

# Cross-Party Group on the Circular Economy

11<sup>th</sup> May 2022 – 6pm

via Zoom

Present

MSPs

- Maurice Golden MSP
- Brian Whittle MSP
- Lorna Slater MSP
- Monica Lennon MSP
- Mercedes Villalba MSP
- Michelle Thomson MSP
- Gillian Martin MSP

Invited guests

- Lorna Slater MSP (Minister for Green Skills, Circular Economy and Biodiversity)
- Adam Read (Director of Suez and President of CIWM)
- Kim Pratt (Circular Economy Campaigner, Friends of the Earth Scotland)
- Pam Walker (Waste & Recycling Manager, Aberdeen City Council)

Non-MSP Group Members

- Aidan Robson
- Angus Murdoch (Edinburgh City Council)
- Anthony Burns (ACS Clothing)
- Bruce Reekie
- Caitlin Turner (Youth Ocean Network)
- Calum Duncan
- Catherine Gemmell (Secretariat – MCS UK)
- Catherine Gunby (Secretariat – Fidra)
- Charlotte Beckham
- Claire Rennie (Summerhouse Drinks)
- Daniel Stunell (Eunomia)
- David McIntosh
- Erin Scott
- Euan Thomson
- Hannah Evans

- Ian Matheson (Blythswood Care)
- Janet McVea
- Jenni Hume (ReLoop)
- Jennifer MacKay (QMU)
- Joan D'Arcy (Plastic Bay)
- John Young
- Laura Young (Youth Ocean Network)
- Lindsey Hepburn
- Mairi Lowe
- Mary Beth Graham (Fashion Revolution)
- Matthew Crighton
- Michael Cook (Circular Communities)
- Paul Smith
- Peter McCafferty (Zero Waste Scotland)
- Phoebe Cochrane (Secretariat – Scottish Environment LINK)
- Shlomo Downen (UKWIN)
- Josh Downen (UKWIN)
- Sophie Brett (Secretariat – Keep Scotland Beautiful)
- Stephen Freeland (Scottish Environmental Services Association)
- Suzanne Forup (Cycling UK)

## Apologies

- Sarah Boyack MSP
- Stephen Kerr MSP

## Agenda Item 1: Welcome and Introductions

- Maurice Golden MSP opened the meeting and welcomed attendees, including MSPs, and outlined the format for the evening.
- Maurice noted the minister's busy schedule and thanked her for attending.
- Apologies were taken as noted above.
- The minutes of the previous meeting were proposed by Phoebe Cochrane and seconded by Maurice Golden MSP.

## Agenda Item 2: Presentation by the Minister for Green Skills, Circular Economy and Biodiversity followed by a Q&A session

- The minister thanked the group for the invitation.
- The minister noted that waste management is a key part of building Scotland's circular economy and that a shift to a circular economy must be a 'Team Scotland' effort.

- It was further noted that 75% of Scotland's carbon footprint comes from the products we use and throw away. So, whilst it is a significant challenge, the circular economy represents huge opportunities across society.
- The minister explained that the recently announced proposals of the Circular Economy Bill will be coming in May and that she was happy to come back to the CPG after the consultation is published to answer specific questions on the bill. The minister stressed that legislation is not a silver bullet and that there is a need to use all levers, so there will also be consultation on a waste targets route map. Together, these two consultations will be the start of a national conversation.
- The minister noted that action was being taken right now on waste management, including bans on single use plastic items, another round of items ahead and a charge on disposable cups. The minister also spoke about the recycling improvement fund and how she had visited East Lothian where the local authority has been awarded £20.3 million to increase the quantity and quality of recycling.
- The minister also noted the publication of an incineration review the day before the meeting, and then thanked Dr Colin Church for carrying out the review.
- The minister pointed out that the temporary notifications direction for new facilities would stay in place whilst recommendations from the review are being looked at. She then noted that the Scottish Government's initial response to the review would be announced in June.
- The minister finished by saying that she was looking forward to an ambitious Circular Economy Bill and to working with everyone on that.

There then followed questions to the minister.

Brian Whittle MSP referenced ambitions on landfill and incineration in the run up to 2025 and asked what practical measures were needed to get to a point of no landfill and no incineration.

The minister responded that there will always be some amount of residual waste and that incineration is better than landfill with the recommendations in Dr Church's incineration review recognising this. The minister went on to say that given this the goal is to reduce residual waste to the bare minimum. The two consultations mentioned in her opening remarks would cover the framework and legislation required to meet waste targets and the waste targets route map will cover all the other levers, policy and facilitation needed to hit those targets. The minister then noted that once the consultations are published, she would be happy to return to answer further questions.

Gillian Martin MSP mentioned BBC coverage of a project in her constituency on waste to energy and asked the minister about certainty around projects already in place or which have planning permission. She noted that Inverurie was very keen to see a district heating scheme and would like to hear the minister's views on that.

The minister noted not wanting to build incinerators that will not be used in the future and not wanting to have to find waste to feed that infrastructure. The minister also referred to the importance of the recommendations in Dr Church's incineration review.

Michael Cook highlighted that the BBC had reported that day on recycling rates across Scotland, England and Wales and that the latter continued to shine in this regard. He wondered what reaction the minister had to those recycling statistics.

The minister said they clearly showed the challenge and the different rates we have across the country and that we can of course learn from Wales. The minister said she looked forward to hearing from Michael during the consultation period and an upcoming meeting.

Monica Lennon MSP said there was a big opportunity as to what can be done collectively to reduce consumption and that it was key to drive behaviour change and increase awareness and appetite e.g., Scotland's Climate Assembly. Further, she said there was a need to move away from a single use economy with the public already accepting that. Monica then highlighted the work of Jon Young from the Dovetail Action Group on incineration. She noted that there was a lot of spin on incineration regarding jobs and community heat linked to incineration and said that the impact on human health was not being duly considered. Monica stressed the need to look at how we can reduce waste as we are still consuming far too much and that there was a need to bust current myths.

The minister recognised all the points raised by Monica Lennon and raised the prospect of a future CPG meeting on reducing consumption. Maurice Golden agreed with the suggestion and noted it.

Calum Duncan explained that at the Marine Conservation Society (MCS UK) they were concerned on multiple levels about linking to the circular economy and how having a circular economy is a key part of addressing the climate and biodiversity crises. Calum welcomed the reduction in consumption and a move to reuse but recognised the importance of recycling too and asked the minister for an update on Project Beacon.

The minister agreed that officials would provide a written update to the group and said she looked forward to MCS UK's response to the consultations.

Claire Rennie from Summerhouse Drinks, which makes craft soft drinks in rural Aberdeenshire, said her company was all about trying to get people to drink better rather than more. She said she was concerned about increased carbon footprints due to the online take back requirement as part of the forthcoming deposit return scheme. Claire said she was interested to know if any research had been carried out on what impact online take back would have on small businesses who rely on online sales.

The minister said she would need to raise that point with Circularity Scotland to ensure clarity. The minister then explained that containers can be returned anywhere but online take back must be included for accessibility purposes. However, the minister acknowledged that understanding the levels of participation must be monitored. She also said there needs to be a way for the items returned this way to go to a closer return point (rather than back to the producer). The minister stated this was for Circularity Scotland and the producers to work out but that she was happy to take this up with Claire Rennie and Circularity Scotland after the meeting.

Claire Rennie responded to say there must be far more discussion about this with the micro businesses (not small businesses) that provide important products to Scotland.

The minister thanked Claire for her feedback and clarification on micro businesses. The minister said that she wants those businesses to thrive and that she will ensure officials follow up on these points.

Maurice Golden followed up to explain more about the set up of the deposit return system and that the decisions taken were prior to the minister being in post.

Hannah Evans explained that Fidra was looking at chemical pollution and the impacts of chemical pollutants on recycling. She asked the minister if this was being discussed as part of the circular economy.

Euan Thompson spoke about the need for radical new ideas to provide more incentives to householders to recycle. He explained that a lot of recyclate is contaminated due to incorrect recycling by households and that this issue had been raised with Edinburgh councillors to highlight the idea of incentives, such as a voucher scheme.

The minister addressed both points together and apologised for quicker answers due to time constraints. On Euan's point, the minister recognised there were important issues on contamination and said she wants to increase the value of recyclate by ensuring clean material. The minister said there were challenges involved and encouraged Euan to respond to the consultation. The minister then addressed incentives; saying the idea was good and that she would welcome such suggestions in the consultation responses.

Moving on to Hannah's point about chemicals and recyclability, the minister recognised that hazardous chemicals are a barrier to recycling. She explained that, at the moment, this was being looked at the UK level and that existing powers and processes were in place. The minister followed up by saying that an extended producer responsibility scheme would also help in this area by improving knowledge of product composition.

Maurice Golden thanked the minister for her time and then introduced the members of the panel making presentations.

## Agenda Item 3: A Waste and Resource Sector Perspective – Adam Read (Director of Suez and President of CIWM)

### **The immediate sector priorities were identified as:**

- SEPA's handling of applications, permits and licensing remaining slow.
- The need to see regulators out on site more building relationships and confidence.
- The need to crack down on vehicle licensing with recent targeted roadside operations showing 29% of vehicles checked were not licensed.
- Digital waste tracking and waste brokers reform to help progress UK wide and Scotland must enact changes too.
- The need for change; more sites will be critical as infrastructure is localised.

- The National Planning Framework review should help but there remains a question as to whether there are enough sites.
- Planning remains a significant barrier to development.
- Upskilling and re-skilling of the current workforce to ‘adapt’ to changing demands and to prepare the new workforce of tomorrow.

### **Circular Economy Bill**

- Adam Read noted Scotland is ahead of England with Scotland adopting the right route rather than England’s ‘feeble’ waste prevention programme (Adam stressed that the focus must be wider).
- The bill is due out later this month for consultation but, to date, there has been no involvement from industry in its development.
- There is a question of how best to drive full ‘system change’ in Scotland within the context of Scotland’s economy being integrated with the wider UK.
- The waste and recycling sector remains hopeful but is not fully convinced the right information and data are being targeted.
- The focus must be on reuse, repair and refill solutions.
- The bill must not be overly focused on carbon and biodiversity must be included too.
- Previous policy implementation failures are a chance to learn from mistakes.
- ‘Green skills’ should be developed to support the existing workforce.

### **The Waste Targets Route Map**

- The sector has been waiting since February for the route map to restart, and such a delay does not build confidence.
- The Scottish Government is due to release the route map alongside the Circular Economy Bill.
- There are expectations that the route map will be completed by May 2023 and identify clarity on sites, technologies, material flows, etc. But there is a question of how likely this is to happen.
- The sector fully supports the desire to ‘pull data sources together’ to inform future decisions and the overarching strategy is critical.
- However, the sector was worried that the focus is on the wrong information and data with the question being whether it aligns with key strategic goals.

### **Extended Producer Responsibility (EPR) and Deposit Return Scheme (DRS) Reforms**

- The sector has had Westminster consultation feedback on EPR but there is plenty to ‘sort’ on the scheme administrator, etc. before it goes live.
- The sector is now awaiting the next steps in policy development but expects implementation progress across the UK from 2023.
- Will a Scottish collections blueprint be able to cope with the new materials being targeted under EPR?
- SUEZ are fully supportive of producer pays, full cost recovery and modulated fees, etc. The key policy reform driving ‘circularity’ and quality.

- The sector is awaiting Westminster consultation feedback on DRS in the next few months, but it is not a popular policy idea.
- In Scotland the plan is for DRS to 'go live' in 2023 but questions remain as to whether it is needed and if it will be ready on time. Launching before England will create many operational problems.
- In England DRS appears to be delayed until the impacts of EPR are fully assessed. The sector is concerned it is an expensive way of delivering minor increases in recycling performance.
- Local authorities will change collections to meet EPR demands (2024-2030) then have to change again to deliver on DRS (or the other way around in Scotland). The costs involved are uncertain.
- The cost, carbon and convenience impacts all appear to be negative, and with cost-of-living increases factored in there is a question over whether this is the right time for DRS.
- The sector is keen to work with the other key stakeholders in assessing the system design and benefits, etc.
- Scotland is a relatively small packaging marketplace and going alone might restrict sales of some UK wide products that will not pay the additional costs for doing business in Scotland.
- The sector is concerned about possible trans-border movements of DRS materials.

### **Energy from Waste (EfW) Review**

- This is due to be released soon following an evidence review.
- The modelling and policy vision needs to look forward twenty years and beyond and the existing data is not robust enough to give confidence to the plan.
- The headline figure is that Scotland will be 700,000 tonnes p.a. short of residual capacity in 2025.
- With the forthcoming landfill ban there is a need for pragmatism around plant maintenance, etc. (exempt destinations) nor is the transition away from landfill being dealt with adequately.
- There is considerable debate about the data sets used and the accuracy of any 'recycling performance' predictions underpinning the plan.
- The 1.1 Mtpa of planned waste reduction seems overly optimistic.
- However, SUEZ would support no additional EfW being required assuming everything works as planned e.g., recycling targets are met, etc.
- To make that work though, additional recycling capacity will be required.
- The Zero Waste Scotland Recycling Infrastructure Fund must look at materials strategically, processing capacity and shortfalls in recycling as well as speeding up decision making. This should be happening now.

### **Consultations and Engagement**

- Single use plastics are once more subject to consultation, and this is all too incremental.

- Most of the waste & recycling sector have aligned around key messages and priorities: planning for the circular economy, boosting recycling capacity, improving quality, better data, infrastructure investment and collaboration along the value chain.
- But where is the public engagement? For example, do they know about bans on plastic straws before they visit McDonalds and find less choice? Do they know about the DRS proposals and what that will mean for them at the store when they recycle? Do they understand the need for residual capacity and new sites? Do the public care where their waste/recycling goes or where their products come from?
- We must all work together better to prepare the public and businesses for the changes that are coming, or progress will stall, and policies will be undermined.

## Agenda Item 4: Reflections on the incineration review covering capacity, climate impacts and data – Kim Pratt (Circular Economy Campaigner, Friends of the Earth Scotland)

A graph from the review was used to show the expected waste treatment capacity and three scenarios for waste arisings from now until 2050. In the review, the graph is used to illustrate that there will be a capacity gap in 2025. A capacity gap is where there will not be enough treatment capacity to meet the expected amount of waste being generated.

This means, for one year, an additional half a million tonnes of waste will be landfilled compared with the anticipated amount. This concern feels misplaced when considering what happens the following year, where the gap is virtually closed, and the year after that. By 2027 and every year after there is overcapacity. This is a lot more concerning than meeting the landfill ban one year late, especially given its limited environmental savings.

The review did not consider decarbonisation of existing incinerators in detail. Given the primary purpose of most of our waste policies is to reduce environmental impact it is puzzling that this was not prioritised more. This omission means the review recommendations do not reflect the urgency of the climate crisis, and without this information decision makers cannot balance the full pros and cons of different options.

A ban on new incinerators is an important first step in reducing the carbon impact of our waste system. However, it is only half a solution. Our existing incinerators are also cause for concern. In fact, two of Scotland's top twenty climate polluters in 2020 were incinerators: Dunbar and Millerhill.

As soon as a moratorium is in place, we must turn our focus to reducing the emissions from existing incinerators. The review considers, at a high level, four options for decarbonisation of existing plants. In summary these are: stop burning plastic, recycle more, combined heat and power (CHP) and carbon capture and storage (CCS).

In the more detailed carbon analysis expected to be published in the autumn, a key point to understand will be the relative carbon impacts and costs between these options. This should be used to guide the development of Scotland's new waste management system.



The review rightly points out that CHP and CCS are not possible for all of Scotland's existing incinerators, but it does not mention a further concern that investing in these technologies would lead to lock-in to a failing system. Something we must guard against.

The review makes several useful recommendations about data improvements. This is important because without understanding the present system, the question must be asked how a system required for future needs could be created.

**Significant suggestions for improving data:**

- Composition
- Commercial and industrial waste
- Impact of DRS
- Emissions data

Better data, including end destination reporting, gives the transparency needed to create a waste management system fit for a circular economy. Transparency means presenting the data in an accessible and coherent manner with appropriate explanations. The test for commercial sensitivity should be "stringent" given environmental and social considerations.

In summary, there should be greater concern about future over-capacity than meeting the 2025 landfill ban. Reducing the emissions from existing incinerators is a vital and urgent task with the best options being to stop burning plastic and recycle more.

## **Agenda Item 5: Local Authority Waste Management – Pam Walker (Waste & Recycling Manager, Aberdeen City Council)**

Pam Walker notes this is an opportunity for some personal reflections in this presentation, and so the following presentation is not reflective of Aberdeen City Council whilst also acknowledging her role as co-chair of the Waste Managers' Network.

**Successes**

It is worthwhile reflecting on the good stuff, such as:

- The huge amount of change since the early 1990s.
- The strategic waste fund.
- The Scottish waste Awareness Group.
- The Waste (Scotland) Regulations 2012.
- The implementation of kerbside collections across Scotland.
- Food waste collection.
- The extensive range of recycling at household waste recycling centres.
- The reduction in household waste arisings and reduction in landfill.
- Covid resilience.

## Challenges

There are many challenges, but of note are:

- Budgets and resources.
- The pace of change.
- Little in the way of succession planning.
- The reliance on voluntary householder participation.
- The need to review the household recycling code of practice given it is not suitable for all areas.
- Extended producer responsibility.
- The deposit return scheme route map.
- The Circular Economy Bill.
- The Recycling Improvement Fund.
- The incineration review.

As much as these are challenges though, they also represent opportunities.

### The Waste Manager's Priorities:

- Waste managers' feedback included themes of funding (both revenue and capital).
- Improved enforcement powers and legislation – placing a duty on householders to recycle.
- The need for a sustained and co-ordinated awareness and communications plan to operate nationally and locally.
- More co-ordinated strategy.

### What should we do?

- Develop long term plans that are not focussed on the quick wins.
- If householder participation is to increase, services must be easy and convenient.
- Invest in and research emerging and new technologies – particularly around sorting and preparation of materials for recycling.
- Discover what really works in developing better data analysis.
- Take a more holistic approach to waste management covering behaviour (consumption, re-use, repair), raising awareness (recycling must be 'normalised' with the same services available everywhere to everyone) and all wastes (not just kerbside materials).
- The recycling infrastructure fund is welcome, but it must be spent strategically.
- Don't keep making the same mistakes.

### Summary

- There has been lots of good progress made over the last twenty years.
- Local authorities are committed to improving waste management and the circular economy.
- Upcoming legislative and policy changes present a real opportunity.
- Long term strategic planning and funding are the key, but questions remain over a route map.

## Agenda Item 6: Discussion

- Brian Whittle MSP thanked all the presenters for their fantastic presentations. He noted that companies are looking at waste and converting it to biofuels and gas – reusing waste – and posed the question if this was something we should consider as part of the solution.
- Adam Read responded that there is a lot of technology available with some targeted at specific waste streams. He noted that extended producer responsibility would start to change the cost profile so there is some scope in that. However, there is not any one technological solution to replace landfill and incineration but rather we will find technological fixes for individual niche streams.
- Kim Pratt explained that we have enough capacity, and we must work with what we have at present. She argued that looking at new technology and new capacity is not the most pressing question at the moment. Instead, she said the carbon impact per tonne of material should be looked at to help prioritise technology and ensure the economics match up.
- Phoebe Cochrane noted that it is said that a lack of demand for secondary or processed materials is hampering waste management systems becoming more compatible with a circular economy. She wondered which materials might have markets and which might not and what could be done to increase and drive demand for these materials to pull them round the system to become more circular.
- Pam Walker agreed this was a good point about creating demand at the manufacturing end. She explained further that what she would like to see is people making a bid for materials rather than local authorities looking for them. Kim Pratt also made the point that local authorities could look at procurement policies to help stimulate increased demand for secondary/processed materials.
- Adam Read raised the issue of plastic tax causing more infrastructure to be built to manage this material and that it would continue to drive upwards towards more circularity. He said modulated fees on packaging types are coming in which is another pull factor and would drive interest in other material streams once proven for plastic packaging.
- The minister noted the experience that a lot of people are lobbying for material and that there does not seem to be a shortage of places for the material to go. The minister argued that what is needed is investment to scale up reprocessing, so there can be confidence in the quantity and quality of materials to ensure contracts.
- Bruce Reekie asked how all the elements knit together, including an engagement plan. He said ambition and data are key, especially waste composition analysis. He then asked how the compositional analysis work can be driven forward.
- Kim Pratt explained that a Zero Waste Scotland study showed that 59% of what we throw away could have been recycled. She went on to say that there was a need to be better at getting recycle out of the disposal system. Furthermore, Kim noted that although data is important action is needed now, and thus government must strike a balance to ensure progress is made with the information available and to prioritise the information needed to go further.
- Pam Walker agreed with the points raised by Bruce Reekie and commented that the minister's comments tied in well with points on how to get consistency in supply.

- Adam Read then spoke of the critical role of data and recycling and the requirement for all parts of the system to be perfect. He said there was a need to add reuse to this conversation with more attention and focus and that he hoped that would be included in the Circular Economy Bill to see Scotland leading the way.
- Maurice Golden then drew the discussion to a close by thanking the minister, the panel and the attendees for coming. He then noted the next meeting of the Circular Economy CPG would take place in the autumn with a further meeting in the winter.

## Agenda Item 7: AOCB

None.