The Deposit Return Scheme

Gateway Review: Final Report

December 2022

Scottish Government
Riaghaltas na h-Alba

Portfolio, Programme and Project Assurance Hub
An authorised full-service OGC Gateway™ provider

INDEPENDENT ASSURANCE

PROGRAMME: **The Deposit Return Scheme**

Gateway Review 0
(Strategic Assessment)

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Report Status:	Final 3.0
Date/s of Review	10-12 May 2022
Senior Responsible Owner (SRO):	[redacted]
Draft report issued to SRO	12 May 2022
Final report issued to SRO and copied to PPPA:	01 June 2022
Delivery Confidence Assessment (DCA):	AMBER/RED
Accountable Officer:	Roy Brannen
Scottish Government's (SG) Portfolio Accountable Officer:	Roy Brannen
Investment Decision Maker:	

This report is an evidence-based snapshot of the project's status at the time of the review. It reflects the views of the independent review team, based on information evaluated over the review period, and is delivered to the SRO immediately at the conclusion of the review.

1.0   Gateway Review Conclusion

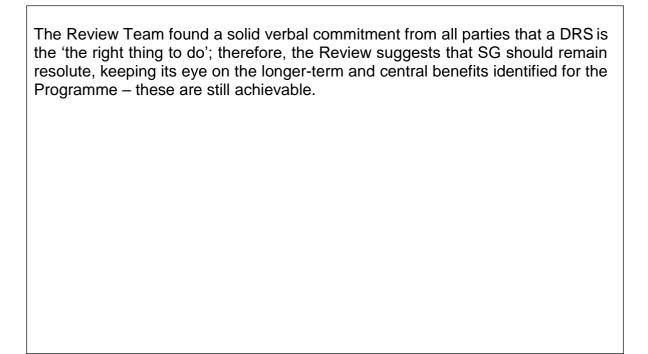| Delivery Confidence Assessment:	AMBER/RED

It should be recognised that the DRS Programme has, by intention following extensive consultation, taken a (probably) innovative approach to delivering a DRS for Scotland. Pursuit of the philosophy of Extended Producer Responsibility has directed the responsibility for implementing a DRS in Scotland to industry. SG and Scottish Ministers retain responsibility for achievement of the Deposit Return Regulations and the strategies from which the regulations are derived, including setting delivery dates and providing assurance to the Scottish community for effective deployment of DRS. Beyond enforcement of the Regulations, SG retains few tools and leverage to drive implementation.

This delivery approach comes with significant challenges to provide governance and leadership whilst also maintaining sufficient public assurance. It also introduces significant time penalties to mature and embed effective collaborative functionality and control. These challenges and impacts are most apparent in the DRS Programme and at this time are yet to be resolved; the difficult transition from government to industry leadership is still ongoing.

The Review Team met with a large number of stakeholders, and are confident that this Report represents a realistic and comprehensive status of DRS, as responsibility transitions from SG to industry, represented by CSL [redacted].

[redacted] The recommendations in this Report are intended to assist SG to manage the transition of responsibility and accountability in a measured way.

As a consequence of these issues, the Review Team finds that a fully functioning and compliant DRS cannot be in operation for the revised August 2023 schedule. [redacted] The Review Team believes that a 'softer' approach to DRS implementation should be pursued but further urgent activity would be required to consider, assess and agree this possibility.

The Review Team found a solid verbal commitment from all parties that a DRS is the 'the right thing to do'; therefore, the Review suggests that SG should remain resolute, keeping its eye on the longer-term and central benefits identified for the Programme – these are still achievable.

The Delivery Confidence Assessment RAG status should use the definitions below.

RAG	Criteria Description
Green	Successful delivery of the project to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery.
Amber/Green	Successful delivery appears probable. However, constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.
Amber	Successful delivery appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and, if addressed promptly, should not present a cost/schedule overrun.
Amber/Red	Successful delivery of the project is in doubt with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed, and establish whether resolution is feasible.
Red	Successful delivery of the project appears to be unachievable. There are major issues which, at this stage, do not appear to be manageable or resolvable. The project may need re-base lining and/or overall viability re-assessed.

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2.0   Summary of Report Recommendations

A summary of the report recommendations are as follows :

Ref. No.	Report section	Recommendation	Status	Aligned with SG PPM Principle	Aligned with profession
1.	6.1	The SRO should ensure that sufficient mechanisms and resources are put in-place to capture the value of the Programme learning for the benefit of wider government.	E.	Knowledge & Data	Policy
2.	6.3	The SRO should urgently review the needs and structure for Programme governance and leadership, to ensure accountability lines and oversight roles are clearly defined and understood.	C.	Leadership	Project Delivery
3.	6.4	The SRO should urgently re-evaluate the 'go-live' schedule and the Scheme 'go-live scope' [redacted].	C.	Planning	Project Delivery
4.	6.5	The SRO should re-examine the roles and coordination of communications across the Programme and ensure a significant improvement in communications flows.	C.	Stakeholders	Communications
5.	6.6	[redacted]	C.	Risk	Project Delivery

Each recommendation has been given Critical, Essential or Recommended status.

The definition of each status is as follows:

Critical (Do Now) – To increase the likelihood of a successful outcome it is of the greatest importance that the project should take action immediately.

Essential (Do By) – To increase the likelihood of a successful outcome the project should take action in the near future.

Recommended – The Project should benefit from the uptake of this recommendation.

Each recommendation has been aligned with one of the SG's PPM Principles and the SG Head of Profession.

Annex A lists the principles.

ACTION PLAN - You must within three weeks of the final report provide your intended actions for addressing each recommendation. You should then share it with the relevant SG`s Accountable Officer and copy it to the SG`s Portfolio, Programme and Project Assurance Hub (PPPA). Thereafter, you are responsible for implementing the actions in response to the recommendations. If the review has identified serious deficiencies or difficulties (including probable failure to meet the planned budget) within the programme the Accountable Officer should inform the relevant Minister/s.

3.0   Purpose of the Gateway Review

Annex B gives the full purposes statement for a Gateway Review 0.

This Gateway Review was unusual in its format, reflective of the unusual structure of the Programme. This Review is a review of the SG Programme and is not directly a review of the DRS implementation as being delivered by industry (CSL). Nonetheless the components are intrinsically linked and to provide assurance to SG, against its own DRS assurance role, requires a significant evaluation of the wider DRS implementation including that by industry and CSL. Gateway Reviews normally speak with 12-15 interviewees including 'a few' commercial and external stakeholders (e.g. prime contractors and consultants). However, in this instance the Review has spoken with 31 interviewees from 19 organisations, the majority of which have been important external stakeholders to SG.

4.0   Acknowledgement

The Review Team would like to thank the SRO, the Deposit Return Scheme (DRS) Programme Team and all interviewees for their support and openness, which contributed to the Review Team's understanding of the project and the outcome of this review. **Annex C** lists the people who were interviewed during the review.

5.0   Background

5.1   Aims of the Programme:

5.1.1   In September 2017, the Scottish Government announced in the Programme for Government (PfG) that it would move to implement a Deposit Return Scheme (DRS) for Scotland for single-use drinks containers. Protecting Scotland's Future: the Scottish Government's programme for Scotland 2019-2020 reinforced this commitment following public consultation. The views shared via the consultation helped to design a system tailored to meet Scotland's specific needs, and with the

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specific aims of increasing recycling rates and reducing littering. This commitment was reiterated in the September 2021 PfG.

5.2   Driving force for the Programme:

5.2.1   DRS has a number of objectives; it is proposed that a Scottish DRS will:

- Increase the quantity of target materials collected for recycling.
- Improve the quality of material collected, to allow for higher value recycling.
- Encourage wider behaviour change around materials.
- Deliver maximum economic and societal benefits for Scotland.

Achieving these strategic objectives will help Scotland progress towards its 2025 waste targets, accelerating Scotland's transition from a 'linear' economy which is environmentally unsustainable and energy and resource intensive, to a more resource efficient and sustainable circular economy.

5.2.2   Growing global and national populations are expected to increase commodity price volatility and constraints on resources availability, which could lead to adverse social and economic effects. Adoption of circular economy measures like a Scottish DRS should help to provide resilience to such shocks and constraints, and aid in delivering significant environmental benefits and economic opportunities.

5.2.3   By placing a financial value on selected single-use drinks containers, a DRS will encourage consumers to return them for recycling, reducing the likelihood that they will end up as litter and increasing the likelihood they will be recycled. This will, in part, help to address a growing global concern about the volume and impact of plastic pollution, particularly in marine landscapes. Separate and material-specific collection of selected packaging materials under a DRS will also generate higher quality, higher value material streams.

5.2.4   The introduction of DRS will have an impact on businesses in Scotland. As a form of producer responsibility, it requires those businesses to take responsibility for the environmental impact of their products and for the costs of managing products at end of life. A system of producer responsibility for packaging has been in place in the UK since 1997 and that system has helped to drive significant increases in recycling. However, the rate of progress suggests further interventions are needed and the European Commission with reference to its Circular Economy Package, supports DRS as an effective response to the challenges faced.

5.2.5   The UK Department for Environment and Rural Affairs (DEFRA), Welsh Government and Department of Agriculture, Environment and Rural Affairs in Northern Ireland consulted on a potential DRS for England, Wales and Northern Ireland in 2021. Enabling provisions were included in the UK Environment Act which became law in November 2021.

5.3   Procurement/delivery status:

5.3.1   The Programme to design and implement a DRS for Scotland commenced in September 2017. Following extensive public consultation and industry engagement through an Implementation Advisory Group, a scheme design and Full Business Case, Phase 1, were developed, receiving Cabinet approval prior to public announcement on 08 May 2019. Legislation to establish the Scheme was laid down in The Deposit and Return Scheme for Scotland Regulations 2020 (the Regulations) which was passed by Parliament on 13 May 2020. The Regulations allow producers to establish a Scheme Administrator (SA) to meet the obligations on their behalf. In March 2021 an application was received from Circularity Scotland Limited (CSL) to be approved as the centrally important SA. Following a managed assessment process, CSL's application received formal ministerial approval on the 24 March 2021.

5.3.2   Originally the Regulations required that DRS 'producers' be registered with SEPA by 01 March 2022 and that DRS should be fully operating (go-live) by 01 July 2022. However, on the 14 December 2021 the Minister for Green Skills, Circular Economy and Biodiversity announced that the Scottish Government would seek to change the full implementation date (go-live date) for DRS to 16 August 2023 in light of the impact of COVID-19 and EU Exit. This amendment of the Regulations came into force on the 25 February 2022.

5.4   Current position regarding previous assurance reviews:

5.4.1   Gateway Reviews were previously carried out on the 25-27th March 2019, 19-21 November 2019 and the 14-16 June 2021. A follow-up, Assurance of Action Plan was carried out on the 21-23 September 2021.

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6.0   Review Team Findings and Recommendations

6.1   Policy and Business Context

6.1.1   The DRS Programme was purposefully established, and is ubiquitously characterised, with alignment to 'polluter pays' policy principles. True to this alignment, the delivery strategy to establish a DRS is that government provides appropriate regulation, and retains an assurance function, whilst industry is required to establish, design and operate a DRS capability aligned to fulfilling the regulations. This approach was debated during the Programme consultation phase and, it is understood, welcomed by the majority of parties, including industry. This delivery strategy is unusual for government, possibly novel in pursuit of societal change, and brings unique challenges including an unfamiliar approach for government to driving change. [redacted].

6.1.2   There is significant learning to be gained, for SG, and much wider government, from the experience of promoting delivery of this ambitious strategy. Having experienced the challenges of this innovation, SG should ensure that it extracts maximum learning value through appropriate analysis and assessment of lessons learned to inform future policy and strategy.

6.1.3   These Review findings discuss many current and forthcoming challenges that will require resolution before an effective DRS will be in place and the desired societal change is effected. Achieving the innovative approach to leadership is foremost amongst these challenges. However, the Review Team found a solid verbal commitment from all parties that a DRS is the 'the right thing to do'; therefore, the Review suggests that SG should remain resolute, keeping its eye on the longer-term and central benefits identified for the Programme – these are still achievable.

> **R1   The SRO should ensure that sufficient mechanisms and resources are put in-place to capture the value of the Programme learning for the benefit of wider government. Essential**

6.2   Roles, Responsibilities and Management of Intended Outcomes

6.2.1   As discussed in section 6.1, driven by the polluter pays principle the DRS Programme has an innovative approach to the responsibilities for delivery of the Scheme and societal change. It is evident that this novelty still promotes a lack of clarity of delivery leadership [redacted].

6.2.2   In the early Programme phases of consultation and regulation development, the leadership role of SG was obvious and recognised by all parties. However, the Programme is now in the implementation phase and there was a commonly accepted opinion that SG should "step-back" from leadership and that industry, in the

guise of CSL, should be leading implementation. However, SG retains an important assurance role on behalf of Ministers and the public. Further, other actors, such as SEPA in terms of compliance, have responsibility for important components of implementation.

6.2.3   This is a complex and novel field of governance, leadership and management. The necessary and significant transition from development phases into implementation is still ongoing, and it is not yet clear what the new arrangements for governance, management and leadership should be.

6.2.4   Of significant impact to the transition and complexity of roles, is the maturity of CSL as Scheme Administrator. [redacted]

6.2.5   As a consequence of this maturity, CSL is not yet able to make "meaningful decisions" that are required for other parties to take forward their responsibilities for implementation (e.g. Producer agreement). [redacted]

6.2.6   In its vital role of assuring the success of DRS, SG needs to find a method to support the leadership of CSL; SG, or other public agents, stepping-in to provide the leadership will negate the founding strategy of industry leadership and will open SG to responsibility and the consequences of key operational decisions.

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[redacted]

6.3 Strategic Oversight and Decision Making

6.3.1   In endeavouring to bring some clarity to the Programme governance and leadership, and in-line with previous Gateway Review recommendations, SG had, in recent months, introduced a governance structure for the Programme with a System Wide Assurance Group (SWAG), an Executive Oversight Group (EOG) and a Communication and Engagement Working Group (CE Working Group). The CE Working Group is discussed in Section 6.5 below.

6.3.2   During the Review it became apparent that in addition there is also a monthly meeting between the CSL CEO and the responsible Minister, and that there is a fortnightly meeting between CSL and SG executives. These two additional executive meetings were not described in the published governance structure made available to the Review. Many interviewees described the SWAG as a welcome and valued forum for the coordination of their respective activities in support of DRS; though there was some lack of clarity as to SWAG's responsibility and role. The role of the EOG, and its ability to effect governance was less clear, particularly in-light of the other executive forums in-use.

6.3.3   SEPA are the regulator on behalf of Scottish Ministers and have a regulatory and reporting role for DRS. ZWS has had a policy and advisory role to Scottish Ministers and no apparent executive role within DRS; given this, the Review Team did not understand the purpose of ZWS in the EOG [redacted]. Some interviewees felt that SEPA's position in the EOG was not necessary and may compromise its position, other interviewees expressed some value in its involvement. In the Review Team's opinion governance of the whole programme, indeed the expectations and understanding of what governance is required, is not yet clear. [redacted]

6.3.4   A review of the needs and then design of the overall governance of Programme, including the role of SG as sponsor and that of CSL as industry lead, is most urgently required. A clear delineation between SG and CSL needs to be made along with clear accountability lines and oversight roles defined.

> **R2   The SRO should urgently review the needs and structure for Programme governance and leadership, to ensure accountability lines and oversight roles are clearly defined and understood. Critical**

6.4 Schedule and Delivery Plan (Review of Current Outcomes)

6.4.1　The DRS is currently scheduled for 'go-live' on the 16 Aug 2023, just 15 months henceforth. It is important to recognise that the schedule has already been extended, most recently from a 2022 'go-live' in the amending regulations and that this amendment had required significant investment of effort and support.

6.4.2　In previous Reviews, and repeated in this, industry representatives from retail and production made clear that their individual implementation plans would require 12-24 months from receiving 'meaningful decisions'. Some of the more significant industry players, believed that 12 months may be possible with much contingency and risk, but that 18 months was the necessary time required to implement DRS for their companies. Other industry interviewees maintained that they required 24 months for implementation. The industry interviewees presented, in the opinion and experience of the Review Team, justified, reasonable and suitably ambitious explanations of their schedule needs. Currently, industry does not have the 'meaningful decisions' that it requires to initiate their implementation plans; again, the Review Team, from their own experience, recognised that it would be extremely difficult and unlikely for industry to make implementation investments without knowing, and (importantly) accepting these key decisions (e.g. producer agreement, labelling, retail handling fee) (also refer to paragraph 6.2.5). It was understood that the producer agreement is not expected from CSL until August 2022. [redacted].

6.4.3　As discussed in section 6.2; 'meaningful decisions' are not yet available from CSL. Amongst these, a very sizeable contract has yet to be placed for the system operator (collection and processing of recyclate). A preferred bidder has been selected but security for the large infrastructure investment remains an issue. [redacted].

6.4.4　Many interviewees also expressed concern about the risk to the DRS schedule from the global economic climate. Most believed that obtaining RVM's, recycling equipment, construction material, ICT technology and, most importantly, sufficient and capable staff, was a significant schedule risk to the Programme. [redacted].

6.4.5   The Review Team investigated the preparedness of SEPA to fulfil its regulatory role. The Review Team heard good confidence expressed in SEPA's preparedness and were most satisfied that the SEPA DRS project was being well managed and would be ready as required. Nonetheless, from interviewees the Review Team also recognised that the DRS Programme leads SEPA into new ways of working, regulating whole systems rather than environment outputs. Without an understanding of the detail of how DRS will operate and function (currently not available) SEPA cannot fully understand and design an optimal regulatory function. Many issues are not understood, (e.g. recyclate flows), and these present some risk to the regulatory role that may require adaptation and evolution.

6.4.6   A Programme implementation plan had been shared at SWAG (and a summary plan on a page at EOG) and this was recognised by stakeholders as a very useful communication and awareness tool. However, the plan lacked the detail of significant actions and risks that were discussed during the Review interviews (e.g. implementation of the collection and processing operation), indicating that that further analysis of schedule implications was required. The Review Team also noted that the programme implementation plan did not present an assessed critical path to successful delivery.

6.4.7   The issue of "cut-over" was regularly raised during Review interviews. Some interviewees and the Review Team interpreted this phrase as describing all issues and functionalities that need describing for 'go-live'. Other interviewees saw the phrase "cut-over" as predominantly referring to the labelling and stock control of Scheme Articles at the time of 'go-live'. This Report will refer to 'go-live scope' to describe all issues of functionality and operation scope that need to be assessed and understood for go-live to be in control, and understood. It was apparent from discussions that a comprehensive list of these go-live scope issues have yet to be compiled, or assessed to enable agreement. Some individual issues such as stock control of Scheme Articles are being evaluated.

6.4.8   The Review Team believe that the formal recording, assessment and agreement of all go-live scope issues is essential to ensure that 'what go-live looks like' is understood. Further, the Review Team believe that an understanding of this picture offers an opportunity to more effectively manage risks to 'go-live' and offers the opportunity to relieve significant pressure on the schedule risk by allowing focus on the most important deliverables. [redacted] However, the Review believes that a 'softer' approach to DRS implementation should be pursued and that urgent action is required to consider, assess and agree this possibility.

6.4.9   Given the issues discussed in paragraphs 6.3.1 to 6.3.6, the Review Team conclude that a fully functioning, compliant DRS cannot be achieved for the 16 Aug 2023 go-live target. Some DRS functionality could be available and a minimum

viable product or phased/soft approach to go-live seems the only possibility to maintain momentum and support expectations.

> **R3 The SRO should urgently re-evaluate the 'go-live' schedule and the Scheme 'go-live scope' [redacted]. Critical**

6.5 Communications

6.5.1   The co-ordinating CE Working Group has been formed with members of CSL, ZWS, SEPA and SG. As stated in the Terms of Reference the Group "is chaired by ZWS on behalf of Scottish Government and accountable to Scottish Ministers". ZWS also performs the secretariat role for the Group. There is little reference to the role of CSL in the ToR apart from CSL's Head of Marketing and Communications being part of the CE Working Group.

6.5.2   The Review Team were shown a communications pack. Whilst recognising that the CE Working Group is new, the Review Team were nonetheless very disappointed that the title slide of this pack was branded with ZWS and SG logos. Further, slide 2 of that pack described how the Scheme would work yet made no reference to CSL whose role it is (yet to be fulfilled), to design how the Scheme will work. CSL and industry received little mention, appearing only on page 16/20 and 18/20 of that pack. It is policy that DRS should be industry led and the Regulations place the responsibility for DRS design and operation on industry; industry has elected CSL to be the lead organisation. Given this, it was the opinion of most interviewees and the Review Team, that CSL should take the lead on Programme communications.

6.5.3   It is the belief of the Review Team, supported by interviewee opinion, that in other nations that operate a DRS, central to an effective Scheme there is a very publicly recognisable and ubiquitous brand for the recycling operator. One presumes that in Scotland this can only be CSL ? The Review Team understand that CSL have designed a brand and logo, but this is not yet publicly available or visible. It was not evident that this brand had been agreed for consistent use by all stakeholders in DRS communications and engagement. A consistent brand is a necessary and significant PR opportunity for the future of DRS to be explained to key stakeholders, including the public. Signing of contracts with partners, especially the infrastructure supplier, would be another major PR opportunity.

6.5.4   The significant majority of those interviewed expressed concern about the quality and quantity of the limited communication so far received. They believe that there is insufficient information being circulated. Such communication and brand should also define and reinforce the leadership role of CSL and how it is working with partners to advance the story of DRS. The Orkney Initiative has a number of positive selling points that support DRS and ethical ecology. This needs to be publicised. In the opinion of the Review Team this would be better if seen to be led by CSL, not ZWS. It is not clear what progress is being made on these aspects of communication.

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6.5.5   The Review Team have seen a Communications Tracker, recently updated to show some forward plans. We have not seen a stakeholder analysis (with agendas), preferred communication channel analysis (pros and cons), proposed communication stages (critical path milestones) or responsibilities defined. Opportunities are being missed.

6.5.6   Those persons interviewed were almost all totally supportive of the concept of DRS, talking about the ethical and ecological responsibilities of circularity and recognising the necessary business value to meet customer expectations. However, there remained wide variance in the confidence of how well DRS is progressing. [redacted] Better communication is necessary to get all stakeholders on-side. Explaining the work being done; [redacted] engaging with stakeholders, listening and responding, are all necessary to demonstrate a united front on DRS. The Q&A process needs to be much more comprehensive, with logging of all questions, seeking the official answer and posting it.

6.5.7   [redacted] Regardless of opinion, collaboration is essential for DRS to succeed, and collaboration requires empathy from all parties to enable effective communication and understanding toward progress.

> **R4   The SRO should re-examine the roles and coordination of communications across the Programme and ensure a significant improvement in communications flows. Critical**

6.6. Readiness for Next Phase

6.6.1   Amending Regulations have been passed by the Scottish Parliament, with the DRS implementation date (go-live) being moved to 16 August 2023. This date has significant implications for everyone working on the foundation of the processes and protocols necessary to make DRS an effective and efficient operation. Almost all interviewees expressed very serious concern about the timescales, even with the date having been moved back more than one year. There are substantive issues still to be resolved that are dependent on other work. A blueprint and 'go-live' critical path have still to be established to define all the work required that assures the work will be done in time. There is a significant array of issues related to cut-over, which need to be formally identified, evaluated, and costed.

6.6.2   In addition to the major issues raised in this Report there are other significant issues such as exemptions, producer fee, distance take-back, future integration (or otherwise) with England Wales and Northern Ireland, global supply chain and systems integration and digital networking that need to be addressed through working groups, preferably commissioned by CSL.

6.6.3   This Review Team met with a large number of stakeholders and are confident that this Report represents a realistic and comprehensive status of DRS, as responsibility transitions from SG to Industry, represented by CSL. [redacted] The recommendations in this Report are intended to assist SG and CSL in managing the transition of responsibility and accountability in a measured way.

> **R5**   **[redacted]**

7.0   Previous Gateway Review Recommendations

A summary of recommendations, progress and status from the previous Gateway Review can be found at **Annex D**.

8.0   Next Independent Assurance Review

It is proposed that an AAP will be required for this Programme following this assessment. Further Reviews should be considered at that time.

9.0   Distribution of the Gateway Review Report

The contents of this report are confidential to the SRO and their representative/s. It is for the SRO to consider when and to whom they wish to make the report (or part thereof) available, and whether they would wish to be consulted before recipients of the report share its contents (or part thereof) with others.

This Report contains opinion on sensitive commercial issues and circulation should be managed accordingly.

The Review Team Members will not retain copies of the report nor discuss its content or conclusions with others.

A copy of the report is lodged with the PPPA so that it can identify and share the generic lessons from Independent Assurance Reviews. The PPPA will copy a summary of the report recommendations to the SG's Accountable Officer, and where appropriate, to the Organisation's Accountable Officer where the review has been conducted on behalf of one of the SG's Agencies, NDPBs or Health Sector organisations.

The PPA will provide a copy of the report to Review Team Members involved in any subsequent review as part of the preparatory documentation needed for Planning Meetings.

Any other request for copies of the Gateway Report will be directed to the SRO.

ANNEX A

Scottish Government - Programme and Project Management Principles

Alignment	We align our programmes and projects to corporate priorities to ensure we deliver for the people of Scotland
Leadership	We lead from the start by clearly communicating the vision, agreeing approaches, providing resource, collaborating across teams and setting a delivery culture.
Justification / BC	We secure a mandate for our work and ensure an ongoing justification is made by the benefits for the cost, or, stop any unjustified work.
Sustainability	We understand our impacts on people place and value and ensure whole life value and whole life cost are central to decision making.
Knowledge & Data	We ensure our projects are learning organisations from day one, we seek and use information & data for the benefit of our work.
Flexibility & Capability	Our multidiscipline teams contain flexible and skilled people who focus on required identified capabilities and outcomes, not positions.
Roles and Responsibilities	We assign and delegate roles and responsibilities within our projects flowing from the SRO's appointment letter/delegation/mandate
Stakeholders	We identify, assess and then manage our stakeholders to leverage maximum chance of success.
Benefits	We start with the end in mind, formally focussing on the intended outcomes of our investment.
Planning	We consider all aspects of our projects and continuously plan; managing dependencies, agreeing and refining evidence-based assumptions and reporting on progress against milestones throughout
Risk	We identify, communicate and act upon the threats or opportunities to and for our outcomes.
Transition	We provide focus and resource to understand the end needs from the supplier side and a commitment and capability to learn, manage and own the benefits/outcomes from the customer side.

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ANNEX B

Purposes of the Gateway Review 0: Strategic Assessment

Gateway Review 0 Strategic Assessment is a programme-only Review that sets the programme in the wider policy or corporate context. This Review investigates the direction and planned outcomes of the programme, together with the progress of its constituent projects.

It can be applied to any type of programme, including policy and organisational change. The Review is repeated throughout the life of the programme from start-up to closure; an early Gateway Review 0 is particularly valuable in that it helps to confirm that the way forward is achievable, before plans have been finalised.

- Review the outcomes and objectives for the programme (and the way they fit together) and confirm that they make the necessary contribution to the overall strategy of the organisation and its senior management
- Ensure that the programme is supported by key stakeholders
- Confirm that the programme's potential to succeed has been considered in the wider context of Government policy and procurement objectives, the organisation's delivery plans and change programmes, and any interdependencies with other programmes or projects in the organisation's portfolio and, where relevant, those of other organisations
- Review the arrangements for leading, managing and monitoring the programme as a whole and the links to individual parts of it (for example to any existing projects in the programme's portfolio)
- Review the arrangements for identifying and managing the main programme risks (and the individual project risks), including external risks such as changing business priorities
- Check that provision for financial and other resources has been made for the programme (initially identified at programme initiation and committed later) and that plans for the work to be done through to the next stage are realistic, properly resourced with sufficient people of appropriate experience, and authorised
- After the initial Review, check progress against plans and the expected achievement of outcomes
- Check that there is engagement with the market as appropriate on the feasibility of achieving the required outcome
- Where relevant, check that the programme takes account of joining up with other programmes, internal and external
- Evaluation of actions taken to implement recommendations made in any earlier assessment of deliverability.

ANNEX C

Review Team:

Review Team Leader:	[redacted]
Review Team Member:	[redacted]

List of Interviewees:

The following stakeholders were interviewed during the Review:

	Organisation	Name	Position
1	Scottish Government	[redacted]	[redacted]
2		Kevin Quinlan	Director Environment & Forestry
3		[redacted]	[redacted]
		[redacted]	[redacted]
4		[redacted]	[redacted]
5	SEPA	[redacted]	[redacted]
6		[redacted]	[redacted]
7		[redacted]	[redacted]
8	Zero Waste Scotland	[redacted]	[redacted]
10	CSL	[redacted]	[redacted]
13	Scottish Retail Consortium	[redacted]	[redacted] [redacted]Tesco [redacted]Lidl
14	Scottish Grocers Federation (retailers)	[redacted]	[redacted] [redacted]One O One Convenience stores [redacted]Association of Convenience Stores
15	Scottish Wholesale Association	[redacted]	[redacted] [redacted]Booker
16	British Soft Drinks Association (producers)	[redacted]	[redacted]
17	Society of Independent Brewers (producers)	[redacted]	[redacted]

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18	British Beer and Pub Association (hospitality)	[redacted]	[redacted] [redacted]Greene King [redacted]C & C Group
19	Local Authority Waste Managers Network	[redacted]	[redacted]

ANNEX D

Progress against previous Gateway Review 14-16 June 2022 recommendations:

Ref No.	Recommendation	Progress/Status
1.	It is recommended that that the Programme Team take urgent action to draw this decision (VAT) to a definitive conclusion and communicate this clarification to all stakeholders.	[redacted] This is an issue that occupies management time and still requires attention.
2.	It is recommended that the Programme Team take prompt action to develop and resolve the practical issues for delivering an effective deposit return solution for online sales and agree this at Programme Board (this will require the collaboration with CSL to develop potential solutions).	SG did make a small change to this in the amending regulations. However, the regulation requires further interpretation and continues to occupy stakeholder attention, time and concern. [redacted]. Action still ongoing.
3.	It is recommended that the SRO brings together key stakeholders to analyse and agree a critical path (and keep this updated) for delivering a viable product by the agreed start date.	A critical path was not yet obvious. To be completed
4.	It is recommended that the Programme Team explore and document the options for the most suitable delivery approach and agree this at Programme Board.	See recommendation 3 of this Report.
5.	It is recommended that in collaboration with SEPA, the Programme Team examine registration system options and present these to the Programme Board for a decision on the preferred option, at the earliest opportunity.	Actively managed, to be completed especially for bulk registrations 50+
6.	It is recommended that the SRO review the governance structure for DRS preparation and implementation to ensure appropriate representation, input, assurance and oversight for all stakeholders.	See recommendation 2 of this Report.
7.	It is recommended that the Programme Board establish a cross-party forum that enables stakeholders to share best practice relevant to DRS and support the adoption of a unified approach.	SWAG established.
8.	It is recommended that the Programme Board cooperate with CSL to create a CSL centric stakeholder communications strategy to inform key operational groups on progress made.	See recommendation 4 of this Report
9.	It is recommended that the SRO establish an assurance regime for both pre and post 'go-live' environments, that align with key milestones and provide an appropriate level of detail for assurance.	[redacted]

Scottish Government
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