

Developing Scotland's Circular Economy

Submission to the Scottish Government

December 2019

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Submission from FSB Scotland

Introduction

The Federation of Small Businesses (FSB) is Scotland's leading business organisation and aims to help smaller businesses achieve their ambitions. These micro and small businesses comprise the majority of all enterprises in Scotland (98%), employ around one million people and contribute £68bn to the economy.

We welcome the opportunity to contribute views on Developing Scotland's Circular Economy - proposals for legislation. However as there is still little detail about how some of the suggested proposals will work in practice it is hard to comment on them even in principle.

Many small businesses play an active part in Scotland's developing circular economy and others are looking for ways to reduce their carbon footprint. Yet small businesses across the country are displaying record low levels of confidence, not least because of current economic uncertainty. Further, with clear evidence about increasing business costs, businesses are additionally likely to face a number of new regulatory changes in coming years, particularly those related to environmental and health related outcomes (e.g. reducing certain packaging and tackling obesity). It is worth noting that these regulatory changes are likely to affect the same group of businesses; small retailers, cafes, restaurants, bars and takeaways. There is few references to these other regulations or how new proposals would interact with these. Accordingly, FSB strongly urges the Scottish Government

to consider circular economy proposals within this economic context.

Reduce: Tackling our throwaway culture

Environmental charges in principle

We recognise the need to reduce the pervasive nature of single use items as part of efforts to tackle the climate emergency. A number of businesses are already taking action to reduce their use of single use items e.g. plastic straws and we believe there is scope to consider regulatory approaches instead of charging for items. For example, "straw on request" policies (where hospitality businesses no longer give out straws as standard but instead only offer one if a customer requests it). Such approaches would reduce overall consumption whilst retaining access for those who required such items.

If Ministers were minded to introduce charges for such products, more detailed consultation about the impact on businesses (and a wide variety of other organisations and establishments affected) would need to be undertaken. We would also expect the cumulative impact of the charges and time to adapt to be considered as part of this consultation and impact assessment.

We would also be keen to ensure a considered, phased approach to charging to make sure it aligns with other regulatory changes affecting businesses and builds in sufficient time for business and customer awareness.

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Submission from FSB Scotland

Single-use disposable beverage cups

We understand the environmental concern around the ever-increasing demand for single-use disposable beverage cups; the harm they do to our environment and the difficulties associated with their recycling. Given the likely introduction of Deposit and Return Scheme (DRS) for Scotland (affecting beverage containers) and the need for a more organised approach to regulatory change, charges for cups should be delayed until after the introduction of DRS and until decisions have been taken about other products likely to attract a charge.

Reuse: Encouraging use and reuse to prevent waste

Mandatory reporting of business waste & business surplus

Mandatory reporting of business waste and business surplus would be in many cases appear unmanageable for smaller businesses with limited staff numbers and time. We would urge ministers not to introduce mandatory reporting for small businesses – even in principle - until there is further analysis of what this would mean in practice for smaller businesses and some degree of business impact assessment.

Mandatory reporting of business food waste & food surplus

Again, we would urge ministers not to introduce mandatory reporting of food waste and food surplus for small businesses. As per our points above, small food producers and hospitality

businesses are already dealing with significant regulatory change, including DRS, and a more organised, phased approach to regulation is required.

However, we recognise that there is more to be done to reduce food waste and to build on the good work of organisations such as Fair Share, to help expand their network and encourage more businesses to participate. We suspect that there is particular scope to consider how to improve links between local small businesses and local schemes.

Mandatory reporting of textile and clothing waste & surplus

With the growth of fast fashion there is an obvious environmental imperative to monitor and regulate what happens to surplus and waste textiles. Large retailers are thinking about what they do with surplus or waste textile stock and how to limit waste within their supply chains. However further detail as to how this would work in practice for smaller businesses is required.

Improving enforcement

Seizing vehicles that have committed a waste crime

We know that responsible small businesses are keen to ensure a level playing field and stopping unscrupulous operators is key to this; so we agree with the proposal to enable seizure of vehicles suspected of waste crime.

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The registered keeper of a vehicle's responsibility for criminal offences such as littering from or in relation to their vehicle

We would be keen to discuss the extent of vicarious liability further to understand the implications for small businesses.

Proposals for secondary legislation

Procurement strategies and the circular economy

The Scottish Government and larger public sector has repeatedly indicated that they want to spend more money with smaller businesses because of the value public spending delivers to local economies. Yet smaller businesses still face substantial challenges when trying to bid for and win public contracts, such as, accreditation schemes and the sheer time it takes to complete a bid. Additional complexity in the public procurement system often makes it harder for smaller businesses to bid and win public contracts.

We are aware of a number of policy objectives being integrated into public procurement in Scotland, including fair work and tackling the climate emergency. We assume the circular economy is part of the ongoing discussion about how to achieve these objectives. We would highlight that whilst it is reasonable to ensure public money is spent in furtherance of meeting certain objectives, it is important to ensure an approach that is proportionate to the nature and size of the organisation bidding.

Carrier bags

Businesses and consumers have grown used to the 5p carrier bag charge, with many of the larger supermarkets now having raised the charge to 10p already. This should be a fairly easy change for consumers who are already used to paying for plastic bags. As with all changes to regulation small businesses should be given appropriate time to prepare for the change.

Further Information

For further information please contact Laura McKelvie laura.mckelvie@fsb.org.uk

The FSB campaigns for a better social, political and economic environment in which to work and do business. With a strong grassroots structure and dedicated Scottish staff to deal with Scottish institutions, media and politicians, the FSB makes its members' voices heard at the heart of the decision-making process. It is therefore recognised as one of Scotland's most influential business organisations. The FSB also provides a suite of services to help our members reduce the cost and risk of doing good business – from legal and tax protection to business banking.

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