

Circular Economy (Scotland) Bill

Fairer Scotland Duty Summary

May 2022



Scottish Government
Riaghaltas na h-Alba
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Fairer Scotland Duty Summary

Title of Policy, Strategy, Programme etc	Circular Economy (Scotland) Bill	
<p>Summary of aims and expected outcomes of strategy, proposal, programme or policy</p>	<p>This Bill is a continuation of our Circular Economy Strategy ‘Making Things Last’, published in 2016¹, alongside other policy work to embed the principles of a circular economy in Scotland and take action to make good use of our planet’s finite resources.</p> <p>The Bill will support progress towards the national outcomes for economy (we have a globally competitive, entrepreneurial, inclusive and sustainable economy) and environment (we value, enjoy, protect and enhance our environment).</p> <p>The Bill proposals consist of enabling powers, so will not directly impact people or communities. However, there is the potential for proposals using these powers to affect everyone in Scotland (including individuals, businesses, public sector and third sector organisations).</p> <p>The proposals intended for inclusion within the Circular Economy Bill are:</p>	
<p>Proposal 1: Circular Economy Strategy</p>	<p>Duty on Scottish Government to publish or refresh a circular economy strategy at a given timescale (e.g. every five years), including:</p> <ul style="list-style-type: none"> • Development of an indicator suite and/or targets to reduce consumption of materials • A requirement to be placed on either businesses or at the sector/material level to measure and then reduce material use in production of goods 	
<p>Proposal 2: Statutory targets –</p>	<p>Powers to introduce statutory targets to tackle consumption</p>	

¹ Making Things Last: a circular economy strategy for Scotland - gov.scot (www.gov.scot)

	consumption reduction, reuse and recycling	reduction as well as other aspects of the circular economy, including reuse.
	Proposal 3: Establishment of a circular economy public body	Powers to establish a dedicated Circular Economy body committed to the circular economy agenda and to working with the Scottish Government to realise national and international ambitions for the circular economy.
	Proposal 4: Measures to ban the destruction of unsold durable goods	Powers to introduce measures to ban the destruction of unsold durable goods. This could be a new requirement placed on businesses, or could be added to businesses' waste duty of care.
	Proposal 5: Environmental charging for single use items.	Powers to introduce charges on items that are harmful to the environment and that can be replaced with sustainable alternatives (for example, single-use disposable cups).
	Proposal 6: Mandatory reporting of waste and surplus	Powers to make reporting of unwanted surplus stock and waste of specified materials mandatory for businesses.
	Proposal 7: Strengthening the approach to household recycling collection services	Powers to place further requirements on local authorities regarding household collection services in order to increase rates and quality of household recycling including statutory guidance and mandating Scotland's Household Recycling Charter.
	Proposal 8: The role of targets to support recycling performance	Powers to enable Scottish Ministers to set recycling targets (including recycling, preparation for reuse and composting) for local authorities, with the potential to introduce financial incentives or penalties should the targets not be met.

	Proposal 9: The Duty of Care for householders	Powers to increase obligations on householders to meet recycling requirements.
	Proposal 10: Incentivising waste reduction and recycling (households)	Powers to enable Scottish Ministers (and/or local authorities) to incentivise positive household behaviours to support waste reduction and increased recycling
	Proposal 11: Business recycling collection zoning	Powers to allow local authorities to create zoning areas for commercial waste collections.
	Proposal 12: New penalty for littering from vehicles	Powers to make littering from a vehicle an offence for the registered car owner. This would be a new enabling power that will allow a fixed penalty notice to be issued to the registered keeper of a vehicle when a littering offence has been committed from that vehicle.
	Proposal 13: Seizure of vehicles	Powers to seize vehicles linked to waste crime.
Summary of evidence	<p><i>The poverty premium and affordability of living costs</i></p> <p>The existence of a 'poverty premium', where low-income consumers tend to overpay for goods and services has been well-documented. This is noted in the main for energy, communications and insurance, but also for food.² In the case of food, this is a result of being unable to access large supermarkets to get multi-buy deals or facing higher delivery charges for small shopping baskets. It has also been noted that foregoing quality goods can be used as a coping strategy for those on low incomes.³ This implies a reliance on cheaper, potentially less durable goods. This may mean that low-income households face budget pressures if they are unable to avoid environmental charges (for example, by purchasing a reusable coffee cup) or if retailers respond to the</p>	

² [The poverty premium: a customer perspective, Personal Finance Research Centre, University of Bristol, 2020](#); [Paying more to be poor: the poverty premium in energy, telecommunications and finance, Citizens Advice Scotland and Consumer Futures Unit, 2016](#)

³ [Life in low income families in Scotland, Centre for Research on Families and Relationships, University of Edinburgh, 2003](#)

introduction of a ban on the destruction of durable goods by moving away from stocking entry-level or bargain products.

Whether these issues occur will depend on the design of secondary legislation and should be considered further prior to the design of secondary legislation. It is possible that measures may be needed to support households purchasing long-lasting goods that will be more cost-effective in the longer term but are initially unaffordable.

Within Scotland, 9% of households reported that they did not manage well on their incomes, with the proportion being higher for those on benefits (including the state pension). Levels of perceived financial difficulty were also higher in more deprived areas, as measured by the Scottish Index of Multiple Deprivation, with 17% of households not managing well in the most deprived decile.⁴ There are also connections to protected characteristics, with higher poverty rates for some groups.⁵

Those living in remote rural areas of Scotland also experience higher costs to achieve the same standard of living when compared to those in urban areas of Britain.⁶ This may mean that those on an equivalent income in a remote rural area may be more likely to face financial difficulty.

All of these groups have the potential to be particularly impacted positively or adversely if the charges related to household waste services change as a result of the proposed review of waste and recycling service charging, or for example if they receive a fine for littering. It is not yet possible to assess the likelihood or extent of any impact on those experiencing socio-economic disadvantage, as this would depend on how powers are implemented at secondary legislation stage.

Care will be needed to ensure that any changes to the way in which household waste collections (eg garden waste) are charged for or incentivised do not have an adverse impact on those experiencing socio-economic disadvantage and take account of any stigma around means testing in cost reduction for low-income groups.

⁴ Scotland's people annual report, National Statistics Publication, Scottish Government, 2019

⁵ Poverty & income inequality in Scotland: 2016-2019, Scottish Government, 2020

⁶ A minimum income standard for remote and rural Scotland, Highlands and Islands Enterprise, undated

It is not yet possible to assess the likelihood or extent of any impacts on those experiencing socio-economic disadvantage, as this would depend on what interventions are developed and how they are designed at later stages.

In addition, low-income households may currently qualify for reduced, or no cost at all, household waste collections (eg garden waste or bulky item uplifts). When developing interventions, any changes in which the way household collections are paid for or incentivised could have a positive or adverse impact on those experiencing socio-economic disadvantage

Recycling rates

Recycling rates are variable across Scotland, varying both by geography, but also by housing type and levels of deprivation.

In particular, 2019 data indicated that the percentage of household waste recycled was substantially lower in the council areas of Glasgow, Dumfries and Galloway, Orkney, Shetland and Highland.⁷

Households living in flats, maisonettes or apartments are reported as having a lower rate of recycling for all materials, with the difference most marked for glass, based on 2017 data. Recycling rates also show correlation with the Scottish Index of Multiple Deprivation, with recycling rates for all materials being below average in the 20% most deprived areas, and above average in less deprived areas, based on 2017 data.⁸ The data does not show whether recycling rates vary by household income.

It is not yet possible to determine if these differences would mean that those experiencing socio-economic disadvantage are affected by changes to household recycling differently from those who are not disadvantaged, either in terms of the materials collected or the way that services are delivered or funded (eg garden waste collections).

At the secondary legislation stage, it will be important that changes to household recycling collections are designed to ensure that they are appropriate and accessible for citizens regardless of their geographical location, housing type or the level of deprivation of a community. For example, this will be particularly critical if the duty of care

⁷ Scottish household waste – summary data 2019, Scottish Environment Protection Agency, undated

⁸ Scotland's people annual report 2017, National Statistics Publication, Scottish Government, 2018

on households to recycle is strengthened, or additional measures to incentivise positive behaviours (e.g. waste reduction or increased recycling) are identified and progressed.

Impact of littering

Residents of the 20% most deprived areas were more likely to report experiencing neighbourhood problems, including 'rubbish or litter lying around'.⁹ It is unclear what the cause of this is, but it may mean that reductions in littering are of particular benefit to communities in these areas.

Impact on jobs

The introduction of resource reduction plans and other measures to reduce consumption via a circular economy strategy has the potential to impact on businesses in Scotland. This may impact those in precarious or low-paid jobs. Any impacts of this nature would be considered by a Business and Regulatory Impact Assessment and Fairer Scotland Assessment during the design of the future circular economy strategy.

Reuse and socio-economic disadvantage

There are already examples of reuse projects targeted at improving life for those experiencing socio-economic disadvantage, for example Circular Communities Scotland¹⁰ and the UK-wide Reuse Network, who estimate they helped 1.5 million households in the UK in 2020.¹¹ Of the organisations that are members of the Reuse Network, 94% reported supporting people facing long-term unemployment.

In the short-term, the introduction of bans on the destruction of durable goods could increase access to affordable goods via secondary markets as retailers find alternative ways of dealing with excess stock. This may also have the benefit of normalising second-hand and reused goods. However, it is unclear whether this would specifically benefit those experiencing socio-economic disadvantage as this would depend on how retailers chose to deal with excess stock. In addition, work on food insecurity has highlighted the need to ensure dignity for service users.¹² This would also need to be considered prior to the development of secondary legislation.

⁹ [Scotland's people annual report 2017, National Statistics Publication, Scottish Government, 2018](#)

¹⁰ [Circular Communities Scotland website](#)

¹¹ [Social impact report 2020, Reuse Network, 2021](#)

¹² [Nourish Scotland website](#)

	<p>For all of these issues, further consideration will be needed via further Fairer Scotland Assessments prior to the development of secondary legislation.</p>
<p>Summary of assessment findings</p>	<p>This assessment has not identified the need for any changes to the proposals, because the nature of the Circular Economy Bill means that it will not directly impact on those experiencing socio-economic disadvantage. However, this assessment will be revisited following the public consultation, to ensure that any issues raised there are addressed.</p> <p>If the proposals progress towards legislation, the knowledge and evidence gathered during this assessment will be used to shape this legislation, to ensure that the resultant secondary legislation can take any issues into account. This should include ensuring that the impact on those experiencing socio-economic disadvantage can be monitored, where issues are identified.</p> <p>In addition, this assessment has identified that there is the potential for there to be impacts once secondary legislation is introduced. Further Fairer Scotland Assessments should be completed when secondary legislation is being developed to ensure that any issues are fully considered and any changes necessary can be made to the proposals.</p> <p>It is worth highlighting that this may apply in particular to the introduction of secondary legislation using the following powers:</p> <ul style="list-style-type: none"> • Development of a future circular economy strategy including consumption reduction measures and resource reduction plans. Consideration of the impact on Scottish businesses, and in particular jobs for those on low-incomes or living in deprived communities. If a monitoring framework is established as part of this, indicators in relation to socio-economic disadvantage could be considered. • Powers to introduce measures to ban the destruction of unsold durable goods. Consideration of how to ensure that goods becoming available for reuse reach those that need them, and avoiding overwhelming charitable provision. This should include consideration of dignity, to ensure that goods are supplied in an appropriate way. • Powers in relation to litter. Consideration of how to ensure that those experiencing socio-economic

	<p>disadvantage have equal opportunities to understand the new legislation (and therefore avoid penalties) and how to ensure that deprived communities benefit from a reduction in littering. Prior to development of secondary legislation, it may be beneficial to better understand why more deprived communities are more likely to report neighbourhood problems.</p> <ul style="list-style-type: none"> • Powers to make changes to household recycling collections, including the use of enforcement or fines or the introduction of a direct variable charging scheme. Consideration of how to ensure that households have equal understanding of what to recycle and equal access to suitable ways in which to do this. Consideration of how to ensure that changes to the payment mechanism for household recycling collections are affordable for low-income households. • Powers to introduce charges on items that are harmful to the environment and that can be replaced with sustainable alternatives (for example, single-use disposable cups). Consideration of the affordability and suitability of alternative items, to ensure that those of low-income households are able to avoid environmental charges, in the same way that higher-income households may be able to.
<p>Sign off</p>	<p>Name: Katriona Carmichael</p> <p>Job title: Deputy Director Circular Economy Division</p> <p>Date: 16 May 2022</p>



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