Minister for Green Skills, Circular Economy and Biodiversity Lorna Slater MSP



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Edward Mountain MSP Convener Net Zero, Energy and Transport committee Scottish Parliament EH99 ISP

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Dear Edward

While giving evidence to your committee on Tuesday 5th December, I undertook to respond in writing on a number of issues raised. I have provided answers in the annex attached to this letter. I hope the information is of assistance in your scrutiny of the Circular Economy Bill.

Kind regards

Lorna Slater

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ANNEX

Due Diligence in Relation to Forest Risk Commodities

Jackie Dunbar MSP asked what is the Scottish Government's current position on the due diligence requirements on businesses regarding forest risk commodities, given developments with the EU's Corporate Sustainability Due Diligence Directive.

We recognise the importance of this issue, and it remains our position that regulations to impose due diligence requirements for a clear environmental purpose should be seen as within devolved competence. We are aware, however, that the UK Government is developing regulations under the UK Environment Act 2021 for due diligence for forest risk commodities, and that these will apply across the UK.

We shall consider the new EU Corporate Sustainability Due Diligence Directive, once it is agreed, against our policy to maintain alignment where appropriate with EU law. This consideration will include an assessment of which parts of the directive fall within devolved competence.

Office for the Internal Market

Douglas Lumsden MSP asked whether the Scottish Government had been in discussions with the Office for the Internal Market.

The United Kingdom Internal Market Act 2020 (IMA) radically undermines the devolution settlement voted for by the people of Scotland in 1997, and was imposed on the Scottish Parliament without its consent.

The Office for the Internal Market's (OIM) functions and duties are set out in the IMA. There is regular engagement between the OIM and officials from each administration in the UK, and the OIM has previously undertaken analysis on matters which could be caught by the IMA, such as a ban on the sale of horticultural peat. We consider the role the OIM could play in respect of devolved policy analysis on a case by case basis, but the Scottish Government already undertakes rigorous policy impact assessment, including IMA risks. Due to the manner of its imposition and the nature of its operation, the IMA, for as long as it remains in force, will continue to be primarily a risk to be managed rather than a set of reasonable and proportionate compliance requirements.

Meeting with Amazon

The Convener, Edward Mountain MSP, asked whether, in the build-up to the bill's publication, I had meetings with large organisations in Scotland to discuss the contents of the bill, more specifically with Amazon to discuss the bill.

While I have not had any recent meetings with Amazon, we have checked our records, and the entry in the lobbying register for 12th October 2022 relates to a meeting between representatives of Amazon and me on 8th June 2022, at which the issue of disposal of unsold goods was discussed, among other, non-Bill-related issues. The note of the meeting was published on 12th December 2022, FOI reference FOI/202200325489, and is available at Minister for Green Skills, Circular Economy and Biodiversity meeting with Amazon: FOI release - gov.scot (www.gov.scot).

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Circular Economy and Waste Route Map

During the Committee's evidence session, the Circular Economy and Waste Route Map was referenced at several points. To support the Committee in its consideration of the evidence, I wish to provide an overview of the Route Map's timeline, and the background to the forthcoming second consultation.

The Route Map will set out priority actions to deliver more sustainable use of our resources across the waste hierarchy, and lay the foundations for how we will deliver our system-wide, comprehensive vision for Scotland's circular economy from now to 2030.

We consulted on a wide range of initial proposals for the Route Map in 2022, alongside the consultation on proposals for a Circular Economy Bill. The analysis of responses to this Route Map consultation was published earlier in 2023.

We intend to publish the Route Map in draft in January 2024, for a short second consultation. It will make clear which actions are linked to provisions in the Bill and which are being taken forward separately. Subject to the level of feedback to this second consultation, the final Route Map will be confirmed as soon as practicable in 2024.

There are two reasons for consulting on the Route Map for a second time.

First, in consultation with statutory consultees under The Environmental Assessment (Scotland) Act 2005, through the first Route Map consultation we set out our view that the cumulative environmental effects from the Route Map are likely to be significant and a Strategic Environmental Assessment (SEA) would therefore be required. To meet our statutory obligations, we intend to publish and consult on an Environmental Report alongside the draft Route Map in January 2024. The responses received to this consultation, and the findings of the SEA, will inform whether any further changes to the Route Map are required, before it is confirmed.

Secondly, one of the main themes in the feedback from the first Route Map consultation was a need to focus on a smaller number of key measures that will unlock progress. We are aware that the Route Map and its measures will inform direction and decisions, including investments, for the years ahead, so we feel it is important to consult again on the reduced number of priorities.

Strategic Waste Fund and Recycling Improvement Fund

Sarah Boyack MSP enquired regarding the Strategic Waste Fund and Recycling Improvement Fund.

The Strategic Waste Fund was a specific grant scheme established in 2000 by the then Scottish Executive to support the implementation of national strategy, notably Scotland's Zero Waste Plan: <u>Scotland's Zero Waste Plan (www.gov.scot</u>). The objective was to assist local authorities in the implementation of Area Waste Plans (AWPs). Long-term contracts with local authorities were put in place from 2004-05, primarily in relation to "Phase 1" of the Strategic Waste Fund (which largely focused on driving improvements in recycling, including infrastructure), although some funding was also awarded under "Phase 2" of the Strategic Waste Fund (which largely dealt with residual waste infrastructure such as incineration).

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In 2008 the ring-fencing for this funding was removed and the total annual funding of £77.428 million was added to the General Revenue Grant (GRG) and since then has been paid annually to local authorities as part of the block grant funding, reflecting the approach agreed with local government. Through the Strategic Waste Fund, between 2008 and 2022 Scottish Government made available £1.083 billion additional funding to assist local authorities in the implementation of Area Waste Plans, including support for projects to drive local improvements in recycling.

The vast majority of local authority funding is provided by means of a block grant as the Scottish Government's policy is to allow local authorities the financial freedom to operate independently. Decisions about how non-ring fenced monies are spent are a matter for individual local authorities. However, details of how available funding was distributed through the 2023-24 Strategic Waste Fund is available here:

https://www.gov.scot/publications/scottish-local-government-finance-green-book-2023-24/pages/101/

The £70m Recycling Improvement Fund (RIF) was introduced in 2021. The objective of the Fund is to strengthen and improve local authority recycling infrastructure, resulting in increased consistency of collection, improvements to the quality and quantity of material collected, as well as wider environmental benefits and carbon reduction.

RIF is open to all local authorities to apply to, and over £60 million has now been awarded to 21 local authorities to increase the quantity and quality of recycling across Scotland. This is funding a range of improvements, including more frequent recycling collections, the extension of food and garden waste collections, and boosting Scotland's capacity to recycle problematic materials like plastic films. Zero Waste Scotland estimates that RIF projects already underway will benefit 61% of Scottish households and reduce CO2 emissions by the equivalent of taking over 29,000 cars off the road.

Zero Waste Scotland, which administers the Fund on behalf of the Scottish Government, publishes detailed information including a breakdown of projects and the awards made: <u>Recycling Improvement Fund (RIF) | Zero Waste Scotland</u>

Correction

In response to questions from Monica Lennon MSP, I erroneously stated that no specific targets have been proposed to me by the environmental NGOs. I am aware that evidence from environmental NGOs has outlined specific targets and I have met them to discuss these. Kim Pratt, of Friends of the Earth Scotland, also wrote to me on 26th October, with a table of proposed amendments to the Bill. I had already asked my officials to take this information into account as we develop further the Bill and associated policies. I will be meeting with the environmental NGOs to discuss further in January.

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