
- Cabinet remain very clear that some form of service must be available to those that cannot physically return containers at launch. We cannot have a situation where customers can buy drinks online but have no means of redeeming a deposit.
- Takeback obligations have been included in DRS Regulations since they were laid in 2020. The additional six months for implementation announced earlier this afternoon provides you with even more time to deliver this service. I therefore have a strong expectation that takeback will be available for vulnerable customers from 01 March.
- I will continue to support you to implement a takeback service, and my officials have already been liaising with you on the additional support that is needed, whether in Regulations, from Circularity Scotland, or working with public bodies such as the CMA and SEPA. Thank you for continuing to engage so constructively.

**ANNEX B**

### **Summary Page**

### **Key Points/Top Lines**

**IMA**

The Scottish Government has, and continues to follow the agreed process for securing an exclusion for DRS from the Internal Market Act. This is acknowledged by UK Government ministers.

- The Scottish Parliament approved the Deposit and Return Scheme for Scotland Regulations in 2020. The Regulations are wholly within devolved competence.
- There is an agreed and published process between UK Government and devolved governments for excluding certain areas from the Internal Market Act.
- The Scottish Government has been following that process for excluding the deposit return scheme regulations from the Internal Market Act. It has been the subject of discussion with UK Government and the other devolved governments within the Resources and Waste Common Framework for many months.
- We first raised the need for an exclusion in July 2021 when we proposed a broad exclusion which would have covered single-use plastics and DRS.
- [Redacted]
- The UK government had indicated they would provide a decision by the Inter-Ministerial Group which took place yesterday (17 April) to allow for the IMA exclusion to be finalised to enable an August DRS launch.
- I again pressed UKG for urgent clarity on their support for an exclusion; it is incredibly frustrating that the UK Government is continuing to delay the decision and this is resulting in further uncertainty for businesses.

[Redacted]

- We have been clear from the outset that the Internal Market Act – which was imposed without the consent of the Scottish Parliament – creates new uncertainty.
- That is why we first raised this in July 2021 and have followed at all times the agreed common frameworks process to agree an exclusion from the Act.
- It is for the UK Government to respect devolution and follow the evidence-based approach of the Common Framework which recommended an exclusion.

### **6 months Delay**

- While we know many businesses had prepared for a launch date of 16<sup>th</sup> August we also know many businesses did not feel they would be ready
- This would result in a poor customer experience which we are keen to avoid
- However we must ensure that we are ready for 1<sup>st</sup> March to ensure that we can deliver a DRS scheme which provides so many benefits including:
  - reducing littering by a third and increase recycling rates of single-use drinks containers towards 90%.
  - reducing CO2 emissions by 4 million tonnes over 25 years – the equivalent to taking 83,000 cars off the road.
- We will ensure we will work with all parties involved in DRS to ensure that there is a clear path to delivery for 1<sup>st</sup> March

### **Support for Small Producers**

- I know that some small producers feel there is a disproportionate burden on them to get ready for the deposit return scheme.



- This 6 month delay will provide them with additional time to prepare for the launch of the scheme.
- We are also planning to deliver a range of other measures to support the delivery of the Deposit Return Scheme, that will support small producers, hospitality and others.
- I will announce full details in a statement to parliament on Thursday.
- It is also worth noting that CSL have already delivered a package which supports the smallest producers including:
  - Removal of the day one and month one charges for all producers, up to a threshold of three million units per year.
  - Above the three million unit threshold, the Day 1 payments for producers using UK wide barcodes has previously been reduced by two thirds, from 2.4 months of fees to 3 weeks of fees (announced in December 2022).
  - providing two month credit terms on deposits and fees up to the same volume threshold to reduce the working capital impact on all producers.
  - Circularity Scotland will be offering the option to use self-adhesive barcode labels for producers placing less than 25,000 units per year of a specific product on to the Scottish market, alleviating administrative burden.
  - DRS is a form of extended producer responsibility – part of the ‘polluter pays principle’ so that producers have obligations to recycle and recover packaging that they place on the market
  - Producers with an annual turnover of £ 2 million and who place specified amounts of packaging on the market already have to meet their extended producer responsibility obligations
  - producers who are part of DRS will no longer need to meet obligations under wider packaging obligations in relation to DRS scheme articles since their participation in DRS will ensure they meet obligations to recycle and recover that packaging

### **Compensation**

- The investment made up till now will ensure that businesses are ready for the 1<sup>st</sup> of March launch date
- There has been a mixture of views across businesses on the readiness for an August launch
- We have had to balance these views and the risks posed to the scheme as a whole against the time and investment businesses have put in to be ready for August
- The decision to delay by 6 months ensures that there is a minimum delay, ensuring we avoid the busy festive period, while providing time for businesses to be ready to ensure an affective delivery of DRS.

## **ANNEX C**

### **Attendees**

- Exact attendees are not known as yet but we have invited representatives from:

- SRC
- Scottish Greengrocers Federation
- Association of Convenience Stores
- Federation of Independent Retailers
- We have also asked SRC to invite their large retail members
- Representatives from Circularity Scotland will also attend

## **Meeting with Ms Slater, DRS and eNGOs - Minutes:**

**Date: 18 April 2023**

### **Attendees**

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

#### NGOs

- [Redacted], APRS
- [Redacted], APRS
- [Redacted], APRS
- [Redacted], Friends of the Earth Scotland
- [Redacted], Marine Conservation Society
- [Redacted], Marine Conservation Society
- [Redacted], Reloop
- [Redacted], 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

- [Redacted]
- [Redacted]
- [Redacted]

**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. [Redacted]

- 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. [Redacted]

- 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. [Redacted]

- 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.
- [Redacted]
- 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. [Redacted]

- 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. [Redacted]

- 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.
- [Redacted] (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. [Redacted]

- 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.
- Harry Huyton noted that FM is robust in his support for DRS. [Redacted]

**Meeting with Ms Slater, DRS and Producers (both large and small) - Minutes:  
Date: 18 April 2023**

**Invited Attendees**

- [Redacted], BDSA
- [Redacted], Britvic, BDSA
- [Redacted], BBPA
- [Redacted], SIBA
- [Redacted], Scottish Food and Drinks
- [Redacted], Scottish Wholesale Association
- [Redacted], Wine Spirits Trade Association
- [Redacted], Scotch Whisky Association
- [Redacted], Elizabeth Rennie Ltd
- [Redacted], MacDonald Hotels
- [Redacted], BSDA

**Scottish Government**

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

**Circularity Scotland Limited**

- [Redacted]

- [Redacted]
- [Redacted]

### **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**

1. [Redacted]
  - 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.
  - [Redacted].
2. [Redacted]
  - 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.
3. [Redacted]
  - 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.
4. [Redacted]
  - 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.
5. [Redacted] (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.

6. [Redacted] (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.
7. [Redacted] (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.
8. [Redacted]
  - What plans are in place to ensure CSL remains viable and liquid until March?
  - [Redacted] (CSL) confirmed CSL have been planning for various scenarios and taking actions to financially plan.
  - [Redacted] (CSL) confirmed CSL will be taking to members about impact of delay. The delay is a material change and will need to be addressed.
9. [Redacted]
  - 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 Retailers - Minutes:  
Date: 18 April 2023**

**Invited Attendees**

- [Redacted], SRC
- [Redacted], SGF
- [Redacted], SGF
- [Redacted], ACS
- [Redacted], NFRN
- [Redacted], NFRN,
- [Redacted], Iceland
- [Redacted], Tesco

**Scottish Government**

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

- [Redacted]
  - [Redacted]
  - [Redacted]
- [Redacted]

Circularity Scotland Limited

- [Redacted]
- [Redacted]
- [Redacted]

**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**

10. [Redacted]

- 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.

11. [Redacted]

- 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.

12. [Redacted]

- 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.

13. [Redacted]

- 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.

14. [Redacted]

- 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.

15. 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.

16. [Redacted]

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

17. [Redacted]

- 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.

**From:** <[Redacted]@gov.scot>; on behalf of; Minister for Green Skills, Circular Economy and Biodiversity <MinisterforGSCEB@gov.scot>

**Sent:** Wed 26/04/2023 09:41

**To:** <[Redacted]@gov.scot>; Minister for Green Skills, Circular Economy and Biodiversity <MinisterforGSCEB@gov.scot>

**Cc:** <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>

**Subject:** RE: Meeting notes from 18 April 2023

**This email is for the official record and confirms a Ministerial Decision. This email must be placed in the official record (eRDM) by your team in line with SG records management policy.**

Hello,

Ms Slater is content with the notes.



Thanks  
[Redacted]

[Redacted] – Deputy Private Secretary to the Minister for Green Skills, Circular Economy and Biodiversity – Lorna Slater MSP  
Scottish Government | St Andrew's House, Regent Road, Edinburgh EH1 3DG |  
Email: ministerforgsceb@gov.scot Mob: [Redacted]

**From:** <[Redacted]@gov.scot>  
**Sent:** 25 April 2023 16:09  
**To:** Minister for Green Skills, Circular Economy and Biodiversity  
<MinisterforGSCEB@gov.scot>  
**Cc:** <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>  
**Subject:** Meeting notes from 18 April 2023

Good afternoon,

Attached are the three meeting notes from the meetings Ms Slater had on 18 April 2023 following the announcement regarding the change in launch date for DRS.

Objective links: [Redacted]

[Redacted] | Deposit Return Scheme (DRS) Division | Environment and Forestry Directorate | Scottish Government | Tel: [Redacted] / [Redacted]

Deposit return scheme - Managing waste - gov.scot (www.gov.scot)

From: David McPhee <[Redacted]@gov.scot>  
Sent: Tue 18/04/2023 12:05  
To: Minister for Green Skills, Circular Economy and Biodiversity  
<MinisterforGSCEB@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>  
Cc: <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot  
<[Redacted]@zerowastescotland.org.uk>; Harry Huyton <[Redacted]@gov.scot>;  
Elisabeth Campbell <[Redacted]@gov.scot>; Director of Environment & Forestry  
<director.enfor@gov.scot>; <[Redacted]@gov.scot>  
Subject: RE: DRS Meeting Email invitations

[Redacted],

I have attached a revised version of the retailers brief for this afternoon with a new section on online takeback (highlighted in red).

Now that we have confirmed that the FM will only announce the date change there is not need to adjust the other briefings.

Thanks  
David

**From:** McPhee D (David)

**Sent:** 17 April 2023 19:05

**To:** Minister for Green Skills, Circular Economy and Biodiversity2023

<MinisterforGSCEB@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>

**Cc:** <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>;

<[Redacted]@zerowastescotland.org.uk>; Huyton H (Harry) <[Redacted]@gov.scot>

**Subject:** RE: DRS Meeting Email invitations

[Redacted],

Please find attached some light touch briefing for the 3 meetings tomorrow afternoon. The background material is the same in all three but the speaking points are adjusted for each audience.

We have not provided material on the adjustments to the scheme which will be announced on Thursday given that we will not be able to discuss those in detail as they have not been announced in parliament as yet.

Happy to discuss if helpful and provide more material if needed.

[Redacted]

Thanks  
David

**From:** <[Redacted]@gov.scot> **On Behalf Of** Minister for Green Skills, Circular Economy and Biodiversity2023

**Sent:** 17 April 2023 17:51

**To:** <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; Minister for Green Skills, Circular Economy and Biodiversity2023 <MinisterforGSCEB@gov.scot>

**Cc:** <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@zerowastescotland.org.uk>; McPhee D (David)

<[Redacted]@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>

**Subject:** RE: DRS Meeting Email invitations

Hi [Redacted]

[Redacted]

Can I just double check that CSL are not being invited to the meeting with eNGOs, please?

You'll see the meeting with CSL and the Minister has been confirmed for 12:15 tomorrow.

Can I check progress on the briefings for all these meetings for Ms Slater please, are they coming up tonight?

**[Redacted]** - Private Secretary to the Minister for Green Skills, Circular Economy and Biodiversity - Lorna Slater MSP

Scottish Government | St Andrew's House, Regent Road, Edinburgh EH1 3DG |  
Mob: [Redacted] | Email: MinisterGSCEB@gov.scot

**From:** <[Redacted]@gov.scot>

**Sent:** 17 April 2023 17:05

**To:** <[Redacted]@gov.scot>; Minister for Green Skills, Circular Economy and Biodiversity2023 <MinisterforGSCEB@gov.scot>

**Cc:** <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@zerowastescotland.org.uk>; David McPhee <[Redacted]@gov.scot>

**Subject:** RE: DRS Meeting Email invitations

Hi [Redacted],

Just following up the below and double checking if PO is issuing the invites for tomorrow's meetings?

Thanks,  
[Redacted]

**From:** <[Redacted]@gov.scot>

**Sent:** 17 April 2023 16:15

**To:** Minister for Green Skills, Circular Economy and Biodiversity2023 <MinisterforGSCEB@gov.scot>

**Cc:** <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@zerowastescotland.org.uk>

**Subject:** DRS Meeting Email invitations

**Importance:** High

Good afternoon,

Grateful if you could as soon as possible send out the following email invitations for the three meetings Ms Slater is holding tomorrow afternoon.

Due to various sensitivities, multiple different invitation emails will need to be sent, details are provided below:

**Invitation Title:** Meeting with Minister GSCEB – DRS

**Invitation Text:** We would like to invite you to a meeting with the Minister to get an update on the Deposit Return Scheme

**Meeting 1: Producers**

- 15.50-16.20
- Link: [Click here to join the meeting](#)
- Invite 1: [Redacted]
- Invite 2: [Redacted]
- Invite 3: SIBA, Scotland Food & Drink, Scottish Wholesale, Wine Spirits Trade Association, Scotch Whisky Association
- Invite 4 – CSL

## Meeting 2: Retailers

- 16.20-16.50
- Link: Click here to join the meeting
- Invite 1: [Redacted] – SRC. [Redacted].
- Invite 2: SGF, Association Convenience Stores, Federation Small Businesses (NFRN)
- Invite 3 – CSL

## Meeting 3. eNGOs

- 16.50-17.15
- Link: Click here to join the meeting
- Invite to eNGOs per usual grouping

I have attached a spreadsheet sorted by meeting and invitation numbers which have the required email addresses.

Please get in touch if you have any queries,

Cheers,

[Redacted]

[Redacted] | Deposit Return Scheme (DRS) Division | Environment and Forestry Directorate | Scottish Government | Tel: [Redacted] / [Redacted]

Deposit return scheme - Managing waste - gov.scot (www.gov.scot)

**From:** Minister for Green Skills, Circular Economy and Biodiversity  
<MinisterforGSCEB@gov.scot>

**Required:** MSP Lorna Slater <lorna.slater.msp@parliament.scot>; Harry Huyton <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; Director of Environment & Forestry <[Redacted]@gov.scot>; David McPhee <[Redacted]@gov.scot>; <[Redacted]@gov.scot>

**Optional:** Katriona Carmichael <[Redacted]@gov.scot>; <[Redacted]@gov.scot>

**Subject:** 12:15-12:45 Meeting with Ms Slater and CSL

Keeping this time in the Ministerial Diary for a meeting with CSL.

Grateful for briefing in line with Ms Slater's preferences as soon as possible.

Official support is expected at all meetings and engagements unless otherwise agreed with Private Office. Please note that there is a requirement for an official note of all meetings to be produced – this should be done by the most appropriate official supporting the Minister in line with published guidance.

If you require anyone else to be invited, please let Private Office know.

Many thanks

[Redacted] 17/04

From: <[Redacted]@gov.scot>; on behalf of; Minister for Green Skills, Circular Economy and Biodiversity2023 <MinisterforGSCEB@gov.scot>  
Sent: Mon 17/04/2023 15:59  
To: <[Redacted]@Circularityscotland.com>  
Cc: Minister for Green Skills, Circular Economy and Biodiversity2023 <MinisterforGSCEB@gov.scot>  
Subject: RE: Immediate: Meeting with Ms Slater and CSL

Hi [Redacted]

Thank you for your email.

Please see below joining details for 12:15 tomorrow.

Many thanks and kind regards

**[Redacted]** – Assistant Private Secretary to the Minister for Green Skills, Circular Economy and Biodiversity – Lorna Slater MSP

Scottish Government | St Andrew's House, Regent Road, Edinburgh EH1 3DG |  
Email: MinisterGSCEB@gov.scot

**From:** <[Redacted]@Circularityscotland.com>  
**Sent:** 17 April 2023 15:39  
**To:** Minister for Green Skills, Circular Economy and Biodiversity <MinisterGSCEB@gov.scot>  
**Subject:** RE: Immediate: Meeting with Ms Slater and CSL

Hi [Redacted]

[Redacted], [Redacted] and [Redacted] can be available tomorrow at 12.15pm.

Will await your dial-in details.

Regards

[Redacted]

**From:** <[Redacted]@gov.scot> **On Behalf Of** MinisterGSCEB@gov.scot  
**Sent:** Monday, April 17, 2023 3:10 PM  
**To:** <[Redacted]@Circularityscotland.com>  
**Cc:** <[Redacted]@Circularityscotland.com>; MinisterforGSCEB@gov.scot  
**Subject:** Immediate: Meeting with Ms Slater and CSL  
**Importance:** High

Hi [Redacted]

Ms Slater would welcome a following up meeting with CSL tomorrow at 12:15 if they are able to make themselves available, please?

Kind regards

**[Redacted]** - Private Secretary to the Minister for Green Skills, Circular Economy and Biodiversity - Lorna Slater MSP

Scottish Government | St Andrew's House, Regent Road, Edinburgh EH1 3DG |

Email: MinisterGSCEB@gov.scot

## **Meeting with Ms Slater and CSL - Minutes:**

**Date: 18 April 2023**

### **Attendees**

[Redacted]

[Redacted]

[Redacted]

Kevin Quinlan

David McPhee

Elisabeth Campbell

[Redacted]

### **Agenda**

4. FM's announcement
5. Further announcement on Thursday
6. Questions

### **FM's Announcement**

The Minister made the following points:

- I am really grateful for all your work and progress to date – I know you have made strong progress overall in a short amount of time. I am also grateful for all the engagement you have had with officials in recent weeks on the options to progress the scheme and to consider the options for a potential delay.
- The FM will make a statement to parliament today. As you know we have been considering options around a delay. The FM will set out the final decision on this in Parliament.
- Any delay announced would help the wider system to prepare for DRS and to ensure that the launch is as successful as possible.
- I recognise challenges that a delay would put on CSL but also that this may allow for more opportunity for testing of systems over the period.
- I am grateful for all of the work that CSL have been doing to get the system right and I would ask that you continue to work with producers and other partners to ensure that everyone is prepared for the launch of DRS.
- We will continue to work to find solutions on significant issues with the UK Government such as the IMA exclusion and trading standards.

### **Further Announcement on Thursday**

- As with the delay options I am grateful for the engagement you have had with officials in recent weeks.
- I will be announcing a number of adjustments to the scheme on Thursday and I know you have been involved in developing these.
- The final decisions will be announced in parliament on Thursday but we continue to consider the following adjustments:
  - **For All businesses** - an Enhanced regulatory support period, the minimum container size increased from 50ml to 100ml and removal of products which sell less than 5,000 a year from scope;
  - **For producers** - a simplified producer agreement;
  - **For Retailers** - further streamlining of exemptions process;
  - **For Hospitality** - exclude hospitality businesses that sell the majority of drinks for consumption on site from acting as a return point.
- Following the announcement of the final package we will now need to make the suitable regulatory adjustments to make these changes a part of the scheme.
- I would ask that you continue to work with us to ensure that these changes are communicated effectively to your members and the general public.

## Discussion

- CSL noted again the impacts of any delay announced by the FM and the need to consider how to manage this with stakeholders.
- Following the FM's announcement CSL would welcome further discussion on the impact of this and how to ensure that it is clear that the commitment to the scheme remains.
- Similarly we will need to consider how to work with stakeholders on the detail of further adjustments to the scheme.

The Minister agreed to continue discussions after the FM statement today and the further statement on Thursday.

**Copies of internal and external correspondence in relation to the meeting between the Minister for Green Skills, Circular Economy and Biodiversity and the IMG for Environment, Food and Rural Affairs held on 17 April 2023:**

**From:** <[Redacted]@gov.scot>  
**Sent:** Tue 18/04/2023 09:41  
**To:** Cabinet Secretary for Rural Affairs, Land Reform and Islands <CabSecRALRI@gov.scot>; Minister for Green Skills, Circular Economy and Biodiversity <MinisterGSCEB@gov.scot>  
**Cc:** Caroline Cowan <[Redacted]@gov.scot>; Director of Agriculture and Rural Economy <[Redacted]@gov.scot>; Tim Ellis <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>  
**Subject:** RE: EFRA IMG April - Briefing Pack

Good morning,

Please find attached an internal summary of yesterday's EFRA IMG meeting. Secretariat minutes, communique and action log will be shared in due course.

[Redacted]

**[Redacted]**

Environmental Legislation and Trade Manager  
Future Standards and Relations Hub | Future Environment Division EnFor | Scottish Government | Victoria Quay | Edinburgh | EH6 6QQ | M: [Redacted]

**From:** <[Redacted]@gov.scot>  
**Sent:** Fri 14/04/2023 17:03  
**To:** <[Redacted]@gov.scot>; Cabinet Secretary for Rural Affairs, Land Reform and Islands <CabSecRALRI@gov.scot>; Minister for Green Skills, CircEcon & Biodiversity 2021-2023 <MinisterGSCEB@gov.scot>  
**Cc:** Caroline Cowan <[Redacted]@gov.scot>; Director of Agriculture and Rural Economy <[Redacted]@gov.scot>; Tim Ellis <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>  
**Subject:** RE: EFRA IMG April - Briefing Pack

[Redacted], [Redacted]



Please find attached the IMG brief on DRS. I have provided as stand-alone for easier handling with the main pack which [Redacted] provided earlier.

Officials will be available in the pre-brief on Monday morning to discuss.

Thanks,

[Redacted]

[Redacted] | Circular Economy Division| Scottish Government | M: [Redacted] | [Redacted]@gov.scot

**From:** [Redacted]

**Sent:** 14 April 2023 15:14

**To:** Cabinet Secretary for Rural Affairs, Land Reform and Islands <CabSecRALRI@gov.scot>; Minister for Green Skills, Circular Economy and Biodiversity <MinisterGSCEB@gov.scot>

**Cc:** Cowan C (Caroline) <[Redacted]@gov.scot>; Director of Agriculture and Rural Economy <[Redacted]@gov.scot>; Ellis T (Tim) <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>

**Subject:** EFRA IMG April - Briefing Pack

Hi [Redacted], [Redacted],

Please find attached the briefing pack for EFRA IMG taking place on Monday. Please be advised that due to urgent issues arising this morning the Deposit Return Scheme brief will need redrafting. The team are urgently working on that issue and will sent the brief later today.

Agenda for the meeting is;

1. Introductions (5 mins)
2. Deposit Return Scheme (20 mins)
3. Retained EU Law (20 mins)
4. Food Shortages (20 mins)
5. Windsor Framework (20 Mins)
6. AOB
  - UK Agriculture Partnership (Defra request)
  - UK Subsidy Control Regime (SG request)
  - CPTPP trade deal (SG request)

To note; UK-Faroe Bilateral is has not been included on the agenda due to timings. However, I have advised Defra officials that Ms Gougeon wishes to make a comment on that point. Notes on that are included in the pack.

Attached are supplementary documents:

- Defra PPT on Windsor Framework that they will speak to on Monday
- A letter from SoS to Ms McAllan on DRS, issued yesterday

- Three letters of ministerial correspondence related to Food Shortages
- A letter Ms Gougeon wrote to SoS regarding UK Subsidy Control Regime.

Let me know if there are any questions ahead of the pre-meet on Monday.

[Redacted]

**[Redacted]**

Environmental Legislation and Trade Manager  
Future Standards and Relations Hub | Future Environment Division EnFor | Scottish  
Government | Victoria Quay | Edinburgh | EH6 6QQ | M: [Redacted]

**From:** <[Redacted]@gov.scot>

**Sent:** Thu 11/05/2023 11:36

**To:** Cabinet Secretary for Rural Affairs, Land Reform and Islands  
<CabSecRALRI@gov.scot>; Minister for Green Skills, Circular Economy and  
Biodiversity <MinisterforGSCEB@gov.scot>

**Cc:** Director of Agriculture and Rural Economy <[Redacted]@gov.scot>; Tim Ellis  
<[Redacted]@gov.scot>; Caroline Cowan <[Redacted]@gov.scot>;  
<[Redacted]@gov.scot>; Communications Net Zero & Rural Affairs  
<[Redacted]@gov.scot>; Kate Higgins <[Redacted]@gov.scot>; Harry Huyton  
<[Redacted]@gov.scot>

**Subject:** For clearance - IMG April - minutes and action log

Morning [Redacted]/[Redacted],

Following the IMG on 17 April, please now find attached and below the proposed minutes and action log for ministerial clearance. Both documents have been cleared by all four nations at a senior official level.

[Link to minutes](#)

Click on the link to open 'FSR - Defra and DAs - IMG April - Draft minutes - 4N cleared' - [Redacted]

Grateful if we could get clearance from both Cab Sec and Minister Slater by Tuesday next week, if possible.

Thanks in anticipation,

[Redacted]

**[Redacted] | Head of Engagement**

Environment, Food, Rural Affairs and Future Policy  
Future Standards and Relations Hub  
Scottish Government, St Andrew's House

**E:** [Redacted]@gov.scot

**M:** [Redacted]

## ANNEX D

Copies of internal and external correspondence in relation to meeting held by the Minister for Green Skills, Circular Economy and Biodiversity relating to the Deposit Return Scheme on 20 April 2023:

<b>Date and Time of debate</b>	14:25 – 14:55 Thursday 20th April 2023
<b>Where</b>	Scottish Parliament
<b>Purpose of Evidence session</b>	To provide Parliament with an update on DRS following Government's decision to delay the launch date and bring forward measures to address the concerns of small businesses, hospitality and others.
<b>Official Support Required</b>	Elisabeth Campbell, Deputy Director, DRS [Redacted], Head, DRS Unit [Redacted]

### Briefing Contents

<b>Annex A</b>	<i>Motion</i>
<b>Annex B</b>	<i>Speaking notes</i> - attached as a separate word document
<b>Annex C1</b> <b>Annex C2</b> <b>Annex C3</b> <b>Annex C4</b> <b>Annex C5</b>	Key messages: New package of measures Key messages: IMA exclusion Key messages: Governance/Assurance Key messages: Glass Key messages: Need for amended Regulations
<b>Annex D</b>	DRS FMQ brief

<b>Annex E</b>	Historical relevant briefing
<b>Annex F</b>	Q&A - <i>should include any known questions (in sequence)</i> - <i>bullet point answers/comments</i> - <i>keep short and to the point</i>

## Annex A

### Motion/reason for statement

*To provide Parliament with an update on DRS following Government's decision to delay the launch date and bring forward measures to address the concerns of small businesses, hospitality and others.*

## Annex C1

### Key messages: New package of measures

#### 6 months Delay

- While we know many businesses had prepared for a launch date of 16<sup>th</sup> August we also know many businesses did not feel they would be ready
- This would result in a poor customer experience which we are keen to avoid
- However we must ensure that we are ready for 1st March to ensure that we can deliver a DRS scheme which provides so many benefits including:
  - reducing littering by a third and increase recycling rates of single-use drinks containers towards 90%.
  - reducing CO2 emissions by 4 million tonnes over 25 years – the equivalent to taking 83,000 cars off the road.
- We will ensure we will work with all parties involved in DRS to ensure that there is a clear path to delivery for 1st March

[Redacted]

- A lot of progress has been made in preparing for delivery of scheme
- There have been a range of views from business with some businesses asking for a delay and some businesses asking for the scheme to go ahead in August
- On balance, particularly given the uncertainty caused by the delay from the UK Government to agree an IMA exclusion, we have decided that moving the launch date to 1st March is the most effective action
- This provides 10 months from now for businesses to prepare for the launch of the scheme

[Redacted]

- There has been significant work to get ready for the launch of the DRS scheme and many businesses have invested heavily to make this a reality

- There is no need for us to wait beyond 1st March 2024 and it is important that we realise the environmental benefits of this scheme as soon as possible
- While the UK will also have a DRS scheme, the Scottish one is a devolved policy and will have differences to the UK scheme so there is no need to wait until that scheme is in place.

[Redacted]

- Along with stakeholder feedback we take the review findings seriously.
- The Scottish Government will consider carefully the recommendations from the recent Gateway Review, and will share recommendations and our response with the Net Zero, Energy and Transport Committee in due course.
- A decision to delay the scheme to give certainty, improve customer experience and allow for resolution of outstanding operational issues, confirmation of IMA exclusion, and extensive testing of IT and logistic systems.

### **Support for Small Producers**

- I know that some small producers feel there is a disproportionate burden on them to get ready for the deposit return scheme.
- This 6 month delay will provide them with additional time to prepare for the launch of the scheme.
- We have also announced a range of other adjustments which will be helpful for small businesses including:
  - Removing the need for a deposit on products which sell less than 5000 items annually
  - Removing containers below 100ml from the scope of the scheme
  - CSL will be working to simplify their producer agreements for small producers
  - We will look to ensure small businesses are clear on the approach that SEPA will take to enforcement which will be supportive to businesses developing systems.
  - It is also worth noting that CSL have already delivered a package which supports the smallest producers including:
    - Removal of the day one and month one charges for all producers, up to a threshold of three million units per year.
    - Above the three million unit threshold, the Day 1 payments for producers using UK wide barcodes has previously been reduced by two thirds, from 2.4 months of fees to 3 weeks of fees (announced in December 2022).
    - providing two month credit terms on deposits and fees up to the same volume threshold to reduce the working capital impact on all producers.
    - Circularity Scotland will be offering the option to use self-adhesive barcode labels for producers placing less than 25,000 units per year of a specific product on to the Scottish market, alleviating administrative burden.
    - DRS is a form of extended producer responsibility – part of the ‘polluter pays principle’ so that producers have obligations to recycle and recover packaging that they place on the market
    - Producers with an annual turnover of £ 2 million and who place specified amounts of packaging on the market already have to meet their extended producer responsibility obligations

- producers who are part of DRS will no longer need to meet obligations under wider packaging obligations in relation to DRS scheme articles since their participation in DRS will ensure they meet obligations to recycle and recover that packaging

### **Specialist products exclusion**

- Any product which sells less than 5000 articles a year in Scotland will no longer have to place a deposit on the article.
- This change was asked for by business and, while it will particularly help small producers and hospitality businesses.
- It will apply to producers of all sizes. For example specialist product lines from large producers will also not require a deposit.

### **Business requirements**

- Any producer that wishes to apply a deposit to their low volume products can still do so. We would encourage this where possible.
- Producers must still register with SEPA to sell products in Scotland, in line with all other drinks covered by DRS. The registration fee will be waived for businesses with a turnover under £85,000 per year, as is currently the case.
- Producers must still provide information on the volume of their products sold in Scotland, either directly to SEPA or via Circularity Scotland.
- If a producer chooses to register via Circularity Scotland, CSL has agreed that they will not charge producer fees on these low volume products.
- I anticipate that this will be a temporary measure, and will keep it under review once the scheme is live.

### **Impacts**

- Business: Allowing products with sales of under 5000 units per year to be exempt from carrying a deposit would mean that:
  - 44% of drinks producers, primarily the smallest drinks producers, could be exempt from applying a deposit to any of their products,
  - around 80% of all drinks producers could be exempt from applying a deposit to at least one of their products
- Environment: Only 0.5% of scheme articles (around 13 million containers) would be affected by this change, meaning that there would be a very minimum impact on the material covered by the scheme.
- Products can still be recycled in the same way as any other non-scheme materials.
- 5000 units per year equates to sales of fewer than 100 units per week. We therefore expect this impact to be very low and primarily affect specialist retailers and hospitality businesses, who were among those that requested we consider removing deposits on specialist products.
  - There is the potential for greater consumer confusion. However, many of the products affected are sold in hospitality settings where the deposit is not charged to the consumer, and will already have a long cut-over period as they tend to flow more slowly through the drinks supply chain.

### **Change in minimum container size to 100ml**

- We have increased the minimum size of a scheme article from 50ml to 100ml. Containers below 100ml will no longer be part of DRS.
- This is a change that was requested by drinks producers to reduce complexity and remove the operational challenges associated with small containers.
- It also addresses the concerns by retailers that small containers may not be accepted by reverse vending machines.
- We estimate that it will remove approximately 0.2% of total scheme articles from the scheme, so will have a minimal effect overall.
- The change brings us in line with many of the other countries who have DRS schemes.

### **Reduced obligation for hospitality venues to act as return points**

- Hospitality venues that sell most scheme articles for consumption on the premises will no longer need to act as return points.
- It is already the case that any retailer that sells drinks exclusively on the premises does not need to operate a return point.
- This change expands this exemption to also cover premises that sell a small number of off-sales.
- We are working to agree the exact amount of offsales that would be required to exempt premises and want to work with the sector on this
- Other hospitality venues will also have the ability to apply for an exemption through the existing exemptions system, which already has a streamlined process for food to go and hospitality businesses.

[Redacted]

- Many premises have multiple uses and it would not be appropriate for them to not act as a return point given the amount of articles they will sell
- The aim of this exemption is to remove a significant amount of hospitality while still maintaining a suitable set of return points for customers
- Any hospitality venue not automatically exempted can apply for an exemption in the normal way
- As set out today we are working to streamline the exemption process

### **Operational information**

- I understand that this is a big change for businesses to manage, and that businesses require certainty in order to complete their operational planning.
- That is why we are giving businesses six more months to prepare for the new launch date of 1 March 2024.
- This is an industry-led scheme, with many operational issues resting with Circularity Scotland as the scheme administrator.
- While I am confident that CSL have now provided the information at businesses need, the additional six months will provide more time for businesses to act on this information and prepare for scheme launch.
- However, I know that there are also several critical issues that must be resolve urgently, not least confirmation from the UK Government of an exclusion from the Internal Market Act, a process we began in 2021.
- I am therefore committed to the swift and decisive resolution of outstanding operational issues, and their prompt communication to businesses.

### **[Redacted]**

- Online takeback: I will shortly bring forward amendments to DRS Regulations so that initially only the largest grocery supermarkets will be obliged to provide a takeback service for those unable to get to a physical return point
- We cannot have a situation where customers can buy drinks online but have no means of redeeming a deposit.
- Retailers have had this obligation since Regulations were laid in 2020. The additional six months for implementation announced this week provides retailers with even more time to deliver this service.
  
- Trading Standards: Scottish Government officials are working closely with Defra, Welsh Government and the Dept. Business and Trade to seek a consistent approach to deposit pricing across the UK. Acknowledging that this is an area of reserved policy, we have requested amendments to the 2004 Price Marking Order to confirm how deposits should be displayed.
  
- Return point exemptions: Following feedback from businesses, Zero Waste Scotland has streamlined the return point exemption application process by:
  - Simplifying the application form by including drop down answers rather than free text answers
  - Retailers under 100m<sup>2</sup> and food to go retailers under 280m<sup>2</sup> do not now need to provide additional information like floor plans and photographs in their initial application to be exempt from being a return point
  - This will reduce the administrative burden particularly for small retailers.
- VAT: This is a matter for the UK Government, who shared their decision on VAT in February. Any further guidance would be issued by HMRC.
- Packaging Recycling Notes (PRNs): To ensure that producers are not charged twice, recycling obligations under the packaging producer responsibility system currently placed on drinks containers in scope of a Scottish DRS will no longer apply once DRS is introduced, and as a result this material will no longer have to obtain PRNs to evidence its recycling.
- Other operational issues (systems, finance, contacts etc.): This is an operational / contractual matter for Circularity Scotland as scheme administrator. CSL are working directly with businesses on this matter. We will work with CSL and industry to understand if there is additional support that Scottish Government can provide.

### **Investment that has already taken place**

- The investment made up till now will ensure that businesses are ready for the 1st of March launch date
- There has been a mixture of views across businesses on the readiness for an August launch
- We have had to balance these views and the risks posed to the scheme as a whole against the time and investment businesses have put in to be ready for August
- The decision to delay by 6 months ensures that there is a minimum delay, ensuring we avoid the busy festive period, while providing time for businesses to be ready to ensure an affective delivery of DRS.



## **Compensation**

- We are grateful to all businesses for the investment they have made in preparing for the launch of the deposit return scheme.
- This investment will be important for the success of the scheme when it launches on 1 March.
- While many businesses were ready for the launch in August, many others told us they would not be.
- This uncertainty was partly caused by the UK Government's delay in reaching a decision on an Internal Market Act exclusion for the scheme and we have called on them to make this now to provide certainty to businesses in Scotland.
- Only the very largest producers (those making more than 10 million units per year) are required to underwrite costs.
- As Circularity Scotland is a private company, contractual arrangements they have with their members is a matter for them and it would not be appropriate for the Scottish Government to intervene in such commercial arrangements between private companies.

## **Annex C2**

### **Key messages: IMA exclusion**

#### **The Scottish Government has fully followed the agreed process for securing an exclusion from the Internal Market Act for Scotland's Deposit Return Scheme. This is acknowledged by UK Government ministers.**

- It is frustrating that UKG has not indicated when it will make a decision, resulting in further uncertainty for business and undermining progress
- In addition to the risks to effective delivery of the scheme, the continued delay from UK Ministers and misrepresentations of how the process works from certain parts of the UK Government undermines the entire Common Frameworks process and is a cause of serious concern.
- I will continue to press UK Government to follow the process, engage constructively and provide urgent clarity on an exclusion.

#### **Internal Market Act**

- The Scottish Parliament approved the Deposit and Return Scheme for Scotland Regulations in 2020. The Regulations were made for the purpose of environmental protection and are wholly within devolved competence.
- The DRS regulations were made several months before the UK Internal Market Bill was introduced to the UK Parliament in September 2020 and subsequently came into force on 1 January 2021 despite the Scottish Parliament and Senedd Cymru voting against giving consent to it.
- There is an agreed and published process between the UK Government and devolved governments for excluding certain areas within Common Frameworks from the Internal Market Act.
- While the Internal Market Act gives UK Ministers unilateral power to change what is in, and out of scope of the Act, the expectation is that through this

agreed process, UK Ministers will respect the conclusions of Common Frameworks – and respect the principles upon which Common Frameworks are built: of equal partnership and respect for devolution.

### **Common frameworks**

- Common Frameworks are agreed ways of working between the UK Government and devolved government in devolved areas that were subject to EU Single Market rules. Importantly, they are underpinned by ministerially agreed principles including respect for devolution, Sewel Convention, and the democratic accountability of the devolved institutions. It is the view of the Scottish Government that Common Frameworks were, and are, all that is needed to manage policy divergence in devolved matters previously subject to EU law, but they are undermined by the existence of the Internal Market Act.
- The published process to exclude certain matters falling within Common Frameworks from the Act sets out that the relevant Common Framework will robustly consider policy divergence, evidence and options before agreeing a recommendation of an exclusion to the Internal Market Act – at which point a final position will be confirmed by respective Ministers.
- UK Government has recognised that Scottish Government has fully followed this process in seeking an exclusion for our DRS regulations. It has been the subject of discussion with UK Government for many months.

### **Timeline**

- We first raised the need for an exclusion in July 2021 when we proposed a broad exclusion which would have covered single-use plastics and DRS.
- [Redacted]
- The 6 March Inter-Ministerial Group addressed the recommendation of the Resources and Waste Common Framework that an exclusion should be sought.
- Contrary to previous indications that we could expect a decision from UKG at the Inter-Ministerial Group this week (Monday 17 April), no decision was forthcoming.

### **Without an exclusion, the impact of the Internal Market Act will present a risk to the effective implementation and delivery of Scotland's DRS Regulations, which are wholly within devolved competence and were approved by the Scottish Parliament in 2020.**

- Following work in the Resources and Waste Common Framework, all four governments of the UK are aware that, without an exclusion, the impact of the IMA will present a risk to the effective implementation and delivery of Scotland's DRS regulations. Given plans in development across UK nations, it is also likely the IMA will impact on the effect of policy across nations.
- The agreed exclusion process should prevent this from happening – it is intended to enable common frameworks to do their job, which is to manage policy divergence in a way that respects devolved competency.
- The UK Government recognises that waste management is a devolved policy area – its own Government Response of 20 January 2023 on introducing a deposit return scheme for England, Wales and Northern Ireland stated this

and went on to say that “...it is the responsibility of each nation of the UK to decide on the approach to a DRS that fits its policy needs”.

- That is what Scotland’s DRS regulations do; it is now for UK Government to respect devolution and honour the commitments made: to support common frameworks and the exclusion process as a means to manage – not remove – policy divergence on the basis of agreement between equals.
- **The common framework has considered the evidence in detail and recommended Ministers consider an exclusion. We expect the UKG to follow this evidence-based approach and provide urgent clarity on a decision.**

**The Internal Market Act represents an unprecedented attack on the powers of the Scottish Parliament and an ongoing threat to the proper operation of common frameworks.**

- The frameworks exclusions process is the result of amendments introduced late in the Act’s parliamentary passage. Speaking to these amendments, UK ministers made clear that the delegated powers conferred under the Act on them and them alone can be used to:  
*...[exclude] from [the Act] a specific agreed area of divergence. That would follow consensus being reached between the UK Governments and all the relevant parties that that was appropriate, in respect of a specific defined topic within a common framework.*
- Guidance on how that process should operate is available on the UK Government website and UK Ministers have confirmed that the **Scottish Government has followed this process at all times in respect of DRS. The process makes clear that it is for the relevant common framework to consider the evidence of direct and indirect economic impacts of any exclusion from the Act**, which is precisely what it did in this case.
- Central to the process’s effective operation must be a shared recognition that the evidence and recommendations coming from the collaborative common framework should form the basis of decisions on exclusions. The **work of common frameworks cannot simply be set aside – to argue otherwise would be to concede that the Act overrides common frameworks, despite assurances from UK Ministers that frameworks and the Act can operate in a complementary manner.**
- The jointly agreed communiqué following the Inter-Ministerial group on 6 March makes clear that that the relevant Common Framework has “agreed to seek ministerial views on its recommendations of an exclusion”. **This follows more than two years’ consideration of an exclusion covering DRS.** The suggestion that this matter was brought to UK ministers’ attention only with a non-existent “formal request” on 6 March is entirely untrue.

**Alister Jack has repeatedly briefed against Scotland’s DRS**

- “I am calling on the Scottish Government to pause its scheme” - 12 Feb
- “There is no doubt in my mind that the scheme is not just bad for businesses, but bad for stakeholders and consumers...” – 22 February
- ““The Scottish Government had proceeded with a scheme that small businesses, consumers and others are very concerned about. Even the chief

executive of Tesco yesterday, the UK's largest retailer, has said it's not the right scheme, that it's not fit for purpose." – 29 March

- "Scottish DRS would be inflationary" – 31 March

### **[Redacted]**

- No "formal request" was required to be made by SG at the IMG because that is not how the agreed and published process works.
- It is extremely disappointing to hear repeated inaccurate claims on the operation of the common frameworks exclusion process from some UK Ministers. This helps no-one – it undermines trust, reduces the effectiveness of the process, and denies clarity and transparency to business and consumers.
- It also significantly cuts across Common Frameworks, which depend on good faith from all nations in the UK and is a cause of serious concern.
- This is at odds with the constructive engagement on Scotland's DRS that we have experienced from Defra and other parts of UKG.

**Annex C3**

### **Key messages: Governance/Assurance**

#### **There have been a series of independent Gateway Reviews undertaken throughout the design of the Deposit Return Scheme, with the most recent looked at operational readiness.**

- Businesses require certainty in order to complete their operational planning. Without this I am concerned that customer experience of DRS will be poor.
- A delay to scheme launch must be used to provide certainty; allow for resolution of outstanding operational issues, confirmation of IMA exclusion, and extensive testing of IT and logistic systems.
- The Scottish Government will consider carefully the recommendations from the recent Gateway Review, and will share recommendations and its response with the Net Zero, Energy and Transport Committee in due course.
- I have agreed to leads an operational delivery group to produce assurance to me and the whole system that issues are resolved promptly and that key success criteria is achieved.

**Annex C4**

### **Glass**

#### **The case for including glass in the DRS is clear**

- Glass is one of the three main materials used to make single-use drinks containers, making up more than a quarter of all the containers due to be included in the scheme.
- Capturing 90% of the glass bottles in the scope of the scheme would enable Scotland to recycle 504 million glass bottles each year.
- Glass is the most carbon intensive material covered by DRS, and there is a clear business case for its inclusion in the scheme.

- Our decision to include glass is supported by the public and environmental groups.

### **The DRS will help cut emissions significantly**

- Including glass in Scotland's DRS will see a reduction in CO<sub>2</sub>eq emissions of more than 53,000 tonnes each year – or nearly 1.3 million tonnes over 25 years.
- Our Strategic Environmental Assessment shows that including glass will reduce CO<sub>2</sub>eq emissions by more than 53,000 tonnes each year – or nearly 1.3 million tonnes over 25 years.
- This is almost 32% of the total carbon savings of the scheme.
- Given scale of the climate emergency we are facing, we cannot afford to weaken our ambition.

### **There is a clear economic case for including glass**

- The DRS business case estimated that including glass increased the net present value of DRS by £300m over 25 years compared to excluding glass.

### **Including glass in the DRS will tackle litter issues**

- Glass is one of the most common items to pollute our beaches and public spaces. It's also one of the litter items that causes most concern – particularly among parents and pet owners – because of its potential to cause injury.
- Broken glass poses a real hazard to local authority, private sector and voluntary clean-up crews and can contribute disproportionately to other litter-related damage, such as punctures.

### **We are disappointed that the UK Government has chosen to exclude glass from its scheme.**

- Including glass delivers significant environmental benefits. This decision will result in a narrower scheme in England, and runs counter to the Conservative's own manifesto.
- We are pleased that Wales will also include glass in their scheme.
- We will continue to work closely with the UK and devolved governments to maximise interoperability of the schemes when they go live, and hope that the UK government will, over time, follow the other UK nations and reconsider its decision to exclude glass.

### **Environmental groups support the inclusion of glass in DRS and criticised the UKG's decision to exclude glass from their DRS.**

- The Association for the Protection of Rural Scotland: [QUOTE] "Westminster's intention to exclude glass from the English system is a backward step... We urge the UK Government to follow Scotland's lead and to keep up with Wales by committing to deposit return for glass as well as cans and plastic bottles." [20 Jan 2023]
- Greenpeace: [QUOTE] "In what kind of world is collecting glass drinks containers not an essential part of a system designed to collect drinks containers?" [20 Jan 2023]

### **There is broad public support for the inclusion of glass in the DRS in Scotland**

- An August 2019 survey published by Zero Waste Scotland demonstrated strong public support (85%) for the inclusion of glass.

### **The inclusion of glass in other Deposit Return Schemes is normal**

- Of the 44 territories currently operating deposit return schemes, only four of them do not include glass [Kiribati, Netherlands, Norway & Sweden] – See Annex A.

[Redacted]

- We do not believe an enhanced kerbside scheme could deliver the level or rate of improvement that we will see through DRS.
- For reference, the current recycling rate is 63% and don't expect it to get above 64% recycling rate by 2043 without intervention.
- EPR will not involve the same consumer participation incentives as DRS and is unlikely to fully address the challenges associated with contamination of material captured through kerbside.

[Redacted]

- £46m of public money is spent every year removing litter and fly tipping from the Scottish environment.
- Local authorities have a regulatory requirement to collect and carry dry recyclable waste, including glass. There is a derogation from the requirement for separate collections for glass, and co-mingling is acceptable under certain conditions.
- Our scheme will mean that local authorities will have less waste to handle, as well as reducing litter and associated clean-up costs, which is good for residents and council budgets.
- Our £70m Recycling Improvement Fund is delivering one of the biggest investments in recycling in Scotland in a generation.
- Many deposit return schemes in Europe operate alongside kerbside collections including Norway, Germany and Croatia.

[Redacted]

- DRS will significantly increase the quantity and quality of glass recyclate, creating an aggregated and high-quality feedstock for reprocessing – anticipated to be 1.3 million tonnes over 25 years
- A significant proportion of this is projected to be clear glass which we know to be in high demand.
- Currently between 20-50% of glass is not suitable for closed loop recycling due to the way it is currently collected and processed in Scotland (Mixed & Crushed).
- Section 34 of the Environmental Protection Act 1990 requires those handling waste to ensure that it is handled in a fashion that promotes high-value recycling.

[Redacted]

- In our conversations with glass re-processors, it is clear there is demand for all colours of glass.

[Redacted]

- Regarding the possibility of drinks producers moving away from glass, there is only limited evidence of material switching in DRS elsewhere in the world.
- Including glass within the same scheme as PET plastic and aluminium is also expected to minimise the risk of market distortion by material switching.

[Redacted]

- The DRS business case estimated that including glass increased the net present value of DRS by £300m over 25 years compared to excluding glass.
- The ECCLR Committee report also stated that the scheme 'should be as comprehensive as possible'. Advise we have followed.
- The ECCLR Committee also recognised that it would be difficult and more expensive to phase in glass at a later point.
- Circularity Scotland and their primary logistics partner, Biffa, have included glass in all their planning. For example, the machinery and sites required to process glass have been acquired, along with the personnel to operate them.
- Retailers who have decided to use Reverse Vending Machines (RVMs) have also already purchased units designed to process glass, as well as PET plastic and metal.
- This means that excluding glass at launch would lead to minimal additional benefit at this stage, and would potentially result in financial liability on the basis of assurances that glass will be included in DRS.

[Redacted]

- According to UK Government figures in 2019, there were 2.6m tonnes of glass packaging waste generated across the UK. We estimate that Scotland's Deposit Return Scheme will collect a small percentage of this.

[Redacted]

- Operational issues associated with glass collections are for Circularity Scotland. I understand that they have been engaging closely with hospitality businesses to develop effective approaches to glass collections.

**Annex C5**

### **Key messages: Need for new regulations**

#### **Some of the measures that will support small producers, hospitality and others, and a new launch date require amendments to the Deposit and Return Scheme for Scotland Regulations.**

- I appreciate that these amendments are part of giving businesses certainty in what they must deliver.
- That is why we are pressing forward to lay amendments [a draft Scottish Statutory Instrument (SSI) by affirmative procedure] in May. Subject to parliamentary approval the amendments will come into force by the end of June 2023.
- This will set the new launch date of 1st March 2024 for DRS in Scotland and will be accompanied by an updated suite of Impact Assessments.

- I welcome the scrutiny of the draft SSI by both the Delegated Powers and Law Reform Committee and the Net Zero, Energy and Transport Committee as it makes its way through the parliamentary process.

**Annex D**

[Redacted]

**Annex E**

## **Additional Relevant Briefing**

### **CSL / Biffa**

- Like similar schemes around the world, Scotland's deposit return scheme is being delivered and funded by industry, led by the scheme administrator, Circularity Scotland Ltd (CSL).
- CSL is a private non-profit company and is responsible for operating the scheme, including logistics.
- As a private company, it is not subject to public procurement requirements.
- Decisions regarding their contracts are for them – this is entirely appropriate for a scheme that has industry responsibility at its heart.
- An extensive tender process was carried out by Circularity Scotland over a period of around 12 months.
- The process involved extensive due diligence by Circularity Scotland.
- Circularity Scotland and Biffa are jointly engaged with local authorities, many existing waste and logistics operators and retailers. They are seeking to use existing infrastructure as much as possible.

### **Existing recyclers**

- I share the concern about the impact on existing recyclers and waste companies.
- My officials have been in discussion with CSL about this matter and we are clear that we must harness the opportunities for existing recyclers within the DRS scheme.
- As such CSL have indicated that as part of Biffa's responsibility for building and operating an efficient and effective collections network they are in active discussions with several existing waste collection companies to explore how those organisations can work with Biffa for DRS.
- They remain keen to engage with other such companies and have a dedicated form on their website to allow firms to make contact and open up discussions. I urge recycling and waste companies to do that and to get in contact with BIFFA.

### **Grace Period**

- The DRS launch on the 1st March will be set out in legislation and will apply to all producers.
- Changing the fundamental approach of the scheme to exempt some producers from that agreed by Parliament raises a number of issues about



how this would work as it would potentially give different producers a competitive advantage relative to other producers.

- These issues must be fully explored to ensure the scheme is fair and legal for all businesses. That includes recognising the investment and preparations already made by both large and small producers to prepare for launch on 16 August.
- That is why the focus has been and will continue to be on providing support to help producers to comply with the scheme.
- I will continue to keep Parliament updated on this.

#### **Further Delay to align with launch of UK scheme.**

- The UK Government's decision to deliver a smaller scheme that excludes glass and on a slower timetable should not be used as an excuse to undermine ambition in Scotland.
- We are disappointed that the UK Government has chosen to exclude glass from its scheme. Including glass delivers significant environmental benefits, and this decision will result in a narrower scheme in England, that is at odds with our own and that being developed in Wales.
- We will continue to work closely with the UK and devolved governments to maximise interoperability of the schemes when they go live, and hope that the UK government will, over time, follow the other UK nations and reconsider its decision to exclude glass.
- The UK Government first announced that they would introduce a deposit return scheme in 2018, with an original implementation date of 2023.

#### **Compliance and Fraud**

- SEPA has been provided funding by the Scottish Government to establish their regulatory service for the scheme. Once the scheme is operational, SEPA will be funded for the service via the producer registration fees collected.
- SEPA has agreed that, where there are clearly evidenced operational challenges, they will take a proportionate approach to compliance.
- They have committed to providing advice and guidance as the preferred route to achieving compliance for businesses who are striving to meet their obligations.
- SEPA already has a range of civil sanctions, such as fixed monetary penalties or enforcement undertakings, which it can impose as part of its enforcement of a wider range of existing environmental legislation.
- Civil sanctions mean that SEPA has a flexible range of enforcement tools available to deal with any breach of environmental legislation. The Lord Advocate has issued guidance to SEPA on its use of civil sanctions.
- These civil sanctions are also now available to SEPA to enforce the requirements of DRS. Any sums received from financial penalties, whether for DRS or for any other environmental offences, must be paid by SEPA to Scottish Ministers
- This is an approach used for a range of environmental legislation. Penalties are not used to raise funds and are paid into the Scottish Consolidated Fund.

- Fraud is an inherent risk in any commercial project, modelling undertaken by Zero Waste Scotland estimates fraudulent activity will be in the range of 0.79-1.06%.

### **Consumer Behaviour**

- We do not think there will be extensive format switching, for instance from small units to large units, in order to reduce any perceived mark-up from the deposit.
- The deposit will be fully returnable and retailers will be required to display information about this.
- There will be other deciding factors for consumers, such as practicality, convenience, brand preference and presentation of the product.
- Evidence suggests that where product or format switching has occurred in other countries with DRS, it is rare that this can only be attributed to DRS.
- We believe there will be limited impacts on cross-border purchases, for instance people shopping in England in order to avoid paying a deposit.

### **Interaction with Minimum Unit Pricing**

- Scottish Government officials are undertaking work to ensure that the interactions between Minimum Unit Price and the Deposit Return Scheme are fully understood. This work includes engagement with stakeholders.
- A planned evaluation of the Deposit Return Scheme will explore consumer behaviours prior to the scheme's introduction, a year after implementation and two years after implementation.

### **Competition and markets**

- The Scottish Government and the Competition and Markets Authority (CMA) have consulted each other at various stages in the development of Scotland's Deposit Return Scheme. This has included CMA providing general guidance on competition matters relevant to DRS policy. Executive agencies of the Scottish Government have not consulted CMA on DRS

## **Annex G**

### **Known Q&A**

**Fiona Hyslop:** Can the Minister now suggest SEPA provides a different basis for the scheme for small hospitality businesses like the Dreadnought in Bathgate I recently visited, who already recycle 100% of their glass bottles, cans and other waste using existing SEPA systems of recording such recycling? and what consideration has been given to hospitality venues like theirs who will have difficulty storing waste destined for recycling securely where the same company designated by Circularity Scotland to collect in the future currently will only do so from the public main street which brings serious security issues for what will be a valuable commodity?

- All scheme articles bear a deposit, and hospitality businesses can only redeem that deposit by ensuring that scheme articles are returned – so removing them from the scheme is not possible

- the scheme will allow hospitality businesses to have their material collected for free, saving them money – while keeping up the high levels of recycling
- I am aware that CSL continue to work with the hospitality industry to ensure smooth working of the scheme

**Clare Adamson:** We've been waiting 2 years for a decision from the UK government on an Internal Markets Act exclusion for Scotland's deposit return scheme. It's extraordinary that it has been delayed once again, but even more extraordinary that the new normal is for SG ministers to have to plead Westminster to not veto democratic decisions made by this Parliament. The common frameworks that were agreed with the UK government were meant to allow constructive discussion and protect devolution, but does the Minister agree that recent weeks have shown that the UK Government has effectively torn up those frameworks?

- I share the member's deep frustration. Let me be clear, this should not be how devolution works. I am deeply concerned by the broader implications of the UK Government using their powers under the Internal Market Act in this way to undermine the Common Frameworks and devolved decisions taken by this parliament, and I know that the Welsh government are also concerned about this.
- The Common Frameworks were meant to provide a means to resolve issues such as these, and my ask to the UK Government is clear.
- We need to follow the process, engage constructively, and agree an exclusion quickly. This is the best outcome not just for Scotland and Scottish business, but for the UK as a whole.

**John Mason:** There were plenty warnings that the Internal Market Act would provide the Tories a veto over the parliament's decisions - sadly the past few months have shown we were right. Another important issue is trading standards - can the Minister say a little more about the need for trading standards to make a decision on how deposits will displayed in the price?

- Trading standards have indicated that their interpretation of the price marking legislation is that the deposit must be included in the price displayed for a product. We believe their approach risks causing confusion for consumers.
- We believe it is important that it is clear that the deposit on products is refundable and therefore do not believe that it should be included in the price displayed but instead highlighted separately, as the DRS regulations require. This is the approach of DRS schemes in other countries
- Trading standards is a reserved policy so we cannot adjust the regulations ourselves. However we have called on the UK Government to amend the relevant legislation, that does not currently explicitly cover deposit return schemes, to make clear that the deposit price can be displayed separately.
- Scottish Government officials are working closely with Defra, Welsh Government and the Dept. Business and Trade to seek a consistent approach to deposit

pricing across the UK – particularly as we believe the UK will want a similar approach as we are proposing for their own scheme

**Christine Grahame:** She said she is pleased the scheme has been deferred and she intends to be helpful. She plans to ask the Minister if she will meet privately with members who have voiced concerns in the chamber over the various issues with the scheme (not with Circularity Scotland).

- I would be pleased to meet the member and any other member who wishes to engage constructively with the delivery of Scotland's Deposit Return scheme.

**Keith Brown:** It would either be around the potential of smaller producers effectively being delisted by retailers if they are not part of the scheme or around the limits for smaller producers.

- It is a commercial decision for individual businesses whether they wish to participate in this important environmental scheme by selling products in the Scottish market but we would encourage any business to contact Circularity Scotland in the first instance for support and to discuss any concerns they have.

**Mark Ruskell -** Up and down the country I see facilities appearing in supermarkets, recycling centres being built, and hundreds of jobs being created. With over 95% of the market for cans and bottles already signed up, the Minister and businesses should be congratulated for getting the UK's first DRS scheme this close to being launched. But despite this incredible progress, the will of this Parliament – and the hard work of Scottish businesses – has been curtailed by Westminster. Given the huge private sector investment that has already been delivered, can I ask the Minister what the reaction from business has been to the continued failure of the UKG to grant an exemption under the IMA?

- I share the member's deep frustration. Let me be clear, this should not be how devolution works.
- Businesses work best when they have certainty and that is what they have asked us and the UK Government for
- The continuing uncertainty on the UK Government position is undermining progress; we are hearing businesses are pausing further preparation and investment until a UK Government decision is agreed.
- I continue to urge UK Government to agree the exclusion as soon as possible to provide certainty for some business.

### **Additional Qs**

What is the definition of a small producer?

- The exact definition is less important than the support we are providing
- The adjustments I have outlined today will be available to all producers
- However many of them, particularly the exclusion of products which sell low volumes, will particularly help small producers

- Excluding these products will mean that around 44% of producers will not have to apply deposits to any of their products, while still only reducing the number of articles in the scheme by less than 1%

**Engagement:** Will the Minister commit to continue to listen to and engage with business in order ensure a successful launch of the scheme next year?

- I am committed to engaging with business and indeed have regularly engaged with businesses and trade associations from the producer, retail and hospitality sectors over the past year.
- I also met with a range of producers and retailers, both large and small, after the FM's statement on Tuesday and was clear that I wanted to work with businesses, alongside Zero Waste Scotland, SEPA and CSL, to ensure that we can deliver DRS on 1<sup>st</sup> March next year.
- The First Minister and I are also meeting business representatives this afternoon to discuss the successful delivery of DRS on 1<sup>st</sup> March.

**Package of support:** I welcome the package of support outlined by the Minister today which will benefit small businesses in particular. Can the Minister provide more detail about the package of support already introduced by Circularity Scotland which supports the smallest producers?

- Circularity Scotland announced a package of support in February to improve cashflow for producers which equates to £22m of support:
  - Removal of the day one and month one charges for all producers, up to a threshold of three million units per year.
  - Above the three million unit threshold, the Day 1 payments for producers using UK wide barcodes has previously been reduced by two thirds, from 2.4 months of fees to 3 weeks of fees (announced in December 2022).
  - providing two month credit terms on deposits and fees up to the same volume threshold to reduce the working capital impact on all producers.
  - Circularity Scotland will be offering the option to use self-adhesive barcode labels for producers placing less than 25,000 units per year of a specific product on to the Scottish market, alleviating administrative burden.
  - DRS is a form of extended producer responsibility – part of the 'polluter pays principle' so that producers have obligations to recycle and recover packaging that they place on the market
  - Producers with an annual turnover of £ 2 million and who place specified amounts of packaging on the market already have to meet their extended producer responsibility obligations
  - producers who are part of DRS will no longer need to meet obligations under wider packaging obligations in relation to DRS scheme articles since their participation in DRS will ensure they meet obligations to recycle and recover that packaging

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

**Note of Meeting**

**16:15-17:00, Thursday 20 April, 2023**  
**In Attendance**

<b>Name</b>	<b>Organisation</b>	<b>Attended in Person or Virtually?</b>
First Minister	Scottish Government	In Person
Minister for Green Skills, Circular Economy & Biodiversity	Scottish Government	In Person
[Redacted]	UK Hospitality	In person
[Redacted]	Lidl	Virtually
[Redacted]	Scottish Hospitality Group	In person
[Redacted]	Glenmorangie	In person
[Redacted]	Asda	In person
[Redacted]	Campaigns Public Affairs	
[Redacted]	Fyne Ales	In person
[Redacted]	Amazon	Virtually
[Redacted]	Highland Spring	In Person
[Redacted]	Circularity Scotland Limited	In Person
[Redacted]	Circularity Scotland Limited	In Person
[Redacted]	Circularity Scotland Limited	In Person
[Redacted]	Amazon	In Person
[Redacted]	Booker	Virtually
[Redacted]	Beer and Pub	In Person
[Redacted]	Booker	Virtually
[Redacted]	Scottish Wholesale	In Person
[Redacted]	A.G. Barr	In Person
[Redacted]	Accolade wines	Virtually
[Redacted]	Morrisons	Virtually
[Redacted]	Scottish Grocers Federation	In Person
[Redacted]	Suntory	Virtually
[Redacted]	Scottish Grocers Federation	In Person
[Redacted]	Marks & Spencers	Virtually
[Redacted]	One O Retail	In Person
[Redacted]	Scotch Whisky Association	Virtually
[Redacted]	British Retail Consortium	In Person
[Redacted]	Lidl	Virtually
[Redacted]	Lidl	Virtually
[Redacted]	Beer and Pub	Virtually
[Redacted]	Coca Cola European Partners	Virtually
[Redacted]	The Scottish Licensed Trade Association	In Person
[Redacted]	Aldi	In Person
[Redacted]	Marks & Spencers	In Person
[Redacted]	Heineken	
[Redacted]	Suntory	In Person
[Redacted]	Suntory	Virtually

[Redacted]	Heineken UK	Virtually
[Redacted]	Asahi-beer	Virtually
[Redacted]	Wine and Spirit Trade Association	Virtually
[Redacted]	Scotch Whisky Association	
[Redacted]	Sainsburys	
[Redacted]	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.

From: <[Redacted]@gov.scot>; on behalf of; First Minister <FirstMinister@gov.scot>  
Sent: Tue 02/05/2023 10:51

To: Campbell E (Elisabeth) <[Redacted]@gov.scot>; McPhee D (David) <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; Permanent Secretary <PermanentSecretary@gov.scot>; McPhee D (David) <[Redacted]@gov.scot>; Brannen R (Roy) <[Redacted]@gov.scot>; DG Net Zero <[Redacted]@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>

Cc: First Minister <FirstMinister@gov.scot>; Cabinet Secretary for Net Zero & Just Transition <CabSecNZJT@gov.scot>

Subject: RE: DRS Stakeholder Meeting - FM & Minister - 20 April - Meeting Note

Hi [Redacted],

To confirm FM is content with the minute. I would be grateful if you could send me a copy of the eRDM link once uploaded.

All,

[Redacted – Out of Scope]

Many thanks,  
[Redacted]

[Redacted]

**Deputy Private Secretary to the First Minister**

**Office of the First Minister**

5<sup>th</sup> Floor | St Andrews House | Regent Road | Edinburgh | EH1 3DG

**M:** [Redacted]

**From:** <[Redacted]@gov.scot>

**Sent:** 26 April 2023 11:35

**To:** First Minister <FirstMinister@gov.scot>

**Cc:** Minister for Green Skills, Circular Economy and Biodiversity

<MinisterforGSCEB@gov.scot>; Harry Huyton <[Redacted]@gov.scot>; Director of

Environment & Forestry <[Redacted]@gov.scot>; <[Redacted]@gov.scot>;

<[Redacted]@gov.scot>; Elisabeth Campbell <[Redacted]@gov.scot>; David

McPhee <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>;

<[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>;

<[Redacted]@gov.scot>; <[Redacted]@gov.scot>

**Subject:** DRS Stakeholder Meeting - FM & Minister - 20 April - Meeting Note

First Minister,

Please find attached meeting note from the Deposit Return Scheme Stakeholder meeting on Thursday 20<sup>th</sup> April. Ms Slater has confirmed she is content with her part of the note.

I would be grateful if you could confirm you are content with the note for sign off.

Many Thanks,  
[Redacted]

DRS Division

ERDM Link – Meeting Note  
[Redacted]

**From:** <[Redacted]@gov.scot>

**Sent:** Tue 25/04/2023 16:00

**To:** Minister for Green Skills, Circular Economy and Biodiversity

<MinisterforGSCEB@gov.scot>

**Cc:** Huyton H (Harry) <[Redacted]@gov.scot>; Director of Environment & Forestry

<[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>;

Campbell E (Elisabeth) <[Redacted]@gov.scot>; McPhee D (David)

<[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>;

<[Redacted]@gov.scot>; <[Redacted]@gov.scot> <[Redacted]@gov.scot>;

<[Redacted]@gov.scot>; <[Redacted]@gov.scot>

**Subject:** DRS Stakeholder Meeting - FM & Minister - 20 April - Meeting Note

Hi [Redacted],

Please find attached meeting note for the meeting last week with stakeholders.

Once the Minister has approved, I will send to FMs office for sign off.

Many Thanks,

[Redacted]

From: Director of Environment & Forestry <[Redacted]@gov.scot>

Sent: Tue 18/04/2023 19:59

To: First Minister <FirstMinister@gov.scot>; First Minister 2021 to 2023

<firstminister@gov.scot>; zzzFirst Minister 2021 to 2023 <firstminister@gov.scot>;

Cabinet Secretary for Rural Affairs, Land Reform and Islands

<CabSecRALRI@gov.scot>; Cabinet Secretary for Constitution, External Affairs and

Culture <CabSecCEAC@gov.scot>; Minister for Green Skills, Circular Economy and

Biodiversity2023 <MinisterforGSCEB@gov.scot>; Lord Advocate

<[Redacted]@gov.scot>; Solicitor General <[Redacted]@gov.scot>; Deputy First

Minister and Cabinet Secretary for Finance <DFMCSF@gov.scot>; Cabinet

Secretary for Constitution, External Affairs & Culture 2023

<CabSecforCEAC@gov.scot>; Cabinet Secretary for Constitution, External Affairs

and Culture <CabSecCEAC@gov.scot>; Cabinet Secretary for Net Zero & Just

Transition <CabSecNZJT@gov.scot>; Cabinet Secretary for Rural Affairs, Land

Reform and Islands <CabSecRALRI@gov.scot>; Cabinet Secretary for Wellbeing

Economy, Fair Work & Energy <CabSecWEFWE@gov.scot>

Cc: Permanent Secretary <PermanentSecretary@gov.scot>; DG Net Zero

<[Redacted]@gov.scot>; DG Strategy and External Affairs <[Redacted]@gov.scot>;

DG Economy <[Redacted]@gov.scot>; DG Corporate <[Redacted]@gov.scot>;

Quinn M (Michelle) <[Redacted]@gov.scot>; Ford N (Nick) (DirectorSPPD)

<[Redacted]@gov.scot>; Bruce A (Andrew) <[Redacted]@gov.scot>; Grisewood A

(Aidan) <[Redacted]@gov.scot>; McPhee D (David) <[Redacted]@gov.scot>;

Campbell E (Elisabeth) <[Redacted]@gov.scot>; <[Redacted]@gov.scot>;

<[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; Solicitor

to the Scottish Government <[Redacted]@gov.scot>; Coull AJ (Alison)

<[Redacted]@gov.scot>; <[Redacted]@gov.scot>; SGLD DRS Team

<[Redacted]@gov.scot>; Legal Secretariat to the Lord Advocate

<[Redacted]@gov.scot>; <[Redacted]@gov.scot><[Redacted]@gov.scot>;

<[Redacted]@gov.scot>; Communications Net Zero & Rural Affairs

<[Redacted]@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>;

<[Redacted]@gov.scot>; McAllister C (Colin) <[Redacted]@gov.scot>; McCaig C

(Callum) <[Redacted]@gov.scot>; PLU SSI Programme Mailbox

<[Redacted]@gov.scot>; Rogers D (David) (Constitution and Cabinet Director)

<[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>;

Crawford E (Ewan) <[Redacted]@gov.scot>; <[Redacted]@gov.scot>;

<[Redacted]@gov.scot>; Rogers D (David) (Constitution and Cabinet Director)

<[Redacted]@gov.scot>; <[Redacted]@gov.scot>

Subject: RE: OFFICIAL SENSITIVE COMMERCIAL - proposed FM meeting CEOs of Producers & Retailers

Correcting FM email address

Kevin

Kevin Quinlan - Director of Environment & Forestry, Scottish Government (tel: [Redacted])

**From:** Director of Environment & Forestry

**Sent:** 18 April 2023 17:10

**To:** First Minister <firstminister@gov.scot>; First Minister <firstminister@gov.scot>; Cabinet Secretary for Rural Affairs, Land Reform and Islands <CabSecRALRI@gov.scot>; Cabinet Secretary for Constitution, External Affairs and Culture <CabSecCEAC@gov.scot>; Minister for Green Skills, Circular Economy and Biodiversity2023 <MinisterforGSCEB@gov.scot>; Lord Advocate <[Redacted]@gov.scot>; Solicitor General <[Redacted]@gov.scot>; Deputy First Minister and Cabinet Secretary for Finance <DFMCSF@gov.scot>; Cabinet Secretary for Constitution, External Affairs & Culture 2023 <CabSecforCEAC@gov.scot>; Cabinet Secretary for Constitution, External Affairs and Culture <CabSecCEAC@gov.scot>; Cabinet Secretary for Net Zero & Just Transition <CabSecNZJT@gov.scot>; Cabinet Secretary for Rural Affairs, Land Reform and Islands <CabSecRALRI@gov.scot>; Cabinet Secretary for Wellbeing Economy, Fair Work & Energy <CabSecWEFWE@gov.scot>

**Cc:** Permanent Secretary <PermanentSecretary@gov.scot>; DG Net Zero <[Redacted]@gov.scot>; DG Strategy and External Affairs <[Redacted]@gov.scot>; DG Economy <[Redacted]@gov.scot>; DG Corporate <[Redacted]@gov.scot>; Quinn M (Michelle) <[Redacted]@gov.scot>; Ford N (Nick) (DirectorSPPD) <[Redacted]@gov.scot>; Bruce A (Andrew) <[Redacted]@gov.scot>; Grisewood A (Aidan) <[Redacted]@gov.scot>; McPhee D (David) <[Redacted]@gov.scot>; Campbell E (Elisabeth) <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; Solicitor to the Scottish Government <[Redacted]@gov.scot>; Coull AJ (Alison) <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; SGLD DRS Team <[Redacted]@gov.scot>; Legal Secretariat to the Lord Advocate <[Redacted]@gov.scot>; <[Redacted]@gov.scot><[Redacted]@gov.scot>; <[Redacted]@gov.scot>; Communications Net Zero & Rural Affairs <[Redacted]@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; McAllister C (Colin) <[Redacted]@gov.scot>; McCaig C (Callum) <[Redacted]@gov.scot>; PLU SSI Programme Mailbox <[Redacted]@gov.scot>; Rogers D (David) (Constitution and Cabinet Director) <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; Crawford E (Ewan) <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; Rogers D (David) (Constitution and Cabinet Director) <[Redacted]@gov.scot>; <[Redacted]@gov.scot>

**Subject:** OFFICIAL SENSITIVE COMMERCIAL - proposed FM meeting CEOs of Producers & Retailers

PS/FM

As you are aware Ms Slater held separate meetings with DRS producers and retailers following your earlier statement on the DRS delay. In general they were anxious for assurance that an IMA exclusion will materialise and that the extra time

to prepare will be well used with clear timelines, milestones and accountabilities (as you have also asked for). Separately, Ms Slater met with the Circularity Scotland Limited (CSL) Chair and CEO who reiterated the importance of the First Minister taking a meeting with the CEOs of its retailer, and especially producer, members. Accordingly, I **recommend** that the First Minister take this meeting as proposed below.

**Purpose** of the meeting:

- to personally reaffirm the First Minister's commitment to successful implementation of DRS on 1 March 2024
- [Redacted]
- to thank producers and retailers for their efforts in preparing for DRS to-date
- to ask them to now work on a "team Scotland" basis to deliver the Scotland's DRS scheme paving the way for other schemes across the UK
- to explain in more detail the rationale for the simplification package and the rationale for DRS delay (Ms Slater)
- to continue to listen to business concerns
- [Redacted]

**Timing** Thursday 20 April; 1 hour between 4 - 6pm subject to the FM's diary

**Format**

- One meeting of CSL's producer and retailer members together. A large meeting but enables the FM and ministers to underline the whole system nature of DRS and the differing perspectives.
- Opening remarks from FM
- Ms Slater to detail the rationale and the substance of the package announced earlier that day to Parliament.
- (if time allows) Invite attendees to refreshments with some mingling by FM and Ministers

**Setting**

- In parliament or St Andrew's House
- In person attendance preferred; [To confirm – whether hybrid is also possible];

**Handling**

[Redacted]. Large producers will need to hear a crystal clear statement of resolve from SG [Redacted] to launch DRS and that it is not being long grassed.

5 of the big 9 *retailers* have publicly called for a delay. Engaging retailers is an opportunity explore with them what milestones they can deliver to demonstrate their intent to be ready for 1 March 2024. Reciprocally they will want assurances that we will work across the system to establish clear timelines, milestones and accountabilities.

**Invitees (36 + Ministers and officials)**

- FM
- Ms McAllan (if diary permits)
- Ms Slater
- CSL Chair & CEO
- All members of CSL (31 as below)

- Scottish Retail Consortium Chair or Chief Executive, Leon Tomson, (UK Hospitality), Stephen Montgomery (Scottish Hospitality)
- SG Officials

CSL Producer members	CSL Retail members
<ol style="list-style-type: none"> <li>1. A.G. Barr plc</li> <li>2. AB InBev UK Limited</li> <li>3. Accolade Wines Limited</li> <li>4. Asahi UK Ltd</li> <li>5. Booker</li> <li>6. Britvic Soft Drinks Limited</li> <li>7. Coca-Cola European Partners Great Britain Limited</li> <li>8. Danone Waters UK &amp; Ireland</li> <li>9. Diageo</li> <li>10. Heineken UK Limited</li> <li>11. Highland Spring Ltd</li> <li>12. Nestlé Waters UK</li> <li>13. Refresco Beverages UK Limited</li> <li>14. Suntory Beverage and Food GB&amp;I</li> <li>15. Tennent Caledonian Breweries UK Limited</li> </ol>	<ol style="list-style-type: none"> <li>16. Co-operative Group Limited</li> <li>17. Lidl Great Britain Limited</li> <li>18. Marks and Spencer plc</li> <li>19. Sainsbury's Supermarkets Limited</li> <li>20. Tesco Stores Limited</li> <li>21. Aldi Scotland</li> <li>22. Wm Morrison Supermarkets plc</li> <li>23. Asda</li> </ol>
Producer trade associations	Retailer trade associations
<ol style="list-style-type: none"> <li>24. SIBA</li> <li>25. The British Beer and Pub Association</li> <li>26. The British Soft Drinks Association</li> <li>27. The Wine and Spirit Trade Association</li> </ol>	<ol style="list-style-type: none"> <li>28. Association of Convenience Stores</li> <li>29. National Federation of Retail Newsagents</li> <li>30. Scottish Wholesale Association</li> <li>31. The Scottish Grocers' Federation</li> </ol>

Kevin

Kevin Quinlan - Director of Environment & Forestry, Scottish Government (tel: [Redacted])

**From:** [Redacted]

**Sent:** 19 April 2023 18:08

**To:** Minister for Green Skills, Circular Economy and Biodiversity <MinisterforGSCEB@gov.scot>; First Minister <FirstMinister@gov.scot>



**Cc:** Director of Environment & Forestry <[Redacted]@gov.scot>; Campbell E (Elisabeth) <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; SGLD DRS Team <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; McCaig C (Callum) <[Redacted]@gov.scot>; McAllister C (Colin) <[Redacted]@gov.scot>; Dobson L (Leanne) <[Redacted]@gov.scot>; McPhee D (David) <[Redacted]@gov.scot>; Huyton H (Harry) <[Redacted]@gov.scot>; <[Redacted]@gov.scot>; <[Redacted]@gov.scot>

**Subject:** Immediate: Stakeholder meeting : Deposit Return Scheme 20 April 2023

PO

Please find details for FM and Minister for Green Skill, Circular Economy and Biodiversity for their meeting tomorrow with stakeholders regarding the deposit return scheme.

Enclosed:

1. Cover sheet with logistical info (Attendee list to follow once acceptance of invitation is confirmed)
2. FM Speaking Note
3. Minister speaking Note
4. Briefing pack for Ministerial Statement which is also to be used for this meeting.
5. FMQ

Should any of this change as a result of pre-meet with the Minister updates will be provided.

Regards  
[Redacted]

[Redacted] - [Redacted]  
Deposit Return Scheme Assurance  
Circular Economy Division  
Directorate for Environment and Forestry

<b>Date and Time of debate</b>	Thursday 20 April, 4.15-5pm
<b>Where</b>	T1.04, Committee Room 5, Scottish Parliament (Hybrid)
<b>Purpose of Meeting</b>	Meeting with Chief Executives and Senior Managers of key producers, retailers, and Circularity Scotland: <ul style="list-style-type: none"> <li>- to reaffirm the First Minister and Minister’s commitment to successful implementation of DRS on 1 March 2024</li> <li>- to thank producers, retailers and Circularity Scotland for their efforts in preparing for DRS to-date</li> </ul>

	<ul style="list-style-type: none"> <li>- to ask them to now work together to deliver the Scotland's DRS scheme paving the way for other schemes across the UK</li> <li>- to continue to listen to business concerns</li> <li>- to urge them to call on UKG to do the right thing on the Internal Market Act exclusion</li> </ul>
<b><i>Official Support Required</i></b>	Kevin Quinlan, Director Environment and Forestry Elisabeth Campbell, Deputy Director, DRS [Redacted], DRS Policy
<b><i>Comms Support/Media handling</i></b>	Non media private meeting