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SCOTTISH GOVERNMENT: NEWS UPDATE: JULY 2019

SWA HIGHLIGHTS DRS IMPACT ON WHOLESALE

SWA has continued to represent wholesalers and suppliers in the ongoing discussions around the implementation of a Scotland-only DRS which will cover single-use plastic, metal and glass containers.

CEO Colin Smith and public affairs consultant Margaret Smith attend the Scottish Government's Implementation Advisory Group which is looking at the scheme in detail. The IAG has set up specific working groups and SWA is taking part in the Scheme Administration Working Group as well as Producer/Distributor Working Group.

SWA maintains its opposition to key elements of the proposed scheme

We have also met with Zero Waste Scotland (ZWS) to discuss wholesale sector issues specifically and, as a result, have requested a dedicated Wholesale Workshop be established.

SWA maintains its opposition to key elements of the proposed scheme including the Scotland-only nature of DRS; the inclusion of glass; the unrealistic timetable; and the lack of financial support for wholesalers which will be faced with additional costs. We are also concerned that the role of wholesalers within the DRS is not properly addressed in the Scottish Government's Full Business Case and scheme design.



Returpack recycling facility in Sweden



Collected cans processed at recycling plant

A number of key issues for wholesale businesses were discussed at the meeting with ZWS on 21st June. These included:

- The logistical cross border consequences of a Scotland only scheme and the setting up of an “export/import” scenario within the UK drinks supply chain.
- The need for significant capital infrastructure investment to deal with requirement for double SKUs.
- Identification options – Labelling. Barcode changes/costs & database management costs.
- The inclusion of glass - cost and health & safety
- Potential loss of sales through de-listing. Producers may reduce the number of lines to reduce production costs and producer registration fees. Wholesalers may also choose to rationalise ranges and ultimately leading to a reduction in choice for Scottish consumers.
- Costs may increase due to producers adding increased production and logistics costs as well as the producers fee onto products. Scottish wholesalers will be less competitive than English competitors. Jobs impact.
- Cash flow issues due to addition of producer fees and deposits to the price of products.
- Data and ICT issues.
- Complexities of providing requested wholesaler data on volume and material scope of product put on to Scottish market.
- Timetable and implementation. Impact on held stock.
- Potential for back hauling but need for discussions with SEPA re waste licensing.
- Illicit trade – “Grey market” likely to grow.

Many thanks to the representatives from Bestway/Batleys; Booker; Brakes; Dunns Food and Drinks; United Wholesale Grocers; United Wholesale (Scotland); and JW Filshill who have already contributed their views or taken part in meetings.

DRS will affect all SWA members and we request as many members as possible join our DRS Wholesale Workshop. This workshop will help the SWA feed into the IAG and in establishing the best possible scheme, with least cost, impact and disruption for our members. While it will also help quantify any direct financial costs, including those bulleted above, that wholesalers face and that the SWA are seeking some form of member recompense.

If interested in joining please contact Colin Smith, colin@scottishwholesale.co.uk.



Bulkfeed RVM's are the disrupter to single feed machines



FOOD SECTOR RESILIENCE GROUP UPDATE

THE SWA sit on the Scottish Government's food sector resilience group, along with other trade bodies. The group is stepping up their efforts once again to ensure Scotland's food and drink sector is prepared for a worst case 'No Deal' Brexit, come 31st October.

Recent feedback from our members, on your concerns and preparedness for Brexit, has been fed back to SG officials. This included the lost investments already made while preparing for an exit in May and the issues an October exit has in relation to Christmas.



We will continue to keep you informed, as best we can, during the coming months but encourage all members to continue to use the websites below as your best Wholesale specific resources to Brexit.

- <https://brexitfoodhub.co.uk/>
- <https://stage.mygov.scot/eu-exit-food/>
- <https://www.prepareforbrexit.scot/>
- [The food and drink sector and preparing for EU exit](#)

We also encourage you to apply for the Scottish Brexit grant of up to £4k to help in your Brexit plans.

- <https://www.prepareforbrexit.scot/updates/brexit-support-grant>

RURAL ECONOMY & CONNECTIVITY COMMITTEE

THE Scottish Parliament's Rural Economy & Connectivity Committee has voted in favour of giving councils the power to introduce the controversial workplace parking levy.

More than 100 amendments in relation to the levy were considered, including some SWA-inspired amendments pushing for exemptions for industrial estate premises, shift workers, business customers and areas that aren't well served by public transport.

However, the Scottish Government didn't accept any of the proposed amendments, many of which would have protected low-paid workers and businesses. The government and Green MSP John Finnie maintained their position that this was enabling framework legislation and that details of local schemes would be left to local authorities.

So far, Glasgow and Edinburgh councils have expressed an interest. SNP and Green MSPs voted in favour of the WPL, which formed part of a Budget Deal between the parties, while the Conservatives, Labour and Liberal Democrats voted against. The Bill will return at Stage 3 following the recess.

SWA's Colin Smith gave oral evidence to the Committee on 29th May as part of the committee's evidence-gathering session while SWA also submitted written evidence and information from recent member surveys. SWA will continue to lobby the Scottish Government and MSPs on the issue which could cost members several tens of thousands of pounds.

<https://www.scottishparliament.tv/meeting/rural-economy-and-connectivity-committee-june-19-2019>



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SCOTTISH GOVERNMENT ANNOUNCES CHANGES TO SCHOOL MENUS

SCOTLAND will become the first part of the UK to set maximum limits for consumption of red processed meat over the course of the school week. The move is part of a new initiative to make school food healthier which includes increasing the amount of fruit and vegetables served and significantly reducing the amount of sugar available throughout the school day.

The Scottish Government and local authorities have announced they are jointly committed to providing the healthiest food to children and young people and that the commitment is underpinned by a duty to provide school meals that meet strict nutritional requirements, including encouraging the use of fresh, local and sustainable produce.

School food regulations will be amended to ensure:

- a minimum of two full portions of vegetables and a full portion of fruit are offered as part of a school lunch and in tuck shops
- a maximum amount of red and processed red meat provision – such as bacon, ham and pepperoni – in school lunches to help reduce exposure to nitrites
- removal of fruit juice and smoothies to help reduce sugar intake

The measures follow extensive consultation and advice from a working group comprising health, nutrition and education experts. The regulations will come into effect by autumn 2020 to allow councils time to plan their menus and supply chains.

<https://www.gov.scot/publications/report-responses-consultation-nutritional-requirements-food-drink-schools/>

