

Scottish Environment LINK Roundtable on the circular economy

30th March 2022



Summary note

The below is a summary of the key messages from presentations, questions and discussion. More content on the presentations is in the slides already circulated.

1. Targets

Experience from the Netherlands has found that general high level goals were effective in setting a vision for the future, galvanising involvement, and getting sign-up to their Raw Material Agreement. However, they have found that these high level goals are too generic to guide sectors or enterprises in terms of what they should prioritise or focus on. Specific roadmaps with targets for high impact sectors are now being developed to outline what needs to be achieved and how.

Other contributions to the discussion stressed that targets alone are insufficient. They need to be accompanied by strategies which detail how the targets are going to be reached and what needs to happen. As well as providing funding, Governments need to intervene with policy/ legislation to level the playing field. Also, businesses need to be supported and enabled such that they can deliver any targets set.

2. Policy Levers

The need to level the playing field - The need for policy to 'level the playing field' was stressed several times. Many enterprises have ambition and would like to be more sustainable, but cost and profitability tend to override such ambition. There is a need for regulation and incentives such that the circular approach is not always more costly and, as such, disadvantaged.

Clothing - Circular clothing enterprises have to compete with fast fashion and companies that do not take care of the environment or supply chain. Could VAT be reduced on sustainable clothing (pressure on UK Government)? Could EPR on textiles be accelerated?

Construction – The whole supply chain needs to be engaged to deliver a 'circular project' and this needs incentivizing. Main constraint to becoming more circular identified by supply chain SMEs is the increased cost associated with sustainable approaches and that price is always the determining factor. The client needs to specify embedded circularity. Could planning consent be conditional on circularity. Could buildings with embedded circularity have reduced council tax or rates? Both approaches would need a way to ascertain required levels of circularity. Could there be a requirement in public procurement for tender evaluations to be based on whole life costs.

Funding and support – Funding for policy related research in general in Scotland is very low. Funding is also needed for existing SMEs to develop new approaches and for companies to develop and commercialise new technologies such as those in the emerging bioeconomy. There is a need to back and nurture businesses of the future as well as signaling direction, to give investors confidence, such as through future bans or targets.

Stimulating demand – There needs to be a demand to stimulate supply. Demand needs to be stimulated by regulatory requirements from government. Section 82 of Climate Change Act, which requires recycled content, could be used here. Regulation can act at speed and removes risk.

Other ideas suggested - Could companies be required to publish their emissions. Note, we would want that to be scope 3 emissions to take account of emissions in the supply chains.

3. Planning, infrastructure, systems and scale

NPF4 gives a national designation to circular economy infrastructure for first time which is critical and also makes a welcome statement about close coupling of manufacturing and recycling of materials. In Scotland we have focused on collecting materials but we need to think beyond this. A CE is often a local economy, needing local facilities on for certain types of materials. One then needs to think about what is needed on a regional and national level. There is a need to identify the type of infrastructures needed for recovering and recycling materials and connecting those materials into product manufacturing. Need to look at 4 Rs – reuse, refurbish, repurpose, remanufacturing – all business opportunities and need infrastructure; as well as the infrastructure to manage residual waste.

The new planning framework is welcome, but 32 disconnected, under-resourced local authorities are not suited to delivery. The free market is also unsuited to delivery. There is a need to rethink how we deliver integrated infrastructure and networks at the local / regional or national level with a planning system that works. That might need a joint board or some other approach that can deliver whole system thinking in an integrated way, at speed with a clear strategy. It was noted that the Scottish Government is looking at the establishment of a Scottish National Infrastructure Company.

4. Chemicals

Changes to UK REACH are being discussed at a UK level which would result in far fewer chemicals in the UK being listed as Substances of Very High Concern compared to the EU. The presence of harmful chemicals can jeopardise reuse and recycling and it is important the UK REACH aligns with Europe. It was noted that Scottish Government has limited influence over UK Government, but there is a precedent of divergence between the four nations with an exemption granted by the UK Government for divergence on single use plastics.

5. Language and motivations

There is a positive story to tell about the circular economy – the economy of the future using alternatives to fossil fuels - different raw materials, to produce the things we use.

Often there is a business case (as well as an environmental case) for adopting more circular practices. Also, not everyone is receptive to the term Circular Economy and people engage better if concepts are broken down into smaller and more specific and tangible actions or changes.

6. Behaviour change

The need for behaviour change was stressed as was the fact that, where behaviours have changed in the past, legislation has generally been involved.