

## EIR – 2022/00279512 – Minutes of DRS Meetings

### SCOTLAND'S DEPOSIT RETURN SCHEME MEETING WITH CIRCULARITY SCOTLAND LTD

*Via MS Teams*

*7 October 2021 – 0900-0945*

#### **Attendees**

The Minister for Green Skills, Circular Economy, and Biodiversity

Harry Huyton (SG)

[Redacted personal information](SG)

Aidan Grisewood (SG)

[Redacted personal information](SG)

[Redacted personal information](SG)

[Redacted personal information](Circularity Scotland Ltd, CSL)

[Redacted personal information] (CSL)

[Redacted personal information] (CSL)

#### **Note of meeting**

##### **1. Introductions**

1.1 CSL representatives introduced themselves. Recruitment for senior staff and Board members was ongoing and CSL emphasised their commitment to diversity on their Board.

##### **2. Delivery Timetable**

2.1 [Redacted personal information] emphasised CSL's commitment to delivering a successful DRS that would work well from day one. He commented that there was a good working relationship with SG and that CSL were building relationships with SEPA and ZWS.

2.2 All attendees recognised the significant pressure to deliver DRS by 1 July 2022 in line with SG objectives, but also recognised the impact of COVID-19 and EU Exit on the deliverability of what is an ambitious scheme.

2.3 The Minister asked CSL to investigate options for phased implementation (for example return points going live before distance takeback) to reduce delivery risk.

**Action:** CSL to report back to SG with its views on phased implementation.

2.4 All attendees noted the importance of good programme-management moving into the implementation phase, with regular meetings between SG, CSL, and other key stakeholders to monitor delivery against milestones.

**Action:** CSL to provide SG with a detailed programme plan.

##### **3. Key Risks and Issues**

## EIR – 2022/00279512 – Minutes of DRS Meetings

- 3.1 CSL made the following requests which were noted by the Minister:
- Early decision on, and announcement of, implementation date to support fundraising and completion of contracts;
  - Resolution of VAT issue which poses a significant risk to successful delivery of CSL's programme;
  - Existing scheme scope to be maintained with a recognition this is already among the most ambitious schemes in Europe;
  - Early advice from SEPA as regulator to help resolve questions around enforcement, and early SEPA engagement with CSL contractors to support applications for the necessary permits;
  - Ministerial reassurance to potential partners on SG's commitment to the scheme;
  - **[Redacted]**

**Action:** CSL to write to the Minister setting out points where SG can help ensure successful delivery.

**Action:** **[Redacted]**

#### 4. Critical Path

**[Redacted]**

## **EIR – 2022/00279512 – Minutes of DRS Meetings**

**7 October 2021 14:00-14:30**

Meeting: Deposit Return Scheme

Participants: Mr Matheson, Ms Slater, Harry Huyton, John McFarlane, Kevin Quinlan, Aidan Grisewood, **[Redacted personal information]**

Notes:

**[Redacted]**

## EIR – 2022/00279512 – Minutes of DRS Meetings

### SCOTLAND'S DEPOSIT RETURN SCHEME MEETING WITH CIRCULARITY SCOTLAND LTD

*Via MS Teams*  
4 November 2021 – 1545-1640

#### **Attendees**

The Minister for Green Skills, Circular Economy, and Biodiversity

Harry Huyton (SG)

[Redacted personal information] (SG)

[Redacted personal information] (SG)

[Redacted personal information] (SG)

Craig Anderson (Circularity Scotland Ltd, CSL)

David Harris (CSL)

[Redacted personal information] (CSL)

#### **Note of meeting**

##### **5. Introductions**

5.1 The Minister welcomed CSL representatives to the meeting. She would be making a statement to Parliament on the circular economy on 17 November and was keen to be able to announce an implementation date for DRS by then.

##### **6. CSL's delivery activities**

6.1 CSL commented that there was a very good working relationship with SEPA. SEPA were providing advice on the Regulations to help CSL make progress on issues such as cross-border flows.

[Redacted]

6.2 The Minister emphasised the need for international expertise to support successful delivery. CSL commented that they were taking this into account in: inviting international firms to tender for contracts; ensuring that the return-point handling fee would reflect international experience; [Redacted]

6.3 CSL were working on how to deal with 'legacy' containers, i.e. non-deposit-bearing containers placed on the market before the full implementation date.

[Redacted]

##### **7. Implementation date**

[Redacted]

[Redacted]

*At this point the Minister left the meeting.*

## **EIR – 2022/00279512 – Minutes of DRS Meetings**

7.1 CSL explained that the UK Government's decision on VAT was a dependency for making further progress on IT development because neither HM Treasury nor HMRC had provided sufficient detail on how deposits would be treated and different possible approaches would require different information to be collected by CSL's (and retailers') IT systems.

**[Redacted]**

## EIR – 2022/00279512 – Minutes of DRS Meetings

### Meeting with SGF, 15 November 2021

Attendees:

#### Scottish Government

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

[Redacted personal information] Circular Economy Unit

[Redacted personal information] Circular Economy Unit

#### SGF

Pete Cheema, Chief Executive Officer, SGF

[Redacted personal information] SGF

[Redacted personal information] SGF

Main Points Discussed:

- [Redacted personal information] gave background on SGF, who they represent and that they have been working on DRS for a number of years quite intensely.
- [Redacted]
- SGF/convenience stores have so many dependencies across what is a highly integrated systems and need to know that every bit of the system works (deposits will be reconciled in timely fashion, handling fee will be paid out and all models of RVMs are correct) before they would have confidence in a successful launch.
- [Redacted]

The Minister asked how best the Scottish Government could support SGF on DRS:  
[Redacted]

The Minister asked for feedback on how SGF felt that CSL was working

- [Redacted]
- Rather than trying to launch the scheme as a whole, it would make more sense to breakdown the scheme into several phases.
- [Redacted]

The Minister asked about any other CE initiatives she could support:

- SGF have previously supported trials on DRS and are currently working on a project called 'Smart Bins'.

**AP - Minister would like to visit a store to see Smart Bins in operation. [Redacted]**

**AP - [Redacted personal information] to follow up on the SIB point raised by [redacted personal information] (SGF)**

## EIR – 2022/00279512 – Minutes of DRS Meetings

### Meeting with Tesco, 15 November 2021

Attendees:

#### Scottish Government

Lorna Slater, Minister for Green Skills, Circular Economy and Biodiversity  
Aidan Grisewood, Deputy Director Environment Quality and Circular Economy  
**[Redacted personal information]** Circular Economy Unit

#### Tesco

**[Redacted personal information]**

Main Points Discussed:

- **[Redacted personal information]** confirmed that Tesco are fully behind the scheme and works with their sustainable plans.
- **[Redacted]**

The Minister asked if Tesco would be interested in being part of any field trials:

- **[Redacted]** Open to working with both SG/CSL although any trials can't become a distraction to the broader roll out/go live of the scheme.
- **[Redacted]**

**AP – [Redacted]**

The Minister asked if there were any other CE initiatives that she could support:

- **[Redacted personal information]** confirmed that Tesco had recently launched 'Loop' within stores. Currently 88 products and packaging is not crushed and recycled but taken to a 3<sup>rd</sup> party for it to be cleaned before going back to stores for use. This is currently in 10 stores. Minister confirmed she would like to visit a store to see how this operates.
- **[Redacted personal information]** suggested that it would be welcome if the SG raised consumer awareness overall in DRS as this is currently very low.

**AP – [Redacted personal information] to follow up with [Redacted personal information] on Ministerial visit to a store to see 'loop' in operation.**

## EIR – 2022/00279512 – Minutes of DRS Meetings

### SCOTLAND'S DEPOSIT RETURN SCHEME MEETING WITH CIRCULARITY SCOTLAND LTD

*Via MS Teams*  
16 November 2021 – 1730-1800

#### Attendees

The Minister for Green Skills, Circular Economy, and Biodiversity

[Redacted personal information] (SG)

[Redacted personal information] (SG)

[Redacted personal information] (SG)

[Redacted personal information] (SG)

[Redacted personal information] (Circularity Scotland Ltd, CSL)

[Redacted personal information] (CSL)

#### Note of meeting

8. The Minister advised CSL as a courtesy not to expect an announcement of a revised full implementation date in the statement on the circular economy that she would make to Parliament the following day. She commented that she understood the importance of early clarity on this issue for industry, but that further work within SG was required before a decision could be made on the date. She hoped to make a decision and announce it to Parliament within the next few weeks.

9. The Minister noted that she had just received a letter from the UK Government confirming their intention to apply VAT to the deposits and that this was very disappointing news which would have a bearing on the implementation of the scheme.

10. The Minister commented that she had good confidence in CSL's work to deliver DRS.

11. CSL acknowledged the disappointing news regarding VAT and asked the Minister to continue to press the UK Government to ensure the deposits were not subject to VAT. [Redacted]

12. SG noted that there might be a need to further explore options for phased implementation but CSL commented that these options appeared limited.