



The Scottish Parliament
Pàrlamaid na h-Alba

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Standards, Procedures and Public
Appointments Committee
The Scottish Parliament

By email only

**Net Zero, Energy and Transport
Committee**

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16 April 2024

Dear Martin,

Net zero: Strengthening the scrutiny process

I am writing further to [my letter of 28 June 2023](#). I apologise for the delay in following up, for the reason set out below.

In your letter of [6 February 2023](#), which followed correspondence between the Conveners Group and the SPPA Committee, you asked the NZET Committee to consider the quality of information on sustainable development provided in Policy Memorandums accompanying Scottish Parliament Bills. You asked whether the level and type of information currently provided inhibits scrutiny of the net zero implications of legislation, measured against key Scottish Government policy commitments and if so, what type of information should be provided.

As I noted in my last letter, the NZET Committee welcomes the Conveners Group making climate change a strategic priority in this session and agrees that considering whether Standing Orders could play a role in strengthening net zero scrutiny is an important strand of this work. I also noted that we had agreed to use the Circular Economy (Scotland) Bill as a test case, and to provide a more substantive reply once Stage 1 was completed. I added that, to complement this work, and ensure a broader base of analysis, clerks and SPICe would undertake desk-based research, considering the quality of information on net zero being provided in Policy Memorandums, by reference to five Scottish Government Bills introduced over the past 8 years. There was a deliberate choice to pick Bills representing a broad sweep of policy areas, not just those with a clear environmental focus. The written analysis by SPICe is annexed to this letter.

Stage 1 of the Circular Economy (Scotland) Bill took longer than originally anticipated, which has delayed my response. But I can now share the results of this work and the Committee's reflections on it.

General conclusions

It appears to us that the level and type of information Policy Memorandums provide on a Bill's likely impact on sustainable development varies but, overall, there is a lack of clarity and consistency in how assessments have been undertaken, with little detail on what modelling, data, etc. have been used. In relation specifically to carbon emissions, little or no information tends to be provided on whether any modelling of the Bill's likely impact has taken place and, if so, what the estimated impact is.

Whilst the sample size is too small to comment authoritatively on trends, there was no clear sign of the quality of analysis either improving or worsening over time.

Some of the six Bills that were considered, including the Circular Economy (Scotland) Bill, were, to a large extent, "framework" Bills, with the detail of important policy elements left to be determined under powers created by the Bill. Where a Bill is of a high-level or enabling nature, this perhaps understandably seems to make it more likely that the Policy Memorandum will avoid detailed comment on how the Bill impacts sustainable development or carbon emissions, or will simply suggest no significant impact.

Therefore, if it were agreed by the Parliament that some sort of formal change is required in order to improve the information provided in relation to the climate change and net zero impact of legislation, it would be worth reflecting on how this could be made to apply to *all* potentially impactful legislation, including secondary legislation.

Next steps

You asked the NZET Committee to reflect on what type of information should be made available in Policy Memorandums to support scrutiny of the net zero impact of legislation; to help the SPPA Committee better understand whether procedural change is needed and, if so, what form it could take.

We are not in a position to provide an authoritative response, as more dialogue and evidence-gathering would be needed, beyond the work we have undertaken. However, we strongly suggest keeping on the table the option of amending Standing Orders so as to impose a more specific requirement about the information to be provided in relation to the estimated carbon emission impact of new legislation. Keeping this option open is consistent with the importance the Conveners Group has, in this session, agreed to attach to scrutinising Scotland's net zero targets.

In the meantime, we recommend that there should be dialogue with the Scottish Government about improving the consistency and depth of information they provide to the Parliament on the net zero impact of newly introduced legislation, so as to encourage them to "show their working", (and to show that this working has taken place). This should include information on whether an assessment was judged necessary (and if not, why not), on any modelling methods used, on what data or

evidence assessments or modelling was relied on. We are of course happy for the information in the Annexe to be shared with the Scottish Government on that basis. Officials supporting the Committee would also be happy to help facilitate and take part in this dialogue.

As Convener, I would also be happy to take part in a Conveners Group discussion on next steps in relation to this strand of the net zero strategic priority in the near future, if that were considered useful, so as to solicit wider views from colleagues. To that end, I have copied the Conveners Group Convener into this letter.

Wider considerations – Scottish Government budget and Climate Change Plan

Finally, as I noted in my last letter, the NZET Committee sees complementarity between this matter and two other current work strands, as they all relate to the information and data the Scottish Government provides the Parliament on net zero:

- the ongoing joint initiative between the Scottish Government and Scottish Parliament to improve the quality of information on the net zero impact of each annual draft Scottish Budget (the Joint Budget Review), and
- scrutiny of the next Climate Change Plan, a key element of which will be considering whether the Plan has clearly set out the impact that policies and spending have had on emissions.

It may therefore be helpful to end with a short update on these strands from the NZET Committee's perspective:

Joint Budget Review: During our pre-Budget consideration of the Budget 24-25, the Scottish Government told us it intended to pilot a net zero assessment (Strand 3 of the Joint Budget Review) before the end of 2023. A [letter to the Committee dated 19 December](#) stated that the aim of this is to “support and influence the development of policies” and be “a tool to help establish structures and look at how it can be embedded into the policy making process” with “a proposed roll-out to the wider Scottish Government during Quarter 4”.

Climate Change Plan: It is first disappointing that the Parliament still does not know when the next Plan will be laid (other than by the statutory backstop of November 2024) despite the NZET Committee's best efforts to get more clarity on this matter.

In our [annual session with Environmental Standards Scotland \(ESS\)](#) on 5 March 2024, we discussed their recent report, which had found that the Scottish Government's 2021 Climate Change Plan update failed to meet two statutory requirements:

- to quantify the emission reductions associated with all individual proposals and policies;
- to provide a timeline for all individual proposals and policies to take effect.

ESS told us that their report followed on from representations by the Climate Change Committee and from Audit Scotland's report on climate change governance, They

plan to follow up on this work, by reviewing and reporting on the next draft CCP. This will be important work and we expect committees will be interested in its outcome.

Potentially a third strand of relevant work would be the Parliament's scrutiny of the National Performance Framework and the usefulness of data provided by the Scottish Government in support of its National Outcomes that are related to sustainable development and addressing climate change.

The NZET Committee expects to follow up on the general issue of the usefulness of information the Scottish Government provides to the Parliament, and the wider public, on meeting net zero targets, in an evidence session in the near future on climate change governance with the Cabinet Secretary for Wellbeing Economy, Net Zero and Energy and senior Scottish Government officials.

I hope you find this reply helpful. I would welcome a response in due course, indicating how the SPPA Committee's envisages taking this work forward.

Yours sincerely,

A handwritten signature in blue ink that reads "Edward Mountain".

Edward Mountain MSP
Convener
Net Zero, Energy and Transport Committee

Sustainable Development statements in the Policy Memoranda of Government bills: a literature review and case study analysis of the quality of the information

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Overview

In June 2022 the Conveners Group agreed to explore possible procedural options which could be used to require the Scottish Government to make available information necessary to inform the scrutiny process, particularly to support commitments to deliver against net zero targets.¹

There was an exchange of correspondence between the Conveners Group and the Standards, Procedures and Public Appointments (SPPA) Committee in 2023 on how to require the Scottish Government to provide information necessary to support commitments to deliver against climate change challenges and net zero targets in certain situations (e.g., when lodging a Bill). This included an initial suggestion of amending Standing Orders. The SPPA Committee wrote to the Net Zero, Energy and Transport (NZET) Committee in February 2023 asking the Committee to give consideration to whether the level and type of information provided to the Parliament is currently inhibiting the scrutiny of legislation with regards to net zero commitments. The SPPA Committee also asked the NZET Committee to consider what type of information should be made available in the Policy Memorandum in order to support parliamentary scrutiny of legislation with reference to net zero, if the current information is inhibiting scrutiny.

To progress this work, the NZET Committee agreed to use the Circular Economy (Scotland) Bill (SP Bill 31) as a test case on the standard of information formally provided on the likely impact of the bill on net zero. The Committee will reflect on the quality of the information provided, other information that would support scrutiny and solicit views on this matter during its Stage 1 evidence-gathering.

To complement this work, and ensure a broader base of analysis, clerks and SPICe have undertaken desk-based research, considering the quality of information on net zero currently being provided in policy memorandums. A case study approach has been taken using a purposive sampling approach, to analyse the quality of information on net zero in sustainable development statements in policy memoranda of 5 government bills introduced over the past 8 years. These have been deliberately chosen to represent a cross-section of policy areas, rather than only choosing Bills that very clearly concern climate change or other environmental matters. This paper presents key findings together with an overview of interrelated developments.

Background

The Parliament's Standing Orders (Rule 9.3.3(d)) require Government and Members' bills to be accompanied by a policy memorandum (PM), which includes "an assessment of the effects, if any, of the Bill on equal opportunities, human rights, island communities, local government, sustainable development and any other matter which the Scottish Ministers consider relevant."² It also explains what consultation took place on the bill and whether alternatives were considered to the approach taken in the bill. PMs facilitate scrutiny by

¹ <https://www.parliament.scot/-/media/files/conveners-group/convener-group-meeting-papers-22-february-2023.pdf>

² <https://www.parliament.scot/about/how-parliament-works/parliament-rules-and-guidance/standing-orders/chapter-9-public-bill-procedures#topOfNav>

providing information in a more accessible form than the bills themselves. If the Bill is a Government Bill, the lead committee is required to consider and report on its Policy Memorandum (Rule 9.6.3).

The Session 4 SPPA Committee undertook an inquiry on Legislation and the Scottish Parliament in 2015. It found that in general the accompanying documents provide useful information about a bill, but that the quality of the information in the accompanying documents could sometimes be better, especially in relation to sustainable development, human rights and the financial memorandum. It recommended that “the Scottish Government should work with the Parliament’s committees to improve the standard of the documents, particularly the information on sustainable development and the financial memorandum.”³

Previous analyses

There have been two previous analyses of sustainable development (SD) assessments in bills: the first undertaken by Helen Clark for research commissioned by the Scottish Environment LINK (forum for Scotland's voluntary environment community) in 2001⁴, and the second undertaken by Ishani Erasmus as part of an action research PhD jointly supported by the University of Stirling and the Scottish Parliament in 2021.⁵ Both assessed the quality of SD statements overall and did not look specifically at information provided with regard to climate change and net zero.

LINK study (2001)

This study aimed to assess how effective the requirement for SD impact statements to accompany Executive Bills had been. The LINK study looked at all bills that had been introduced by 26.01.2001. Of the 26 Executive and Members’ bills introduced, 18 were accompanied by SD statements, but 12 of these were ‘some form of “no effects statement”’ (ibid., p.29). Of the six PMs containing more substantial SD statements, only one – the Regulation of Care (Scotland) Bill – was assessed as ‘reasonable’. Clark’s recommendations included the development of a procedure, assessment criteria and guidance for SD assessment. She also recommended that expert advice be sought, training be provided within the Parliament and the Executive, and that committees scrutinise the statements systematically.

Action research PhD (2021)

This study aimed to assess whether any tool, concept of SD, or other method to carry out an SD impact assessment (SDIA) had been used in policy memoranda to accompany bills. The study assessed SD statements of 40 bills from the second half of Session 4 (204-2016), of which four did not require or have SD statements accompanying them.

³ https://archive2021.parliament.scot/S4_StandardsProceduresandPublicAppointmentsCommittee/Reports/stpr-15-03w.pdf

⁴ This is not publicly available. The summary here is based on reported data in Ishani Erasmus’ PhD (see below).

⁵ https://dspace.stir.ac.uk/bitstream/1893/34506/1/220708_IshaniErasmus_ThesisFinal.docx.pdf

The author concludes that Government bills, which comprise the vast majority of bills introduced in the Parliament, have “highly variable” SD impact statements. They report that those included in the analysis were “inconsistently based on a range of methods and ideas about sustainable development”, and were “largely inadequate” in terms of the detail they provided, and “many lacked explanations of how the claims they made were arrived at”. The author found that many contain statements to the effect that the Scottish Government is satisfied that there is no impact, without providing evidence of any assessment having been carried out, or sufficient information to allow for scrutiny. They also note that there is a tendency to ignore the potential SD impacts of enabling bills and that taking the position that the bill itself will not cause any action, merely enable it, and will therefore in and of itself not have any impact is unlikely to support scrutiny of its potential outcomes.

In contrast, the author found that “a much greater effort was made by Parliament staff supporting the development of non-government bills, the SD statements for which tend to be more complete in terms of coverage of the issues. These generally provide better justification for their claims”.

Findings from the case study of previous bills

A case study approach was taken, based on five previous government bills from 2016 to now. Purposive sampling was used to select bills from a cross-section of policy areas:

- Air Departure Tax (Scotland) Bill (SP Bill 3)
- Management of Offenders (Scotland) Bill (SP Bill 27).
- Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill (SP Bill 37)
- Heat Networks (Scotland) Bill (SP Bill 64) and
- Good Food Nation (Scotland) Bill (SP Bill 4).

For each bill, the Policy Memorandum and the Financial Memorandum were reviewed. The Stage One report by the Lead Committee and a sample of written evidence submissions were also reviewed. An overview of the findings is presented in [Annex 1](#).

Overall, the analysis suggests that the quality of information on net zero in sustainable development statements in the Policy Memorandum of these government bills is low and insufficient to support effective scrutiny of potential outcomes as they relate to net zero. Key findings are that:

- Of the five bills, all included a SD statement in the Policy Memorandum.
- There is no definition of ‘sustainable development’ in Scottish legislation. The SD statements assessed varied in terms of the conceptual framing of SD and the method(s) used to assess impact on SD. Four explicitly covered economic and environmental aspects to some extent, and three covered societal aspects to some extent. The Policy Memorandum for one bill (Good Food Nation (Scotland) Bill (SP Bill 4) did not provide any information on how impact had been assessed and simply asserted it supported two of the Sustainable Development Goals (SDGs).
- Strategic Environmental Assessment (SEA) pre-screening is a process used to determine whether certain plans, programmes and strategies are likely to have

'significant environmental effects if implemented.'⁶ Where it is determined that a full SEA is required, the information received is then recorded and made publicly available on the SEA Database.⁷ SEA pre-screening was used as the basis for environmental impact assessment for four of the five bills. However, SEA was only required for one bill (Air Departure Tax (Scotland) Bill (SP Bill 3)) and this was being undertaken at the time the bill was introduced. For the other three bills, little or no information was provided on what had been taken into account during the pre-screening process.

- None of the statements included information on carbon emissions; however, the Heat Networks (Scotland) Bill (SP Bill 64) did include some information on emissions in the Financial Memorandum.
- Three of the bills (Air Departure Tax (Scotland) Bill (SP Bill 3); Good Food Nation (Scotland) Bill (SP Bill 4); Management of Offenders (Scotland) Bill (SP Bill 27)) provided no information as to whether the bill had been assessed for alignment with net zero.
- Two of the bills (Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill (SP Bill 37); and Heat Networks (Scotland) Bill (SP Bill 64)) provided some information as to whether the bill had been assessed for alignment with net zero. However, in both cases there was a lack of information on what, if any, method of assessment had been used, and insufficient evidence on how the provisions contained in the bill would result in the claims put forward to allow for effective net zero scrutiny.
- For two bills (Air Departure Tax (Scotland) Bill (SP Bill 3); Good Food Nation (Scotland) Bill (SP Bill 4)) their high-level or enabling nature were used to support claims that they were unlikely to have any significant impact on SD.
- Based on the Stage One report by the Lead Committee and written evidence submissions, four of the five bills can be categorised as having a high likelihood of potential impact on carbon emissions and/or the ability to transition to net zero (Air Departure Tax (Scotland) Bill (SP Bill 3); Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill (SP Bill 37); Heat Networks (Scotland) Bill (SP Bill 64); Good Food Nation (Scotland) Bill (SP Bill 4)). One can be categorised as having a low likelihood of potential impact on carbon emissions and/or the ability to transition to net zero (Management of Offenders (Scotland) Bill (SP Bill 27)).

The full SD Statements, together with further commentary, are included in [Annex 2](#).

Findings from the Circular Economy (Scotland) Bill (SP Bill 31)

The Circular Economy (Scotland) Bill was introduced on 13 June 2023. It requires Scottish Ministers to introduce measures to help develop a circular economy. This includes:

- Publishing a circular economy strategy
- Developing circular economy targets
- Reducing waste
- Increasing penalties for littering from vehicles
- Making sure individual householders and businesses get rid of waste in the right way

⁶ <https://www.gov.scot/publications/strategic-environmental-assessment-guidance/>

⁷ <https://www.gov.scot/policies/environmental-assessment/strategic-environmental-assessment-sea/>

- Improving waste monitoring

The Call for Views contained two questions on net zero and the Policy Memorandum.

- Do you think the Bill will play a significant role in achieving these net zero targets? Please give your reasons.
- There is a Policy Memorandum accompanying the Bill. This aims to set out the underlying reasons why the Scottish Government thinks the Bill is necessary. Did you find the discussion under "Sustainable Development" in the Policy Memorandum helpful or unhelpful in terms of understanding what impact the Bill would have in terms of reaching these net zero targets?

The Policy Memorandum and the responses received through the Call for Views were reviewed. Overall, the analysis suggests that the quality of information contained in the SD statement is low and insufficient to support effective scrutiny of potential outcomes as they relate to net zero. Key findings are that:

- The Policy Memorandum states the overarching policy objective of the bill as: "The Scottish Government recognises that sustainable consumption and production are essential for Scotland's transition to a low-carbon and green economy, which will meet Scotland's obligations to tackle the twin climate and nature emergencies." It can therefore be categorised as having a high likelihood of potential impact on carbon emissions and/or the ability to transition to net zero.
- The SD statement explicitly covered economic and environmental aspects to some extent but did not cover social aspects.
- A Business and Regulatory Impact Assessment (BRIA) was used as the basis for economic impact assessment.
- SEA pre-screening was used as the basis for environmental impact assessment; however, it states that "The relevant Consultation Authorities agreed with the Scottish Government's assessment that the Bill's provisions do not have any direct environmental impacts, given they are primarily enabling in nature." It stated that "Given the need for further research and consultation on the majority of measures an SEA would be more meaningful at those stages and will be taken forward as part of that development".
- The only information contained on the impact of the bill on carbon emissions in the Policy Memorandum is a statement that "Progress is measured through the carbon footprint and waste generated indicators." This refers to the provisions in the bill that would give Scottish Ministers powers to set statutory circular economy targets through secondary regulations.
- The majority of respondents to the Call for Views considered that the bill could support net zero goals. However, a number of respondents considered it should go further in seeking to prevent waste through moving further up the waste hierarchy, and tackle consumerism and unsustainable consumption. Given the framework nature of the Bill, some respondents said the direct climate impact would be limited or marginal, and would depend on how the powers in the bill were implemented in secondary legislation, and also that emissions reductions would need to come from more focused sectoral policies under the circular economy strategy.

- Slightly under half of respondents stated that the Policy Memorandum was helpful or somewhat helpful, including to provide context. Many respondents who stated that it was helpful did not provide an explanation as to how they found it helpful. About half of respondents suggested ways in which the SD statement could be strengthened. Key themes were the lack of detail as to how the measures in the bill would contribute to net zero targets across sectors, difficulties in assessing projected net zero impact prior to the development of relevant secondary legislation, and lack of consideration of the impact of the bill on a broader range of SDGs.

The full SD Statement, together with further commentary, are included in [Annex 3](#).

Dr Abbi Hobbs, SPICe

March 2024

Annex 1: Assessment of quality of information on net zero in sustainable development (SD) statements in the Policy Memorandum of five government bills

Bill	Date introduced	Session	Purpose of the Bill	Does the Policy Memorandum include a SD statement?	What aspects of sustainable development are referred to in the SD statement?	Does the SD statement include information on Strategic Environmental Assessment?	Does the SD statement include information on carbon emissions?	Does the SD statement include information on whether the Bill has been assessed for alignment with net zero?	Is Bill likely to have a potential impact on emissions or ability to reach net zero?*
Air Departure Tax (Scotland) Bill (SP Bill 3)	19.12.2016	5	The Bill set out an Air Departure Tax (ADT) to replace the existing UK Air Passenger Duty (APD). Much of the ADT Bill aimed to achieve the same outcome as the existing APD legislation. However, tax bands, tax rate amounts and tax exemptions were not covered in the Bill and were to be set out in secondary legislation at a later date.	Yes	Economic; Environmental (restricted to SEA)	Statement indicated that the SEA was underway, and that the Government would be publicly consulting on the proposals. Screening and scoping had been completed and responses to the consultation published.	No	No	Yes
Management of Offenders (Scotland) Bill (SP Bill 27)	22.02.2018	5	The Bill set out reforms relating to the electronic monitoring of offenders in the community – extending the potential for monitoring; both in terms of what other measures it can be combined with and the use of new technologies. It also set out	Yes	Economic; Environmental (restricted to SEA pre-screening); Societal	Pre-screening completed – indicated no SEA required.	No	No	No

			reforms relating to the disclosure of convictions and the Parole Board for Scotland.						
Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill (SP Bill 37)	26.06.2018	5	The Bill set out a new target relating to the eradication of fuel poverty, as well as providing a revised definition of fuel poverty. Other provisions required the production of a fuel poverty strategy and related reporting requirements.	Yes	Economic; Environmental; Societal	No information on SEA provided.	No	To some extent	Yes
Heat Networks (Scotland) Bill (SP Bill 64)	02.03.2020	5	The Bill set out a regulatory and licensing system for district and communal heating, to accelerate its use in Scotland, to reduce greenhouse gas emissions from homes and other buildings.	Yes	Economic; Environmental (largely focused on SEA pre-screening); Societal	Pre-screening completed – indicated no SEA required.	No – but does in Financial Memorandum	To some extent	Yes
Good Food Nation (Scotland) Bill (SP Bill 4)	07.10.2021	6	The Bill set out a duty on Scottish Ministers to produce a national Good Food Nation Plan, and on local authorities, health boards and other public authorities specified in secondary legislation to produce Good Food Nation plans.	Yes	Not explicit – states that it supports SDG2 and SDG12	Pre-screening completed. – indicated no SEA required. However, it stated that “The Good Food Nation plans and any secondary legislation resulting from powers within the Bill will be considered against the requirements of the Environmental Assessment (Scotland) Act 2005.”	No	No	Yes

*Based on review of relevant Stage 1 report and written and oral evidence. See [Annex 1](#) for further details.

Annex 2: Case study approach

A case study approach was taken, based on five previous government bills from 2016 to now. Purposive sampling was used to select bills from a cross-section of policy areas:

- Air Departure Tax (Scotland) Bill (SP Bill 3)
- Management of Offenders (Scotland) Bill (SP Bill 27).
- Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill (SP Bill 37)
- Heat Networks (Scotland) Bill (SP Bill 64) and
- Good Food Nation (Scotland) Bill (SP Bill 4).

For each bill, the Policy Memorandum and the Financial Memorandum were reviewed. The Stage One report by the Lead Committee and a sample of written evidence submissions were also reviewed. The full Sustainable Development (SD) Statement for each bill is included below, together with relevant findings from reviewing the Financial Memorandum, Stage One report by the Lead Committee and a sample of written evidence submissions.

Air Departure Tax (Scotland) Bill (SP Bill 3)

The Air Departure Tax (Scotland) Bill (SP Bill 3) was introduced in the Scottish Parliament on 19 December 2016. The Bill set out an Air Departure Tax (ADT) to replace the existing UK Air Passenger Duty (APD). Much of the ADT Bill aimed to achieve the same outcome as the existing APD legislation. However, tax bands, tax rate amounts and tax exemptions were not covered in the Bill and were to be set out in secondary legislation at a later date. The full SD statement is below.⁸

The SD statement refers to economic and environmental aspects of SD; with consideration of environmental aspects restricted to reference to the Strategic Environmental Assessment (SEA). The SD statement indicated that the SEA was underway at the time the bill was introduced and that the Government would be publicly consulting on the proposals. The SD statement does not contain any information on carbon emissions or information on whether the Bill has been assessed for alignment with net zero.

Air Departure Tax (Scotland) Bill (SP Bill 3): Policy Memorandum statement on sustainable development

99. The provisions of the Bill establish the structure of ADT and how it will be collected and managed after the existing APD regime is disapplied in Scotland. As such no significant impacts (either positive or negative) in relation to sustainable development are envisaged as compared to the current position.

⁸ <https://www.parliament.scot/-/media/files/legislation/bills/previous-bills/air-departure-tax-scotland-bill/introduced/policy-memorandum-air-departure-tax-scotland-bill.pdf>

100. Future decisions about bands and rate amounts will determine the extent of any impact on sustainable development considerations. The Scottish Government is currently undertaking a Strategic Environmental Assessment ("SEA") in relation to the environmental impacts of its plan for a 50% reduction in the overall burden of ADT by the end of the fifth session of the Scottish Parliament. This reduction is expected to have a positive impact on the Scottish economy, employment and infrastructure, as well as generating sustainable growth. The Scottish Government will carry out further assessments of the impacts of this plan on sustainable development before implementing it.

101. The next main step of the SEA process is to publicly consult on the Scottish Government's proposals on how a 50% reduction in the overall tax burden could be delivered. An Environmental Report accompanying the consultation will outline the results of the assessment findings and provide the public with a means to gauge and understand the likely environmental implications. Section 1(1)(b)(i) of the Environmental Assessment (Scotland) Act 2005 requires that this consultation be carried out before a public plan or programme, which falls with the scope of that Act, is submitted to a legislative procedure for adoption.

102. This future public consultation would follow the 12 week public consultation on the proposed plan and the potential environmental impacts that was carried out between 14 March 2016 and 3 June 2016 and included a Screening and Scoping report to inform the debate. The Screening and Scoping Report set out the likelihood of significant environmental effects and outlined the proposed methodology of the SEA to be undertaken. This consultation was in addition to undertaking the statutory consultation with the three consultation authorities (Scottish Natural Heritage, Historic Environment Scotland and the Scottish Environment Protection Agency).

103. A consultation analysis report and the responses received to the consultation (other than those where respondents asked for their comments to be kept confidential) were published on the Scottish Government's Citizen Space platform on 29 July 2016.

Based on the documents reviewed, the Bill can be categorised as having a high likelihood of potential impact on emissions or ability to reach net zero.

The SD statement states that the "provisions of the Bill establish the structure of ADT and how it will be collected and managed after the existing APD regime is disappplied in Scotland. As such no significant impacts (either positive or negative) in relation to sustainable development are envisaged as compared to the current position." However, it refers to the published public consultation on the proposed plan and the environmental impacts.

The Government' analysis of the responses indicates that climate change was the main reason given by the majority of respondents who did not support the policy proposals.⁹ These respondents stated that reducing or abolishing the APD replacement tax would lead to increased aviation emissions and that the policy aims were "inconsistent with Scotland's ambitious climate change targets as set out by or under the Climate Change (Scotland) Act

⁹ <https://consult.gov.scot/fiscal-responsibility/air-passenger-duty/>

2009 and the Scottish Government's ambition for Scotland to be a global leader in terms of climate action." Some respondents also referenced the research undertaken by Transport Scotland in September 2014 that estimated that a 50% reduction in APD could lead to an increase in Scotland's annual CO2 emissions by the equivalent of between 50,000 and 60,000 tonnes. It was suggested that further independent research should be undertaken to consider the potential effects on carbon emissions of the proposed policy and, on completion, the findings of this be made clear and considered prior to implementation. Further, a few respondents noted that it was not clear which sectors would be required to make an increased effort to reduce their emissions to compensate for the increase in aviation emissions.

The Stage 1 report by the Finance and Constitution Committee stated: "The Committee recognises that the Air Departure (Scotland) Bill is an enabling Bill. Nevertheless, the Committee is disappointed at the lack of information regarding exemptions and the economic, social, environmental and financial impacts of the Scottish Government's stated policy of a 50% reduction in ADT by the end of the parliamentary session. The Committee considers that the absence of supporting information regarding this policy approach has the potential to undermine scrutiny of the Scottish Government's ADT policy." It also stated that "The Committee considers it essential that evidence on the above impacts of the Scottish Government's ADT policy is made available ahead of or at least alongside the proposals for tax rates and bands in order to allow time for parliamentary scrutiny of this issue."¹⁰

However, although the Air Departure Tax (Scotland) Act 2017 made provision for such a tax, the Scottish Government later stated that "Following the advice from the UK Committee on Climate Change in 2019 – and the 2045 target for net-zero emissions adopted as a result – we came to the conclusion that the economic benefits we had sought through our policy of reducing ADT were not compatible with our new emissions targets."¹¹

Management of Offenders (Scotland) Bill (SP Bill 27)

The Management of Offenders (Scotland) Bill (SP Bill 27) was introduced in the Scottish Parliament on 22 February 2018. The Bill set out reforms relating to the electronic monitoring of offenders in the community – extending the potential for monitoring; both in terms of what other measures it can be combined with and the use of new technologies. It also set out reforms relating to the disclosure of convictions and the Parole Board for Scotland. The full SD statement is below.¹²

The SD statement refers to economic, environmental and social aspects of SD, with consideration of environmental aspects restricted to reference to SEA pre-screening. The SD statement does not contain any information on carbon emissions or information on whether the Bill has been assessed for alignment with net zero.

¹⁰ <https://digitalpublications.parliament.scot/Committees/Report/FCC/2017/4/1/Stage-One-Report-on-the-Air-Departure-Tax--Scotland--Bill>

¹¹ <https://www.gov.scot/policies/taxes/air-departure-tax/>

¹² <https://www.parliament.scot/-/media/files/legislation/bills/previous-bills/management-of-offenders-scotland-bill/introduced/policy-memorandum-management-of-offenders-scotland-bill.pdf>

Management of Offenders (Scotland) Bill (SP Bill 27): Policy Memorandum statement on sustainable development

320. The Scottish Ministers are satisfied that the Bill has no negative effect on sustainable development. In fact, it is considered that the provisions in Part 2 of the Bill are likely to have a positive impact on sustainable development.

321. Access to employment is crucial for those people who have engaged in previous criminal activity to move on with their lives and put their past offending behind them. As such, suitable access to employment can also contribute towards a reduction in the rate of re-offending. However, the rejection of those individuals who have engaged in previous criminal activity by many employers, sometimes due to not understanding the operation of the 1974 Act, is a substantial impediment to that process. This discriminatory approach is replicated in other areas key to sustainable social and economic development, including the provision of education, housing, banking facilities and insurance.

322. The provisions in Part 2 of the Bill will be an aid to tackling inequality and prevent those already marginalised in our society becoming more marginalised due to a lack of employment opportunities which may result in them remaining involved with the criminal justice system. They will also help to remove overly restrictive barriers to people engaging in employment, training and economic activity as a result of having to disclose previous convictions for excessive periods of time. The Scottish Government considers taking this approach will contribute towards improving and sustaining the social and economic development of Scotland's communities.

323. The potential environmental impact of the Bill has been considered. A pre-screening report confirmed that the Bill does not fall within section 5(4) of the Environmental Assessment (Scotland) Act 2005 and has no impact on the environment and consequently that a full Strategic Environmental Assessment does not need to be undertaken. It is, therefore, exempt for the purposes of section 7 of the Environmental Assessment (Scotland) Act 2005.

Based on the documents reviewed, the Bill can be categorised as having a low likelihood of potential impact on emissions or ability to reach net zero. In its Stage 1 report, the Justice Committee considered the Policy Memorandum and highlights evidence that some stakeholders were critical of some of the language and terminology used in the Bill and the Policy Memorandum in relation to people who have had convictions and people with offending behaviour.¹³ No reference to emissions or climate change were identified in the Stage One report or evidence reviewed.

That said, evidence taken during Stage 1 focused on Home Detention Curfew (HDC), under which an offender serves part of a custodial sentence in the community, subject to licence conditions and electronic monitoring.¹⁴ Some research suggests that a significantly under-focused impact of climate change is the direct and indirect impacts it will have on criminal

¹³ <https://sp-bpr-en-prod-cdnp.azureedge.net/published/J/2019/1/31/Stage-1-Report-on-the-Management-of-Offenders--Scotland--Bill/JS052019R2.pdf>

¹⁴ <https://digitalpublications.parliament.scot/ResearchBriefings/Report/2022/9/21/91211905-873b-443d-9fc6-3d64fd0c634f#8deedab3-e624-47fb-862a-02dcd063a31d.dita>

behaviour.¹⁵ This includes altering the types of crimes committed, and detrimentally impacting prisons, jails, and other criminal justice institutions.¹⁶ Arguably there would be benefit in considering how policies to reduce time spent in prisons as part of a custodial sentence are likely to impact on emissions and/or ability to reach net zero.

Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill (SP Bill 37)

The Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill (SP Bill 37) was introduced in the Scottish Parliament on 26 June 2018. The Bill set out a new target relating to the eradication of fuel poverty, as well as providing a revised definition of fuel poverty. Other provisions required the production of a fuel poverty strategy and related reporting requirements. The full SD statement is below.¹⁷

The SD statement refers to economic, environmental and social aspects of SD; there is no mention of SEA pre-screening. The SD statement does not contain any information on carbon emissions. It contains some information relating to whether the Bill has been assessed for alignment with net zero. Specifically, the SD statement states that by setting a new target relating to the eradication of fuel poverty, "it will be necessary to tackle all drivers of fuel poverty, including improving the energy efficiency of homes in Scotland." It then provides further details on how the target interacts with other related policies on energy efficiency of homes in Scotland and targets, such as on the productivity of energy use. However, it does not specifically assess to what extent the measures in the Bill will contribute to net zero.

Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill (SP Bill 37): Policy Memorandum statement on sustainable development

79. The Bill will have a positive impact on the social dimensions of sustainable development. In particular, setting a new fuel poverty definition and statutory target in the Bill will help to ensure provision of support to those who are most in need of help to heat their homes is driven forward, no matter where they live in Scotland.

80. Sustainable development is integral to the Scottish Government's efforts to tackle poverty. The Government Economic Strategy, which has Inclusive Growth at its heart, sets out the Scottish Government's dual ambition to tackle inequality and boost competitiveness, so that the benefits of a flourishing Scotland can be shared by all. Inclusive Growth is central to the tackling poverty agenda; and vice versa as it will enable a skilled healthy productive workforce that can face up to economic challenges and create prosperity in future. The actions Scottish Government will take as part of the fuel poverty strategy required under this Bill will improve people's lives; support those who need it the most; and support jobs by giving industry the confidence it needs to invest in the energy efficiency and low carbon heating measures.

¹⁵ <https://www.birmingham.ac.uk/university/colleges/socsci/events/esrc-festival-2021/events/climate-change-and-criminality.aspx#:~:text=There%20are%20however%20a%20number,outcomes%20e.g.%20floods%20or%20drought.>

¹⁶ https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3674120

¹⁷ <https://www.parliament.scot/-/media/files/legislation/bills/previous-bills/fuel-poverty-targets-definition-and-strategy-scotland-bill/introduced/policy-memorandum-fuel-poverty-scotland-bill.pdf>

81. Enhanced energy efficiency and improved productivity will help curb energy consumption without limiting economic growth – enabling the continued reduction in carbon emissions whilst still growing the Scottish economy. As set out in the Scottish Government’s Energy Strategy, there is a target in place for the Scottish energy system that by 2030, there will be an increase by 30% in the productivity of energy use across the Scottish economy.

82. In order to achieve the target set out in the Bill, it will be necessary to tackle all drivers of fuel poverty, including improving the energy efficiency of homes in Scotland. The primary mechanism for achieving this will be through the Energy Efficient Scotland programme. The Scottish Government has launched a route map and consultation on Energy Efficient Scotland, which is an ambitious energy efficiency programme that will transform Scotland’s building stock making it warmer, greener and more efficient.

83. Within Energy Efficient Scotland the ambition is to maximise the number of homes reaching minimum EPC ratings. An EPC gives a property an energy efficiency rating from A (most efficient) to G (least efficient). As part of the consultation, the Scottish Government are proposing that all homes reach an EPC band C by 2040 (where technically feasible, cost effective and affordable), and views are being sought on setting more ambitious energy efficiency targets for those households in fuel poverty. It is proposed that all homes with households in fuel poverty reach EPC band C by 2030 and EPC band B by 2040 (where technically feasible, cost effective and affordable). This would support Scottish Government work on eradicating fuel poverty by removing poor energy efficiency as a driver of fuel poverty.

Based on the documents reviewed, the bill can be categorised as having a high likelihood of potential impact on emissions or ability to reach net zero.

The Stage 1 report by the Local Government and Communities Committee reflected on the Policy and Financial memorandum, stating that: “The Committee considers that the level of detail provided in the Policy Memorandum on the policy intention behind the provisions in the Bill assisted the Committee in its scrutiny of the Bill.” However, it was critical of the lack of consideration of linkages to other policies, including on climate change: “We urge the Scottish Government to take account of the views presented by those who gave evidence in this section of the report, particularly on... linkages to other policies and proposed laws, such as the Planning (Scotland) Bill and the Climate Change (Emissions Reduction Targets) (Scotland) Bill.”¹⁸

Heat Networks (Scotland) Bill (SP Bill 64)

The Heat Networks (Scotland) Bill (SP Bill 64) was introduced in the Scottish Parliament on 2 March 2020. The Bill set out a regulatory and licensing system for district and communal heating, to accelerate its use in Scotland, to reduce greenhouse gas emissions from homes and other buildings. The full SD statement is below.¹⁹

¹⁸ <https://sp-bpr-en-prod-cdnep.azureedge.net/published/LGC/2019/1/29/Stage-1-Report-on-the-Fuel-Poverty-Target-Definition-and-Strategy---Scotland-Bill/LGC-S5-19-02.pdf>

¹⁹ <https://www.parliament.scot/-/media/files/legislation/bills/current-bills/heat-networks-scotland-bill/introduced/policy-memorandum-heat-networks-scotland-bill.pdf>

The SD statement refers to economic, environmental and social aspects of SD, with consideration of environmental aspects restricted to reference to SEA pre-screening. The SD statement does not contain any information on carbon emissions. However, information on carbon emissions is contained in the Financial Memorandum. This states that:

7. Following the passage of the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, Scotland is required to reach net-zero greenhouse gas emissions by 2045, with interim reductions of 75% required by 2030, and 90% by 2040.

8. The Bill will contribute to this as based on evidence gathered by KPMG in 2019, it was estimated that the proposals could result in an additional 6.2 TWh of heat being supplied by heat networks by 2050. If this heat was currently being supplied by gas boilers, by moving to a heat network there is a maximum carbon saving of 23%, which approximately equates to a 0.3 Mt saving in carbon emissions per year.

9. Additionally, it will contribute towards the Scottish Government's target that 50% of all energy consumption comes from renewables by 2030. In 2018, it was estimated that Scotland produced enough heat from renewable sources to meet 6.3% of non-electrical heat demand.²⁰

The above extract contains references. The SD statement contains some information relating to whether the Bill has been assessed for alignment with net zero. Specifically, the SD statement states that the aim of the Bill is "to deploy more heat networks in Scotland, particularly those making use of renewables and recovered waste heat. As such, it is expected to have an overall positive effect in reducing carbon emissions caused by heating buildings in Scotland, thereby contributing to the country's climate change targets." However, it does not specifically assess to what extent the measures in the Bill will contribute to net zero.

Heat Networks (Scotland) Bill (SP Bill 64): Policy Memorandum statement on sustainable development

149. The effect of the Bill in terms of the three pillars of sustainability (environmental protection, social equity and economic viability) are as follows:

- environmental effects: a pre-screening report confirmed that the Bill has minimal or no impact on the environment and consequently that a full Strategic Environmental Assessment does not need to be undertaken. It is therefore exempt for the purposes of section 7 of the Environmental Assessment (Scotland) Act 2005. More broadly, the aim of the Bill is to deploy more heat networks in Scotland, particularly those making use of renewables and recovered waste heat. As such, it is expected to have an overall positive effect in reducing carbon emissions caused by heating buildings in Scotland, thereby contributing to the country's climate change targets.
- social effects: the Scottish Government carried out a Fairer Scotland Duty Assessment in late-2019 and early-2020. The evidence provided found that while a lack of consumer protection in the heat networks market was a concern, the Bill had sufficient safeguards in

²⁰ <https://www.parliament.scot/-/media/files/legislation/bills/current-bills/heat-networks-scotland-bill/introduced/financial-memorandum-heat-networks-scotland-bill.pdf>

place to ensure that the impacts on social equality could be considered. It was noted that as heat networks can provide customers with energy savings in the right circumstances, a greater proliferation of the schemes is likely to create improved outcomes for those with low income as well as providing a boost to local economies and the creation of job opportunities in the labour market.

- economic effects: the Scottish Government has estimated the costs that the Bill gives rise to for the Scottish Administration, local authorities, businesses, individuals and other bodies, and the time over which these are expected to occur. These estimates are set out in the Financial Memorandum which accompanies the Bill.

150. The Scottish Government's National Performance Framework sets out a clear purpose for Scotland – to focus on creating a more successful country with opportunities for all of Scotland to flourish through increased wellbeing, and sustainable and inclusive economic growth. The National Performance Framework embeds the UN Sustainable Development Goals. This Bill contributes towards the Scottish Government achieving this purpose and therefore supports United Nations Sustainable Development Goal 8: Decent work and economic growth.

Based on the documents reviewed, the Bill can be categorised as having a high likelihood of potential impact on emissions or ability to reach net zero.

The Stage 1 report by the Economy, Energy and Fair Work Committee specifically referred to climate change impacts: "We also note that in February 2020 the Scottish Government wrote to the UK Committee on Climate Change to ask for advice on the 2030 target to reduce emissions by 75%. The Minister referred in his evidence to estimates of between 7 and 17 per cent of Scotland's heat demand coming from heat networks but he was hopeful we might manage to overachieve on those figures. We therefore invite the Scottish Government to reflect on whether its ambitions for the impact of the Bill are on a level with those it has already set out for tackling climate change and pursuing a green recovery."²¹

Good Food Nation (Scotland) Bill (SP Bill 4)

The Good Food Nation (Scotland) Bill (SP Bill 4) was introduced in the Scottish Parliament on 7 October 2021. The Bill set out a duty on Scottish Ministers to produce a national Good Food Nation Plan, and on local authorities, health boards and other public authorities specified in secondary legislation to produce Good Food Nation plans. The full SD statement is below.²²

The SD statement does not make explicit what method or approach has been used to assess potential impact; it simply states that the Bill supports a range of United Nations Sustainable Development Goals (SDG) including SDG 2 and SDG 12. No further information is provided. A separate statement is provided on SEA pre-screening. The SD statement does not contain

²¹ <https://sp-bpr-en-prod-cdnep.azureedge.net/published/EEFW/2020/11/17/Stage-1-Report-on-the-Heat-Networks--Scotland--Bill/EJFWS052020R09.pdf>

²² <https://www.parliament.scot/-/media/files/legislation/bills/s6-bills/good-food-nation-scotland-bill/introduced/policy-memorandum-accessible.pdf>

any information on carbon emissions or information on whether the Bill has been assessed for alignment with net zero.

Good Food Nation (Scotland) Bill (SP Bill 4): Policy Memorandum statement on sustainable development

50. The Bill supports a range of United Nations Sustainable Development Goals (SDG) including:

- SDG 2: Zero hunger – the Bill supports the Good Food Nation vision of everyone in Scotland having ready access to the healthy, nutritious food they need
- SDG 12: Reduced consumption and production – the Bill supports the Good Food Nation vision of reducing the environmental impact of our food consumption

Strategic Environmental Assessment

A Strategic Environmental Assessment pre-screening report has been completed. Due to the Bill's high level and enabling nature, the Scottish Government considers that the provisions of the Bill itself are likely to have no or minimal environmental effects. The Good Food Nation plans and any secondary legislation resulting from powers within the Bill will be considered against the requirements of the Environmental Assessment (Scotland) Act 2005. This assessment was supported by the relevant Consultation Authorities.

Based on the documents reviewed, the bill can be categorised as having a high likelihood of potential impact on emissions or ability to reach net zero.

The Stage 1 report by the Rural Affairs, Islands and Natural Environment Committee states that "the majority of stakeholders raised concerns about the lack of any targets or outcomes to be met via the good food nation plans... Section 1(3) to (5) sets out some provisions relating to the content of the national good food nation plan but many stakeholders told the Committee that more detail should be included on the face of the bill."²³ Written evidence submitted to the Committee include critique of the Policy Memorandum, including in relation to policy coherence. For example, the Scottish Food Coalition stated that:

"As it stands the Bill's purpose as set out in the Policy Memorandum is far too narrow. This Bill should provide the framework for integrated food policy in Scotland: which is grounded in human rights; which guides existing and future food-related law and policy; which lays the foundation for building a fairer, healthier and greener food system, and which holds Government accountable for working across portfolios, nationally and locally, and for making progress against the Sustainable Development Goals to which Scotland is signed up.

The Bill must enable Policy Coherence for Sustainable Development (PCSD), reading across the whole of government (agriculture, waste, fisheries, health, environment, climate change and biodiversity, social justice, social care, animal welfare,

²³ <https://sp-bpr-en-prod-cdnep.azureedge.net/published/RAINE/2022/3/17/0c27d95b-c354-4ef0-b9b7-1cb8d758db6c/RAINES062022R3.pdf>

procurement, land reform, islands, planning, skills and training, community empowerment, transport, enterprise, trade, international development and tourism).”²⁴

Nourish stated that: “This lack of focus and ambition is common to the title and the body of the Bill, and the purpose set out in the Policy Memorandum is inadequate.”²⁵ Obesity Action Scotland stated that: “There is very limited information on what is to be included within the good food nation plans in the Bill. There needs to be more detail to ensure coherence and consistency between national and local plans. The accompanying policy memorandum does contain some general descriptive information on the content of these plans, but this is not sufficient and such detail should appear on the face of the Bill itself.”²⁶

²⁴ https://yourviews.parliament.scot/raine/good-food-nation-scotland-bill/consultation/view_respondent?show_all_questions=0&sort=submitted&order=ascending&q_text=SDG&uuId=485767503

²⁵ https://yourviews.parliament.scot/raine/good-food-nation-scotland-bill/consultation/view_respondent?show_all_questions=0&sort=submitted&order=ascending&q_text=SDG&uuId=593132212

²⁶ https://yourviews.parliament.scot/raine/good-food-nation-scotland-bill/consultation/view_respondent?show_all_questions=0&sort=submitted&order=ascending&q_text=policy+memorandum&uuId=655016235

Annex 3: Circular Economy (Scotland) Bill

The Circular Economy (Scotland) Bill was introduced on 13 June 2023. It requires Scottish Ministers to introduce measures to help develop a circular economy. This includes:

- Publishing a circular economy strategy
- Developing circular economy targets
- Reducing waste
- Increasing penalties for littering from vehicles
- Making sure individual householders and businesses get rid of waste in the right way
- Improving waste monitoring.

The Policy Memorandum states the overarching policy objective of the Bill as: “The Scottish Government recognises that sustainable consumption and production are essential for Scotland’s transition to a low-carbon and green economy, which will meet Scotland’s obligations to tackle the twin climate and nature emergencies.” It can therefore be categorised as having a high likelihood of potential impact on carbon emissions and/or the ability to transition to net zero.

The full SD statement is below.²⁷ The SD statement explicitly covered economic and environmental aspects to some extent but did not cover social aspects. A Business and Regulatory Impact Assessment (BRIA) was used as the basis for economic impact assessment. SEA pre-screening was used as the basis for environmental impact assessment; however, it states that “The relevant Consultation Authorities agreed with the Scottish Government’s assessment that the Bill’s provisions do not have any direct environmental impacts, given they are primarily enabling in nature.” It stated that “Given the need for further research and consultation on the majority of measures an SEA would be more meaningful at those stages and will be taken forward as part of that development”.

The only information contained on the impact of the Bill on carbon emissions in the Policy Memorandum is a statement that “Progress is measured through the carbon footprint and waste generated indicators.” This refers to the provisions in the bill that would give Scottish Ministers powers to set statutory circular economy targets through secondary regulations.

Circular Economy (Scotland) Bill (SP Bill 31): Policy Memorandum statement on sustainable development

151. The work of the Scottish Government directly links to the UN Sustainable Development Goal 12: Ensure sustainable consumption and production patterns. Creating sustainable growth is a key part of the Scottish Government’s Purpose and the circular economy particularly contributes to the Environment and Economy outcomes under the National Performance Framework. Progress is measured through the carbon footprint and waste generated indicators.

152. A Business and Regulatory Impact Assessment (BRIA) has been carried out and is published to coincide with the introduction of the Bill. 56 As the Bill’s provisions are

²⁷ <https://www.parliament.scot/-/media/files/legislation/bills/s6-bills/circular-economy-scotland-bill/introduced/policy-memorandum-accessible.pdf>

generally enabling, there are few direct, immediate financial implications for businesses or individuals. However, it is anticipated that the secondary legislation to bring the changes in force will bring some costs for businesses. As set out in the Financial Memorandum, the most significant costs are likely to be in relation to the mandatory public reporting on food waste and surplus and disposal of unsold consumer goods. In developing the regulations, it is the Scottish Government's intention to ensure that any requirements placed on business, and particularly small businesses, are proportionate.

153. A Strategic Environmental Assessment (SEA) pre-screening report has also been carried out. The relevant Consultation Authorities agreed with the Scottish Government's assessment that the Bill's provisions do not have any direct environmental impacts, given they are primarily enabling in nature. Given the need for further research and consultation on the majority of measures an SEA would be more meaningful at those stages and will be taken forward as part of that development. Respondents to the consultation generally thought that the proposals would have a positive impact on the environment. In particular, four fifths of Scotland's carbon footprint come from the products and services we manufacture, use and throw away. In addition, resource extraction and processing alone cause over 90% of global biodiversity loss and water stress.

154. It is recognised that, after the Bill has been passed, implementation will require the development of subordinate legislation, which will be of interest to businesses and wider stakeholder groups and which will need to be considered carefully for regulatory and environmental impacts. The Scottish Government is committed to continuing to engage with stakeholders on the detail of this work as it develops and to undertaking further BRIAs and/or SEAs if and when necessary.

The Call for Views contained two questions on net zero:

The Scottish Government is committed to reaching an interim target of reducing greenhouse gas emissions by 75% (from a 1990 baseline) by 2030 and of making Scotland a "net-zero nation" in emissions by 2045.

- Do you think the Bill will play a significant role in achieving these net zero targets? Please give your reasons.
- There is a Policy Memorandum accompanying the Bill. This aims to set out the underlying reasons why the Scottish Government thinks the Bill is necessary. Did you find the discussion under "Sustainable Development" in the Policy Memorandum helpful or unhelpful in terms of understanding what impact the Bill would have in terms of reaching these net zero targets?

There were 55 responses to the first question. Of these, the majority of respondents stated that the Bill could support net zero goals. However, a number of respondents considered it should go further in seeking to prevent waste through moving further up the waste hierarchy, and tackle consumerism and unsustainable consumption. Given the framework nature of the Bill, some respondents said the direct climate impact would be limited or marginal, and would depend on how the powers in the Bill were implemented in secondary

legislation, and also that emissions reductions would need to come from more focused sectoral policies under the circular economy strategy.

"The Bill has the potential to play a significant role in helping Scotland to achieve net zero targets. With around four-fifths of Scotland's carbon footprint coming from the products and services we manufacture, use, and throw away, supporting consumers in Scotland to move further up the waste hierarchy and make changes to the way in which they consume will be a key part in achieving our net zero targets." Consumer Scotland²⁸

"A circular economy designed around decarbonisation objectives can significantly contribute to more rapid emissions reductions. Achieving this however will need metrics and criteria for emissions reductions... Moving toward a circular economy also offers a broader focus which properly factors in how products and materials can be reused. This offers a step change away from a narrower focus on recycling for example." UKRI Interdisciplinary Circular Economy Centre for Mineral-Based Construction Materials (ICEC-MCM.)²⁹

"We believe the Bill should explicitly aim to reduce the consumption of resources, thereby reducing demand for raw material imports and eliminating waste exports. More than half of Scotland's carbon emissions footprint comes from products and materials which we import, which are not accounted for in the Scottish greenhouse gas inventory." Action to Protect Rural Scotland³⁰

"The bill could play a significant role if statutory, mandatory carbon and material consumption reduction targets are included. Over half of our carbon footprint comes from imported products and services." Scotland's International Development Alliance³¹

"It is difficult to answer this question without fully understanding the evidence relating to emissions generated from greater recycling and other circular economy measures to date... however, the outcomes of a circular economy are much broader than simply emissions. If positioned solely as an environmental issue, Scotland is unlikely to reap the full positive impacts and benefits of a circular economy." Scottish Enterprise³²

"Potentially, but limited by the scope of the Bill in relation to the 50% of Scotland's net emissions from the land. Much depends on the relationship between this Bill and

²⁸ https://yourviews.parliament.scot/nzet/circular-economy-bill/consultation/view_respondent?sort=excerpt&order=ascending&uuId=822006575

²⁹ https://yourviews.parliament.scot/nzet/circular-economy-bill/consultation/view_respondent?sort=excerpt&order=ascending&b_index=60&uuId=254635489

³⁰ https://yourviews.parliament.scot/nzet/circular-economy-bill/consultation/view_respondent?sort=excerpt&order=ascending&b_index=0&uuId=44941842

³¹ https://yourviews.parliament.scot/nzet/circular-economy-bill/consultation/view_respondent?sort=excerpt&order=ascending&b_index=60&uuId=547564317

³² https://yourviews.parliament.scot/nzet/circular-economy-bill/consultation/view_respondent?sort=excerpt&order=ascending&b_index=60&uuId=981543309

how land is managed, especially through support for farming and forestry, for example through the Agriculture Bill.” NatureScot³³

“The Bill is unlikely to have a significant impact on reducing GHG or shifting Scotland towards net zero. The bill focuses on creating powers and targets. We are aware of the circular economy roadmap that will be developed, this has the potential to include enablers and de-risking policies that will help businesses to reduce GHG faster.” The Food and Drink Federation³⁴

There were 39 responses to the second question. Slightly under half of these respondents stated that the Policy Memorandum was helpful or somewhat helpful, including to provide context. Many respondents who stated that it was helpful did not provide an explanation as to how they found it helpful. About half of respondents suggested ways in which the SD statement could be strengthened. Key themes were the lack of detail as to how the measures in the bill would contribute to net zero targets across sectors, difficulties in assessing projected net zero impact prior to the development of relevant secondary legislation, and lack of consideration of the impact of the bill on a broader range of SDGs.

“...sections 151-154 could more clearly explain links between elements of the Bill and their ultimate contribution to reaching net zero targets... An additional paragraph bringing together the various statements on e.g., progress measured, extraction and processing, biodiversity loss and carbon footprint may provide greater clarity... Sustainability in its strongest sense cannot separate the environmental, social or economic; the establishment of a Circular Economy is a departure from the traditional linear economic model.” Keep Scotland Beautiful³⁵

“The discussion under “Sustainable Development” in the Policy Memorandum was unhelpful in terms of understanding what impact the Bill would have in terms of reaching these net zero targets. It would have been more helpful to have attempted to quantify the projected net zero impact of the bill and set that in the context of cross sector requirements to meet net zero targets.” South Lanarkshire Council³⁶

“It is difficult to ascertain the likely impact of a set of broad enabling powers, with the detail only available upon development of relevant secondary legislation.” Scottish Environmental Services Association³⁷

³³ https://yourviews.parliament.scot/nzet/circular-economy-bill/consultation/view_respondent?sort=excerpt&order=ascending&b_index=0&uuId=119512794

³⁴ https://yourviews.parliament.scot/nzet/circular-economy-bill/consultation/view_respondent?sort=excerpt&order=ascending&b_index=60&uuId=685749441

³⁵ https://yourviews.parliament.scot/nzet/circular-economy-bill/consultation/view_respondent?sort=excerpt&order=ascending&uuId=804194293

³⁶ https://yourviews.parliament.scot/nzet/circular-economy-bill/consultation/view_respondent?sort=excerpt&order=ascending&b_index=60&uuId=64403856

³⁷ https://yourviews.parliament.scot/nzet/circular-economy-bill/consultation/view_respondent?sort=excerpt&order=ascending&b_index=60&uuId=515217002

"...we note that this section is light on detail in relation to the intended impact the Bill would have on reaching Scotland's net zero targets. In fact, the targets themselves do not appear to be given much mention at all." RTPI Scotland³⁸

"On the whole, the "Sustainable Development" section of the Policy Memorandum (paragraphs 151 - 154) needs more context into how the Bill will help the Scottish Governments net zero targets. More information is required into the sector-specific reduction of emissions that may arise from the Bill." In Kind Direct³⁹

"Mention was made of SDG 12 in relation to sustainable production and consumption, but many other goals are engaged by a circular economy approach and some acknowledgement and assessment of these may assist in developing policy before employing the enabling powers in the legislation." Met4Tech⁴⁰

³⁸ https://yourviews.parliament.scot/nzet/circular-economy-bill/consultation/view_respondent?sort=excerpt&order=ascending&b_index=0&uuId=666019654

³⁹ https://yourviews.parliament.scot/nzet/circular-economy-bill/consultation/view_respondent?sort=excerpt&order=ascending&uuId=844392276

⁴⁰ https://yourviews.parliament.scot/nzet/circular-economy-bill/consultation/view_respondent?sort=excerpt&order=ascending&uuId=161701194