

**BRIEFING NOTE FOR CABINET SECRETARY FOR RURAL AFFAIRS AND THE ENVIRONMENT**

**MEETING WITH THE PACKAGING RECYCLING GROUP SCOTLAND (PRGS)**

**20 January 2015**

<b>Key Message</b>	Looking at deposit return and related opportunities because we want Scotland to do much better on recycling of drinks containers – significant impacts on our ambition for litter and a circular economy.
<b>Who</b>	<p>Representatives of the Packaging Recycling Group Scotland (PRGS) which brings together a number of stakeholders (drinks producers, retailers and recycling companies) to offer an alternative to Deposit Return Schemes:</p> <ul style="list-style-type: none"> <li>• Jane Bickerstaffe, Director, Industry Council for research on Packaging and the Environment (INCPEN) – PRGS Chair</li> <li>• Morag Garden, Environment &amp; Scientific Affairs Manager, Scotch Whisky Association</li> <li>• Julian Hunt, Vice-President Public Affairs &amp; Communications GB, Coca-Cola Enterprises</li> <li>• David Paterson, Head of Public Affairs &amp; Corporate Responsibility, Heineken and Chair, Scottish Beer &amp; Pub Association</li> <li>• Jonathan Kemp, Commercial Director AG Barr</li> <li>• Ian Shearer, PRGS co-ordinator.</li> </ul>
<b>What</b>	<p>Meeting to</p> <p>(a) hear PRGS’s alternative proposals to increase packaging recycling rates and reduce litter through partnership working;</p> <p>(b) discuss how these issues will feature in our 6-month circular economy engagement exercise</p> <p>PRGS will be seeking to force our hand on deposit return – and will be looking to leave the meeting with a commitment that it will be <b>taken off the table as an option for consideration</b> for the foreseeable future.</p> <p><b>[redacted – EIR Exception 10(4)(e) Internal communications – advice to Ministers].</b></p>
<b>Why</b>	Reinforce your determination to take action on the issue of drinks containers, and to determine whether industry will commit fully to tackling this.
<b>Where</b>	Room TG.22, the Scottish Parliament

<b>When</b>	13:30-15:00, 20 January 2015  Agenda: 1. Welcome and Introductions (10 mins)  2. PRGS proposal - presentation and discussion (40 mins)  3. Circular Economy public engagement exercise (40 mins)
<b>Media</b>	No media
<b>Supporting Officials</b>	Gabby Pieraccini – Mobile 07500 126186 Peter Stapleton – Ext. 40312
<b>Attached documents</b>	Annex A – PRGS proposal and analysis Annex B – Handling Annex C – Defensive points Annex D – PRGS Biographies  PRGS’s summary position paper is attached separately.

## Packaging Recycling Group Scotland: Proposal, Background and Analysis

### Background

- The 2010 manifesto said, *'We will... look to pilot a deposit return/reverse vending system for single use plastic, glass and aluminium containers and will work with partners in the retail sector to explore options'*.
- Eight pilots were carried out and the results used to inform a study on the opportunities for deposit return and reverse vending.
- Following your visit to Sweden in 2013 you announced that you would ask Zero Waste Scotland to look at the feasibility of a Scotland-wide scheme.
- At the Scottish Resources Conference (October 2013), you challenged those who oppose deposit return to come forward with ideas that would offer the same outcomes of increasing recycling and reducing litter.
- The Packaging Recycling Group Scotland (PRGS) was established in response to these developments and your challenge to industry.
- PRGS brings together drinks manufacturers, grocery retailers, the packaging industry and recyclers **to oppose any deposit return system** (DRS) or a separate **Scottish packaging recycling Producer Responsibility scheme**.
- You met with PRGS representatives a year ago in January 2014.
- In the meantime, Zero Waste Scotland has commissioned two reports: one on deposit return, and one on a Scottish packaging producer responsibility scheme.

## PRGS Proposal

Strong industry opposition to deposit return has motivated the industry to develop a substantive alternative proposal.

PRGS propose to build on existing infrastructure and LA recycling collections. It offers collaborative working, in particular on communication with consumers, to improve performance towards challenging voluntary targets on recycling rates for drinks containers.

PRGS argues that its proposals will offer the same benefits to Scotland as a deposit return scheme or Scottish packaging producer responsibility scheme, while minimising costs and disruption to businesses

The benefits we are seeking include litter reduction and capture of high value recyclables).

The main features of the PRGS proposal, in their words, are:

- A **unique Scottish commitment** to partnership action to boost recycling rates towards challenging voluntary targets, and to tackle waste and littering.
- **United backing** across the drinks and food packaging supply chain for this solution, with commitment of senior-level business leaders to a joint steering-group to oversee delivery.
- New voluntary **targets for recycling** of for metal cans, household plastic bottles and glass bottles in Scotland from current baselines of around 50%
  - 2017: 70%                      2020: 75%                      2025: 80%.
- Expanded, co-ordinated **communications** and behaviour change action to, enhance local authority **recycling** systems and tackle **littering**.
  - Backing for Scottish Government **national** consumer campaigns, tapping into the resources and reach of PRGS members and brands
  - **Local communications** initiatives working with LAs and ZWS
- Collaboration to promote **best practice** in maximising recycling and reducing litter. This includes support for consistent LA collections and backing industry schemes (e.g. Soft Drinks Sustainability Roadmap, Scotch Whisky Industry Environmental Strategy).
- Joint work on **data**, target and issue definition, including potential new **research** projects or **pilots**.
- Constructive **co-operation** on developing (a) the producer responsibility framework and (b) possible further future legislation (if needed to deliver final targets).

## Analysis of proposal

- PRGS is presenting this proposal in an effort to persuade you to take deposit return **off the table** – at least for a year or so - to allow it to prove its approach.
- They are vehemently opposed not only to a deposit return scheme, but to any **broader debate**, with other stakeholders, on the role that a deposit return scheme might play in a move towards a more circular economy in Scotland.
- **Pros:** On the one hand, this proposal is a significant offer, particularly the promise of access to the reach and influence of the industry, especially on the **communications** and marketing side and voluntary **targets**. Work could begin without delay.
- **Cons:** On the other hand, while proposals for collaboration and cooperation are always welcome, it is very **light on action on the ground**, and mainly relies on communications as a game-changer in terms of improving recycling performance.
- The key tension is that the “alternative to deposit return” proposal offered by PRGS is really just a proposal to **enhance the existing recycling system**. While it is good that industry wants to help improve consistency and efficiency of LA collections, **it has limited power to influence councils**.
- It is unclear why the industry **has not offered this sort of assistance before now** – this nature of collaboration and cooperation is not exactly ground-breaking.
- There is a risk that, if deposit return is taken off the table as an option, these **very generic proposals** (with the exception of communications support) may be **very difficult to turn into concrete action**.
- If we continue to leave deposit return on the table, however, there is a risk that the industry will move on from **private lobbying to public opposition** and criticise Ministers. We have emphasised that such debate **need not be confrontational**, and it is a part of good policy-making to ensure that Ministers hear **all voices and all points of view** before making decisions.

**[redacted – EIR Exception 10(4)(e) Internal communications – advice to Ministers].**

## Annex C

### Key defensive points

While we have been assured industry leaders want to focus on positive alternatives, we anticipate they will also be critical of our approach.

- Deposit return could make a **big difference to litter and recycling** (volumes and quality), and help nurture domestic reprocessing.
- Scotland risks missing out by **following UK policy by default**. We need to be ready to take our own approach to create the different market conditions required for Scotland to secure economic benefit.
- Examples of **Scottish-specific policies and initiatives** that the UK does not have:
  - Scottish Materials Brokerage Service,
  - Scottish Institute for Remanufacture,
  - National Litter Strategy focusing on prevention,
  - National campaigns on littering and recycling.
- **Across the EU**, the worst performing member states are looking at deposit return schemes. All the highest performers have deposit systems (Austria, Belgium, Denmark, Germany, Netherlands and Sweden).
- The reports commissioned by Zero Waste Scotland are investigating **feasibility, costs and economic impacts**.
- There is clear evidence that **eating/drinking ‘on the go’ is a key contributor to litter**, and the studies are also investigating potential impact on litter.
- It is premature for PRGS to speculate about thoroughness, bias and objectivity without sight of the reports. Zero Waste Scotland has **well established processes** in place for such contracts.
- The Scottish Government and ZWS have offered to work with PRGS ahead of publication – in confidence - to identify any gaps, and if so, we will address that through an open and inclusive further **call for evidence**
- Our circular economy exercise **will not create further uncertainty**: it will explicitly corral the range of ideas and proposals circulating around a more circular approach and bring them together into a set of key actions.

**BIOGRAPHIES OF INDUSTRY ATTENDEES**

**Jane Bickerstaffe** has been Director of INCPEN\* since 2000, and the Chair of PRGS since it was established in October 2013.

She was a biochemist for a number of years, then worked for Cable and Wireless, Unilever, Metal Box (now Crown Europe) and in the 1990s was a Special Advisor to the UK Government's first Minister with Responsibility for Recycling.

In 2014 she received the Outstanding Contribution to the Industry Award in the UK Packaging awards. She is a Fellow of the Royal Society of Arts, the Packaging Society and board member of the International Safe Transit Association. She lectures regularly on packaging and environmental issues worldwide, has written many publications and papers on the subject and given evidence to UK parliamentary committees on a number of occasions.

*[\* INCPEN - The Industry Council for research on Packaging & the Environment – exists to study the environmental and social impact of packaging. It draws together an influential group of companies that operate throughout the supply chain and share a common interest in packaging, the environment and sustainable development. Recent INCPEN research includes guidance on packaging for multi-channel delivery systems, a survey of food waste from retail depot to checkout and analyses of litter composition in England and Scotland.]*



**Morag Garden** is Environment & Scientific Affairs Manager at the Scotch Whisky Association, a role she took up in 2007.

Her career began, and has always remained, in the environmental lobbying arena working with a number of industry bodies. It started in Scottish Water covering a range of roles from laboratory through to environmental policy. She also had the opportunity to take up a number of secondments including a year with the Scottish Government developing diffuse pollution policy. She is delighted to have moved from water to whisky, to be working for Scotland's most exciting and first truly sustainable industry.

She moved to Edinburgh for University and has only been away for brief periods. She has a variety of hobbies, from climbing and walking, through to softball.





**Julian Hunt** joined Coca-Cola Enterprises in 2011 as Vice President of Public Affairs and Communications for GB.

In this role he is responsible for all aspects of CCE's internal and external communications, as well as its sustainability and Government affairs programmes.

Before CCE, Julian was Director of Communications at the Food and Drink Federation (FDF). A journalist by background, Julian's last role in the media was as editor of The Grocer – a post he held for some five years.

Julian is married, with one son and is a long-suffering Blackburn Rovers supporter.



**David Paterson** is Head of Public Affairs & Corporate Responsibility at HEINEKEN UK.

HEINEKEN is the UK's leading beer and cider company, with a portfolio of some iconic brands including Heineken, Foster's, Strongbow, Bulmers, Kronenbourg 1664 and Desperados. It employs around 2,000 people across the UK with offices in Edinburgh, Livingston and London; breweries in Edinburgh (Caledonian), Manchester and Tadcaster; and a ciderie and cider mill in Hereford and Ledbury. Around 700 staff are based in Scotland. HEINEKEN also owns around 1,100 pubs through its Star Pubs & Bars business – around 120 of which are in Scotland. All the barley used in the beers brewed in the UK is grown in the UK. We've been brewing for 150 years. To ensure we're still making great beer and cider for years to come, it's essential that we grow our business in a responsible and sustainable way.

David is responsible for HEINEKEN UK's public affairs agenda including community investment, charity partnerships, responsible alcohol consumption agenda, and oversees Brewing a Better World – HEINEKEN's sustainability strategy in the UK.

He is a trustee of sustainable development charity the Bulmer Foundation. Prior to joining HEINEKEN, David was Head of Regional Affairs for Asda, and before that Head of Policy & Communications for the Scottish Liberal Democrats.

David became President of the Scottish Beer & Pub Association in early 2014. The SBPA represents a wide range of brewers and pub companies and works closely with other industry bodies including the Scottish Licensed Trade Association and the British Hospitality Association Scotland to promote the Scottish on-trade sector.



**Jonathan Kemp** is the Commercial Director of AG Barr plc – better known as Barr Soft Drinks the brand owner and maker of IRN-BRU, Rubicon, Strathmore and many other soft drinks.

Jonathan joined the board in 2003 and is responsible for all the sales and marketing activities of the company. He describes his job as ‘Phenomenal’ – ‘the best job in Scotland’.

Prior to joining Barr's – Jonathan worked for Procter and Gamble for 12 years in a wide variety of sales, marketing and commercial roles – working on some of the world's biggest brands. Jonathan has also worked as a researcher at the House of Commons – and combined studying at Liverpool University with a short service commission with the Royal Navy.

This explains his life-long passion for anything that floats – when not at work you will also find him cycling, playing cricket and spending time with his wife and two children.



**Ian Shearer** has helped to establish and co-ordinate the Packaging Recycling Group Scotland since its inception in October 2013. He has a background in the drinks and retail sectors.

From 1992-2005 he worked at the Scotch Whisky Association, where he was appointed Director of Operational & Technical Affairs in 1999.

More recently, he was Interim Director of the Scottish Retail Consortium in 2009-10 and again in 2011-12.

Since 2009 he has been a Non-Legal Member of the First-Tier Tax Tribunal, and since 2013 also a Non-Legal Member of the Scottish Solicitors' Discipline Tribunal. He is a Trustee of Sniffer – the Scottish sustainability and resilience knowledge broker – and the Friends of Kinneil, a local heritage group; and is a past Board member of the Scottish Business Crime Centre.