

# **Circular Economy (Scotland) Bill**

## **Islands Communities Screening Assessment**

**May 2022**



**Scottish Government**  
Riaghaltas na h-Alba  
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## **Purpose and context of the Circular Economy Bill**

1. In the 2021-2022 Programme for Government, the Scottish Government committed to bring forward a Circular Economy Bill, to help facilitate the development of an economy which reduces demand for raw materials, designs products to last as long as possible and encourages reuse, repair, and recycling.
2. This Bill is a continuation of our Circular Economy Strategy 'Making Things Last', published in 2016, alongside other policy work to embed the principles of a circular economy in Scotland and take action to make effective use of our planet's finite resources.
3. 'Making Things Last' set out that shifting to a more circular economy would have benefits for:
  - The environment- cutting waste and carbon emissions and reducing reliance on scarce resources;
  - The economy- improving productivity, opening up new markets and improving resilience; and
  - Communities- more, lower cost options to access the goods we need with opportunities for social enterprise.
4. The Circular Economy Bill should also be seen in the context of the 2020 Climate Change Plan update, which set out that that Scotland will be well on the way to a circular economy by 2032, with transformed relationships to waste and consumption and an economy that is designed to reduce, reuse and repair materials and recycle our waste more than ever. By 2045, the vision is for Scotland's cultural, social, and business norms to be driven by a focus on:
  - Responsible consumption (people and businesses demand products and services in ways which respect the limits of our natural resources).
  - Responsible production (a circular economy is embraced by businesses and organisations that supply products, ensuring the maximum life and value from the natural resources used to make them).
  - Maximising value from waste and energy.
5. The Circular Economy Bill will build on progress made to date in tackling Scotland's throwaway culture, through initiatives such as the forthcoming introduction of Scotland's Deposit Return Scheme, the increase in the single-use carrier bag minimum charge, ongoing work to revise the UK-wide extended producer responsibility scheme for packaging, and the recently-laid regulations for market restrictions on a range of single-use plastic items.

## **Provisions within the Circular Economy Bill**

6. The provisions within the Bill will be enabling in nature, setting out a framework that builds on existing Scottish Government policy on preventing and managing waste and promoting a circular economy, including through materials reuse, and recycling. It is intended to ensure that Scottish Government has the powers necessary to move Scotland towards a circular economy.

7. The proposals intended for inclusion within the Circular Economy Bill will be:

<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"> <li>• Development of an indicator suite and/or targets to reduce consumption of materials</li> <li>• 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</li> </ul>
<p>Proposal 2: Statutory targets – consumption reduction, reuse and recycling</p>	<p>Powers to introduce statutory targets to tackle consumption reduction as well as other aspects of the circular economy, including reuse.</p>
<p>Proposal 3: Establishment of a circular economy public body</p>	<p>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.</p>
<p>Proposal 4: Measures to ban the destruction of unsold durable goods</p>	<p>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.</p>
<p>Proposal 5: Environmental charging for single use items</p>	<p>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).</p>
<p>Proposal 6: Mandatory reporting of waste and surplus</p>	<p>Powers to make reporting of unwanted surplus stock and waste of specified materials mandatory for businesses.</p>
<p>Proposal 7: Strengthening the approach to household recycling collection services</p>	<p>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.</p>
<p>Proposal 8: The role of targets to support recycling performance</p>	<p>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.</p>
<p>Proposal 9: The Duty of Care for householders</p>	<p>Powers to increase obligations on householders to meet recycling requirements.</p>

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.

### **The Islands (Scotland) Act 2018**

8. The Islands (Scotland) Act 2018 provides for a duty on Scottish Ministers and other relevant public bodies that they must have regard to island communities in exercising their functions and in the development of legislation.
9. Section 13 of the 2018 Act obliges the Scottish Ministers to prepare an Islands Communities Impact Assessment (ICIA) in relation to legislation which, in their opinion, is likely to influence an island community that is significantly different from its effect on other communities in Scotland.
10. Section 13 of the 2018 Act states that an ICIA must:
  - a. Describe the likely significant different effect of the legislation.
  - b. Assess the extent to which the Scottish Ministers consider that the legislation can be developed in such a manner as to improve or mitigate, for island communities, the outcomes resulting from the legislation; and
  - c. Set out the financial implications of steps taken under this subsection to mitigate, for island communities, the outcomes resulting from the legislation.
11. The Scottish Government's island communities impact assessments guidance sets out four preliminary stages that must be undertaken prior to preparing an ICIA. These are:
  - a. Developing a clear understanding of the objectives and intended outcomes of the policy, strategy or service including any island needs or impacts
  - b. Gathering data, identifying evidence gaps and identifying stakeholders
  - c. Consulting with appropriate stakeholders
  - d. Assessing whether there are any issues resulting from the proposed policy that are significantly different from those that would be experienced on the mainland, or on other islands
12. If any significantly different impacts are identified, an ICIA will be required.

## **Framing**

13. This screening assessment seeks to complete the first two stages of the ICIA process by identifying whether there are issues which merit further exploration through research and engagement with island representatives.
14. As the majority of the proposed measures within the Circular Economy Bill are enabling powers, it is not possible to fully assess the impact of these parts of the Bill on island communities at this stage. This Islands Communities Screening Assessment is therefore only an overview and will be updated following the public consultation. However, this will remain a high-level assessment. We will carry out further, more detailed, ICIA's when secondary legislation follows to implement the measures proposed in this bill.

## **Methodology**

15. An initial screening was carried out with Zero Waste Scotland and Scottish Government colleagues to set the scope for the aspects of the Bill that require further research to ensure potential impacts are mitigated appropriately. It should be noted that at the time of the workshop, the policy proposals for consultation were still being agreed, and the proposals have been amended since this point. This assessment reflects the proposals in the current consultation.
16. Desktop research has been carried out to further investigate and gather existing evidence in relation to the proposals.
17. The findings of the workshop and desktop research will inform the approach to engagement with island communities during the public consultation.
18. In addition, this assessment draws on previous research conducted as part of preparations for the previous Circular Economy Bill consultation in December 2019. The implementation of that Bill that was subsequently postponed due to Covid<sup>1</sup>.
19. It is important to stress that the powers included in the Circular Economy Bill are enabling powers. Subsequent secondary legislation is required to implement each individual policy, to clarify the detailed approach to be taken and bring the policy into force.
20. This Islands Communities Screening Assessment, therefore, does not contain a detailed analysis of the impacts of each policy on island communities. However, all subsequent secondary legislation will be subject to further impact assessments and associated consultations.

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<sup>1</sup> [Circular Economy: Proposals for Legislation - Scottish Government - Citizen Space \(consult.gov.scot\)](https://www.scotland.gov.uk/consultations/circular-economy)

21. This screening assessment identifies priorities for further analysis at that stage as well as areas where further evidence-gathering is required once the detailed design of each policy is known. Detailed ICIA's will also provide opportunities for island communities, agencies, and businesses to highlight concerns and to help maximise the benefits from future policies.

### **Key findings**

22. Following the initial workshop, the desktop research and the work undertaken for the previously-planned Circular Economy Bill, these key issues have been investigated:

- The choice for consumers: concerns were raised that retailers may reduce their product range, either to avoid needing to charge for certain items, or to help manage waste or surpluses. There may also be price and availability issues for reusable items.
- Transport: changes to delivery or collection systems may be more difficult to implement or more expensive for island authorities or affected organisations due to the greater distances involved and use of ferries and the associated time and availability constraints.
- Storage: the ability to store and segregate waste may be hindered by lack of facilities and / or the increased amount of time it could take to remove items off island.

23. These are explored in further detail below.

### **The choice for consumers**

24. This issue relates to the following proposals:

- a. Powers to introduce measures to ban the destruction of unsold durable goods.
- b. 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).

25. Consultation responses and discussions with local authorities as part of the previously-planned Circular Economy Bill proposals highlighted that Island Communities already experience a relative lack of choice in terms of access to goods and services when compared to other communities and this is still relevant here. This is a result of reliance on a smaller number of shops in the local area, and the higher cost of deliveries to more remote parts of Scotland<sup>2</sup>.

26. Concerns have been raised that the need to report on waste and surpluses and including the banning of the destruction of non-perishable items may mean that shops seek to remove product lines from their island premises where demand is

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<sup>2</sup> [Fairer Deliveries for All: an action plan, Scottish Government, 2018](#)

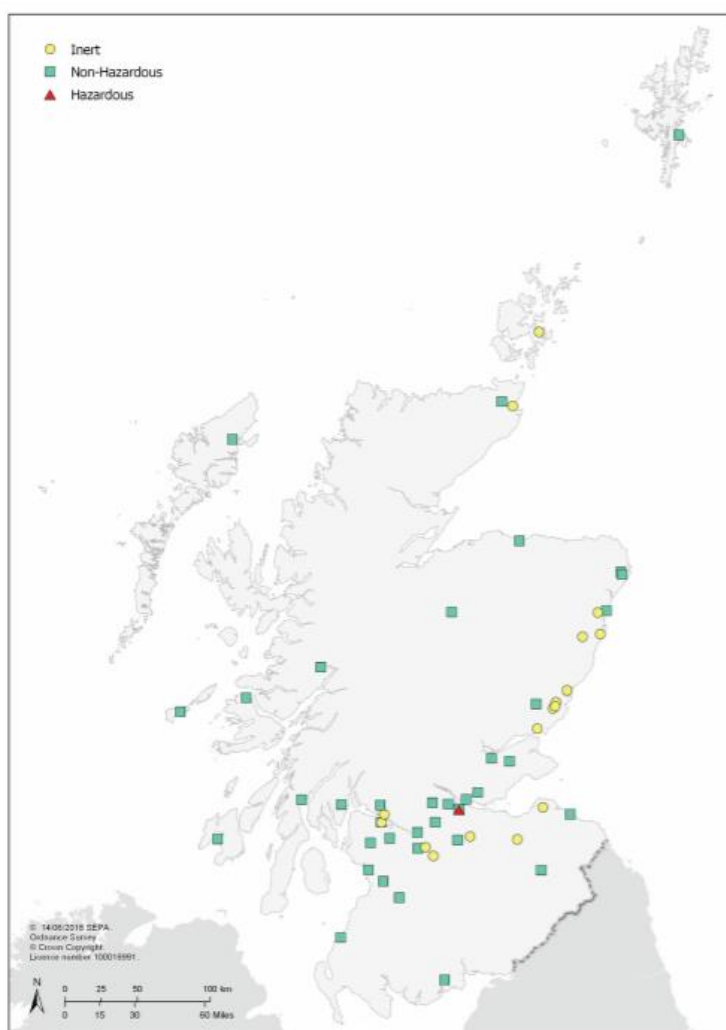
low or variable, to avoid having to report on or physically manage high levels of waste or surplus. In combination with high delivery charges for goods purchased online, this could reduce consumer choice.

27. However, if these powers were initially used to target large retailers, this would minimise the impact on island communities.
28. In addition, there is a chance that retailers may seek to avoid stocking items where environmental charging is put in place, to avoid the associated administrative burden. This is likely to have a greater impact on island communities, where there is less ability to shop around.
29. These factors could have a particular impact on those in island communities who already have a restricted product choice through personal circumstances, whether this is a result of dietary requirements, religious reasons, disability, health issues or financial constraints.
30. These factors will be considered during the development of relevant secondary legislation and accompanying ICIAs. It may be appropriate to consult island retailers at this stage.

### Transport

31. This issue relates to the following proposals:
  - a. Strengthening the approach to household recycling collection services.
  - b. The role of targets to support recycling performance.
32. It has been a common theme of Island Community Impact Assessments to date that there are unique challenges for island communities regarding the availability and affordability of transport.
33. For the Circular Economy Bill, there are several transport-related impacts that may be different for island communities.
34. There are often higher costs associated with transporting goods and equipment onto islands. This means that any necessary changes to the collection system may be more expensive to implement.
35. The rural nature of many island communities also means that collection routes are less efficient. Some islands do not have kerbside recycling services at present for this reason.
36. If changes are mandated to what materials are collected, or how this is done, the associated costs of carrying out the collections are likely to be higher for island communities, because of the greater distances involved. This may mean that collections are not economically viable without additional funding.
37. In addition, while many islands have local access to a landfill or other residual waste treatment facility, all other waste must often be transported off island, often

by ferry, for processing. SEPA's Landfill Sector Plan<sup>3</sup> identifies the locations of operational landfill sites in Scotland, and clearly shows the limited facilities available on islands as shown by the map below.



38. Increased recycling rates, or greater segregation of waste may result in a larger amount of space being required on ferries. This again increases the associated transport costs. This is a particular issue when multiple ferry journeys are required before waste arrives at its destination.

39. Consultation with island authorities as part of the extended producer responsibility ICIA process highlighted that the small waste volumes generated on some islands means that the full capacity of collection vehicles or containers is not used, decreasing the efficiency of services. Some island authorities also noted that they can face challenges with the cost of back haulage and with ferry capacity during busy periods.

40. Therefore, any future proposals attached to this Bill that led to increased segregation of waste may exacerbate this issue, and therefore should be considered further.

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<sup>3</sup> Landfill Sector Plan <https://sectors.sepa.org.uk/landfill-sector-plan/>



41. There is also the potential for there to be an issue around the available transport capacity, on popular ferry routes that serve islands which have a high number of tourists.
42. Where necessary, local authorities may need to target off-peak services for the removal of waste. However, further discussions with island representatives will be undertaken at the secondary legislation stage to identify issues.
43. In the event of limited space being available or poor weather disrupting services, it may be necessary for waste to be stored locally on a temporary basis. Greater segregation of waste may increase the space that is required to do this or create a need for new facilities.
44. The impact of these issues will be considered in the future development of measures to strengthen the approach to household recycling collection services.
45. The public consultation will provide opportunities for island communities to comment on these issues.
46. A more detailed ICIA will be undertaken once proposals for secondary legislation are being developed.

### Storage

47. This issue relates to the following proposals:
  - a. Strengthening the approach to household recycling collection services.
  - b. The role of targets to support recycling performance.
48. The storage issue links into the same measures as transport for very much the same reasons. The collection and separation of a wider range of items could require greater space for storage to allow items to be split and processed.
49. It should be noted that this is an issue that will affect all areas and that the level of space available may be greater in rural areas.
50. This issue will need to be further investigated with islands communities and island-based local authorities to completely understand any specific issues that may need further investigation.

### **Recommendations and conclusions**

51. This ICIA has identified three key ways in which island communities may be impacted differently to other parts of Scotland because of the Bill proposals.
52. The three issues are:
  - the potential for a reduction in the choice of goods that is available to communities.

- issues relating to transport, particularly including both ferries and the greater distances involved.
- the ability to store segregated waste and separated waste for longer periods.

53. The Circular Economy Bill will contain a series of enabling powers, which will allow the Scottish Government to introduce secondary legislation. While the overall aims are clear, there is less certainty on exactly how the proposals will be implemented. As a result, assessing the impact on island communities in detail is not possible at this stage. However, we will seek the views of island communities during the consultation, to ensure that we have captured the impacts as fully as possible at this stage.

54. As and when each piece of secondary legislation is developed, more detailed ICIA's will be carried out. Those ICIA's will provide opportunities for island local authorities, communities, and businesses to understand the potential impact more fully on island communities and to influence the detail of proposals as appropriate.

55. A full Islands Community Impact Assessment is NOT required

Screening ICIA completed by (name)	Gareth Heavisides
Position	Team Leader
Signature and date	09/05/2022
ICIA authorised by (we recommend DD level)	Katriona Carmichael
Position	Deputy Director
Signature and date	16 May 2022



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The Scottish Government  
St Andrew's House  
Edinburgh  
EH1 3DG

Published by The Scottish Government, May 2022

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA  
PPDAS1078822 (05/22)

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