

Corporate Policy and Strategy Committee

10am, Tuesday, 3 November 2015

Response to Scottish Government consultation on the Circular Economy

Item number 7.7
Report number
Executive/routine
Wards: All

Executive summary

This report provides a brief response to the Scottish Government's consultation on the Circular Economy. The consultation considers priorities for the circular economy focusing on key elements: Design; reuse; repair; remanufacture; recycling; recovering value from biological resources; and the skills required.

The response is supportive of the principles in the consultation and includes responses from relevant service areas.

Links

Coalition pledges [P15](#) [P28](#) [P50](#)
Council outcomes [CO8](#)
Single Outcome Agreement [SO1](#)

Response to Scottish Government consultation on the Circular Economy

Recommendations

- 1.1 It is recommended that the Committee:
- Approves the response to the Scottish Government's consultation on the circular economy.

Background

- 2.1 The circular economy is an alternative approach to a traditional linear economy in which resources are kept in use for as long as possible and then recovering and regenerating products and materials at the end of each service life. It shifts the focus from being efficient in the use of materials to the bigger gains from reusing those materials across the economy. The Scottish Government is a signatory to the Ellen McArthur Foundation, which champions a circular economy, and is keen to make progress towards a more circular approach to resources.
- 2.2 The Scottish Government has launched its consultation 'Making things last', which will close on 30 October and seeks responses from organisations and individuals. This is the first step in preparing a circular economy strategy for Scotland and supports the aims of Scotland's Economic Strategy, particularly with regard to innovation and more efficient resource use.

Main report

- 3.1 This report recommends a response to the Scottish Government's consultation on the circular economy which considers priorities focusing on key elements such as design, reuse, repair, recycling, recovering value from biological resources and the skills required for these.
- 3.2 The circular economy is a concept that the council is aware of and fits with the work in supporting the low carbon economy and specifically through the Low Carbon Jobs and Investment Framework that is being developed. In addition resource efficiency is a key theme in the Sustainable Energy Action Plan. For example, work with the third sector is being developed through groups such as Remade in Edinburgh, who are active in this area of work. The group has

recently been successful in securing a grant to develop their reuse and repair services further.

- 3.3 The Council response is supportive of the principles in the consultation and highlights the opportunities for the Council, for example, to influence its supply chain and raise awareness of the concept.
- 3.4 The Council has supported local businesses that work in the 'circular economy' space, and will continue to explore opportunities for jobs and investment in this area. There is some further work required in explaining what the circular economy is to citizens and getting 'buy in' from consumers. There may be a tension between supporting the circular economy and having the most competitive economy, this should be considered further by the Scottish Government in the development of this agenda.
- 3.5 Appendix 1 details the response to the consultation which includes feedback from relevant service areas.

Measures of success

- 4.1 The response helps meet the objectives of the Council's economic strategy.

Financial impact

- 5.1 There are no financial impacts from the response to the consultation.

Risk, policy, compliance and governance impact

- 6.1 There are no known risks associated with the response to the consultation.

Equalities impact

- 7.1 There are no negative impacts on any groups arising from the response to the consultation.

Sustainability impact

- 8.1 There are no direct sustainability impacts arising from the response to the consultation. However, the aims of the circular economy actions, if implemented, are likely to improve sustainability within Edinburgh.

Consultation and engagement

9.1 Consultation was carried out with officers in various service areas of relevance across the Council. Responses came from Waste Services and Procurement as well as Economic Development who coordinated the response.

Background reading/external references

Consultation Document can be accessed here: <https://consult.scotland.gov.uk/zero-waste-delivery/making-things-last>

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Links

Coalition pledges	P15 Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors P28 Further strengthen our links with the business community by developing and implementing strategies to promote and protect the economic well being of the city P50 Meet greenhouse gas targets, including the national target of 42% by 2020
Council outcomes	CO8 Edinburgh's economy creates and sustains job opportunities
Single Outcome Agreement	SO1 Edinburgh's Economy Delivers increased investment, jobs and opportunities for all
Appendices	Appendix 1: Proposed response to the Scottish Government consultation on the Circular Economy

Appendix 1

Proposed response to the Scottish Government consultation on the Circular Economy

Question A-Design

Do you agree with our aspirations on design for a more circular economy?

Answer: Yes. However as a Council we are not normally involved in the design, packaging and transport of goods. This is an area where we could have an influence and use other business support resources and funding models to support businesses and share the efficiencies in return. The private sector at times drives and influences their commercial model through purchasing decisions.

What other opportunities are there for transformational change?

Answer: No answer

Do you agree with the proposed actions for further exploration?

Answer: Yes

What other actions would help unlock opportunities?

Answer: Working with Third sector and Social Enterprises could assist in developing circular economy thinking at the design stage of manufacturing goods.

Question B – Reuse

Do you agree with our aspirations on reuse for a more circular economy?

Answer: Yes.

What other opportunities are there for transformational change?

Answer: The Council is exploring the use of the very popular web system Warp-IT, with a view to agreeing implementation across the Council if agreement to adopt is achieved. Warp It- <https://www.warp-it.co.uk/>

Do you agree with the proposed actions for further exploration?

Answer: Yes

What other actions would help unlock opportunities?

Answer: There quite significant potential savings to businesses in the longer term from reusing materials. Many companies have begun to notice that the linear model of resource consumption that follow a take-make-dispose pattern are becoming increasingly exposed to risks. Most notably with higher resource prices and supply disruptions. Providing more information to companies on these risks could potentially

encourage them to look at adopting a more circular business model particularly as it relates to reuse of materials.

Careful consideration of the use of taxation of primary materials and subsidy of reused material may be a means of incentivising reuse, however any adverse impacts on the economy from this would need to be considered. Also, business costs could be increased from reusing materials that need to be reworked to get into a usable state, compared to using virgin materials.

High-level analysis suggests that the circular economy offers significant economic benefits to individual firms and to the Scottish economy as a whole. The scale of the opportunity appears to be most significant in relation to particular sectoral supply chains which include: food and drink, energy, construction and chemical and life sciences. These are all industry 'clusters' in Scotland which have competitive strengths in a global context. More engagement with businesses located in these sectors in Edinburgh on the benefits of circular business models could encourage some businesses to act as early adopters.

Question C – Repair

Do you agree with our aspirations on repair for a more circular economy?

Answer: Yes but have concerns around liability post repair. It would have to be clear about who is liable for a fault post repair; that is, is it the original manufacturer or the repairer who bears responsibility?

What other opportunities are there for transformational change?

Answer: No answer

Do you agree with the proposed actions for further exploration?

Answer: Yes

What other actions would help unlock opportunities?

Answer: Perhaps bring forward pilots to investigate further what is achievable and what barriers there are to this. Lessons learned or case studies would be useful.

Question D – Remanufacture

Do you agree with our aspirations on remanufacture for a more circular economy?

Answer: Yes

What other opportunities are there for transformational change?

Answer: Possibly challenging the initial procurement requirement via our 'Procurement' team and 'Buyers Pool' team, who challenge all non contract purchase orders could support transformational change.

Do you agree with the proposed actions for further exploration?

Answer: Yes

What other actions would help unlock opportunities?

Answer: No answer

Question E – Recycling

Do you agree with our aspirations on recycling for a more circular economy?

Answer: Yes

What other opportunities are there for transformational change?

Answer: Further engagement with the public

Do you agree with the proposed actions for further exploration?

Answer: Yes

What other actions would help unlock opportunities?

Answer: While the impact of contamination on recycling is acknowledged, paragraph 131 suggests that this can best be addressed by reviewing the circumstances in which it arises in different collection systems. This suggests the collection system itself is the problem. However user behaviour may be more of an issue and the issue is getting mass buy-in to participate in recycling. The Government needs to consider the options available to local authorities to manage this issue.

Question F – Producer Responsibility for reuse and recycling

Do you agree with our aspirations on harnessing producer responsibility approaches for a more circular economy?

Answer: Yes but concerned about any financial impact this may have on the purchase price of products and the impact that would have on the council and wider economy.

What other opportunities are there for transformational change?

Answer: Not sure.

Do you agree with the proposed actions for further exploration?

Answer: Yes

What other actions would help unlock opportunities?

Answer: Consideration of the impact that the Waste Electrical and Electronic Equipment (WEEE) directive has had and learning from the impact of these.

Question H – Energy recovery

Do you agree with our approach on energy recovery in a more circular economy?

Answer: Yes

Do you agree with the proposed actions for further exploration?

Answer: Yes

What other actions would support this approach?

Answer: the need for the Scottish Government to carefully consider how investment in treatment facilities can be funded as without such initial investment, the business case for such facilities may be undermined.

Question I – Landfill

Do you agree with our approach on landfill as we move towards a more circular economy?

Answer: Yes

What other opportunities are there for transformational change?

Answer: continued promotion of recycling and expansion of recycling materials currently uplifted, including promotion of the WEEE directive and regulations.

Do you agree with the proposed actions for further exploration?

Answer: Yes

What other actions would support this approach?

Answer: No answer.

Question J – Communications

Do you agree with our aspirations on communication for a more circular economy?

Answer: Yes

What other opportunities are there for transformational change?

Answer: communicate and educate from primary age through to retirement. Some people do not understand what recycling is about and assume it is less waste going to landfill. Chopping everything up does not help.

Do you agree with the proposed actions for further exploration?

Answer: Yes

What other actions would help unlock opportunities?

Answer: No answer.

Question K – Skills

Do you agree with our aspirations on skills for a more circular economy?

Answer: Yes

What other opportunities are there for transformational change?

Answer: Working with businesses to promote the circular economy and championing the advantages of the circular business model; making funding available for trials and developing design and remanufacturing skills.

Do you agree with the proposed actions for further exploration?

Answer: Yes

What other actions would help unlock opportunities?

Answer: No response.

Question L – Measuring Progress

Do you agree with our aspirations on measuring progress towards a more circular economy?

Answer: Yes, however we think it will be challenging to develop meaningful indicators.

Do you agree with the proposed actions for further exploration?

Answer: No response.

What other actions would help unlock opportunities?

Answer: No response.