

Briefing: Circular economy and the Climate Action Committee in session 7

Introduction and background

Circular Communities Scotland welcomes the opportunity to share proposals for circular economy issues that the Climate Action Committee could prioritise and scrutinise during session 7. These focus on how upcoming legislation, funding mechanisms and policy implementation can increase reuse, repair and sharing while delivering social, environmental and economic benefits for communities.

Our vision is for a thriving circular economy in Scotland, where local communities benefit from the social, environmental and economic value of keeping products in use for longer.

Our 270+ members are already helping to deliver this vision. Their reuse, repair and sharing projects advance environmental and social justice by saving people money, reducing emissions, and creating local jobs. Our 2025 Impact Report¹ showed that together they saved 131,772 tonnes of CO₂, provided over 2,500 jobs and nearly 8,500 volunteer positions. However, more national focus and support is needed to recognise this essential social and environmental infrastructure and fully maximise the benefits.

During this session, Parliament must deliver on the previous session's commitments to a more circular economy. The Circular Economy (Scotland) Act², which the previous Net Zero, Energy and Transport Committee led on scrutinising at Bill stage, was passed with cross party support in 2024. This framework legislation provides important enabling powers and recognises the need to consume differently, use resources efficiently, and transition to a circular economy that benefits both the environment and the economy.

The powers enabled by the Act, along with the actions set out in the subsequent Circular Economy Strategy for Scotland³ and Circular Economy and Waste Route Map⁴, must be implemented in the early part in this session. Implementation should focus on moving the way we deal with materials up the waste hierarchy and enabling third sector organisations to continue, and increase, the social, economic and environmental benefits they deliver through keeping items in use for longer. The Climate Action Committee will have a critical role in scrutinising and driving progress towards this.

¹ <https://circularcommunities.scot/wp-content/uploads/2025/10/Circular-Communities-Scotland-2025-Impact-Report.pdf>

² <https://www.legislation.gov.uk/asp/2024/13/contents/enacted>

³ <https://www.gov.scot/publications/circular-economy-strategy-scotland/>

⁴ <https://www.gov.scot/publications/scotlands-circular-economy-waste-route-map-2030/>

Proposed areas of focus and scrutiny for the Climate Action Committee

We strongly support the Net Zero, Energy and Transport Committee Session 6 Legacy Report's⁵ recommendation that circular economy should be a key priority for the next committee. For the reasons outlined above, we hope Climate Action Committee members can agree this priority early and reflect it in the committee's work programme. We also welcome the Legacy Report's suggested areas of focus for the next committee.

In particular, we agree that appropriate committee time should be allocated to scrutinising upcoming secondary legislation, including the setting of statutory circular economy targets, regulation on how unsold goods are disposed of, and the statutory Household Recycling Code of Practice.

In scrutinising these measures, the committee should undertake visits and seek evidence from expert witnesses that question:

- How will these measures move how we manage waste up the waste hierarchy and increase levels of reuse, repair and sharing?

For too long attention and funding has been focused on actions relating to disposal and recycling, which are at the bottom of the waste hierarchy. However, prioritising reuse, repair and sharing is needed to genuinely shift to a circular economy and would deliver significant social, environmental and economic benefits. The committee should seek robust evidence that circular economy policies will be designed to:

- Make more good quality, affordable reused goods available
 - Create more vibrant high streets and stronger communities
 - Reduce the greenhouse gas emissions generated by disposal and recycling
 - Reduce pressure on our natural environment through avoiding the use of virgin materials
 - Reduce our reliance on volatile global supply chains
 - Keep wealth within communities
 - Create employment and volunteering opportunities
- How will these measures deliver a just transition and be designed to maximise the benefits for communities and the environment?

Community organisations across Scotland are already delivering circular economy activities and significant benefits for their local areas. However, many are struggling with operating costs, a lack of sustainable funding, and volatile materials markets.⁶ The committee should scrutinise how policies will help community organisations to thrive and scale up, and while avoiding negative impacts that could arise if policy design prioritises large reuse operators or profit over social value.

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⁶ <https://circularcommunities.scot/challenges-circular-third-sector/>

- How will these measures be funded?

Transitioning to a circular economy will require sustained investment, and this presents an opportunity to create fairer funding mechanisms that reward better product design and support community reuse.

At present, producers are placing large volumes of unrecyclable, low quality, difficult to repair products on the market, and stretched public finances are bearing the cost of disposal or recycling. This creates a system where the environmental and financial costs of waste are not fully reflected in product prices.

Product stewardship schemes, including Extended Producer Responsibility (EPR), can help to address this imbalance. Many of the key powers to raise funds through EPR schemes are reserved to the UK Government. The committee should encourage the Scottish Government to continue working with the UK Government and the devolved administrations in Wales and Northern Ireland to expand existing schemes beyond their current focus on recycling, extend them to additional sectors, and use them to fund community reuse.

Future Scottish product stewardship schemes should include stronger incentives for reuse and repair and ensure that a proportion of funding is directed towards community organisations that deliver social, environmental and economic value through keeping products in use for longer.

Further information and next steps

We will shortly publish a detailed policy paper setting out our proposals for delivering a circular economy that maximises social value, and we hope it will support the committee's scrutiny and work programme planning.

We look forward to working with the committee during the next session and would be delighted to support it by helping to coordinate visits to community organisations that are already delivering a more circular economy and by proposing expert witnesses.

For more information, please contact our Circular Economy Policy Officer, Becky Kenton-Lake, at becky@circularcommunities.scot, 07889 127887.