



OFFICIAL REPORT
AITHISG OIFIGEIL

Finance and Public Administration Committee

Tuesday 24 October 2023

Session 6



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Tuesday 24 October 2023

CONTENTS

CIRCULAR ECONOMY (SCOTLAND) BILL: FINANCIAL MEMORANDUM	Col. 1
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**FINANCE AND PUBLIC ADMINISTRATION COMMITTEE
26th Meeting 2023, Session 6**

CONVENER

*Kenneth Gibson (Cunninghame North) (SNP)

DEPUTY CONVENER

*Michael Marra (North East Scotland) (Lab)

COMMITTEE MEMBERS

Ross Greer (West Scotland) (Green)

Jamie Halcro Johnston (Highlands and Islands) (Con)

*John Mason (Glasgow Shettleston) (SNP)

*Liz Smith (Mid Scotland and Fife) (Con)

*Michelle Thomson (Falkirk East) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Charlie Devine (Dundee City Council)

Jim Jack (West Lothian Council)

Kirsty McGuire (South Lanarkshire Council)

CLERK TO THE COMMITTEE

Joanne McNaughton

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Finance and Public Administration Committee

Tuesday 24 October 2023

[The Convener opened the meeting at 09:30]

Circular Economy (Scotland) Bill: Financial Memorandum

The Convener (Kenneth Gibson): Good morning, and welcome to the 26th meeting in 2023 of the Finance and Public Administration Committee. We have received apologies from Ross Greer, and I understand that Jamie Halcro Johnston is travelling and that he will be delayed.

We have one item in public on today's agenda, which is an evidence session on the financial memorandum to the Circular Economy (Scotland) Bill. I welcome to the meeting Charlie Devine, service manager, waste partnership, Dundee City Council; Kirsty McGuire, waste manager, South Lanarkshire Council; and Jim Jack, head of operational services, West Lothian Council.

I intend to allow up to 75 minutes for this session. We have written submissions, so we will move straight to questions.

I will go to Mr Devine first because we set out a number of questions, as we do for all financial memoranda, and, unlike his colleagues, he completed the first three. We will therefore put him on the spot first. If his colleagues wish to chip in, I would, of course, be more than happy for them to do so.

You were asked to comment on the financial assumptions that were made. Dundee City Council's submission talks about "insufficient financial detail", and it says that the

"Scottish Government should consider the impact of additional capital and revenue costs required to implement, manage and maintain the required changes at a time of considerable budgetary pressure for"

local authorities. Can you enlighten us on what those additional capital and revenue costs would be?

Charlie Devine (Dundee City Council): Aye, certainly. Obviously, in the first instance, there is the infrastructure. Having to put in place new infrastructure for waste management and treatment is considerably expensive. I recognise that the recycling improvement fund is available for local authorities to bid into. That is one element, but the £70 million is not sufficient for all of Scotland. If we were to do something

considerably different from what we are currently doing, the question is whether the money would be available to do that. Obviously, if we made that investment, there would be the cost of running those particular infrastructure facilities. That is where that fairly general comment came from.

If we follow a lot of the recommendations in the Circular Economy (Scotland) Bill—Dundee is quite far down the road in terms of fully adopting the household waste recycling charter, for example—some of the changes will require additional facilities and additional money to manage those facilities. The aim was to highlight that to the committee in the first instance and to make it aware of that.

The point that I was trying to make is that, currently, there is not the full suite of infrastructure to do a lot of the changes. The aim was to highlight that to the committee and to give it an opportunity to discuss that and see where it could go from there.

The Convener: Back in 1980, Clare Grogan said in the film "Gregory's Girl" that boys think in numbers. I am one of those people. Can you put some numbers on what has been said, given that the financial memorandum is all about the numbers?

Charlie Devine: I couldnae give you that level of—

The Convener: It is all about best estimates, is it not?

Charlie Devine: Developing a very basic additional household recycling facility, for instance, could cost £1.5 million to £2 million. Obviously, that would increase people's ability to bring material for us to sort. That would then have to be staffed, and anywhere from five to 10 staff could be involved.

The Convener: In your view, would that be essential to deliver the bill?

Charlie Devine: That would be a key component part of it along with other things. It would not solve on its own dealing with the number of additional items that we would need to try to deal with; it would be part of a wider plan.

The Convener: Okay. Do your colleagues Jim Jack and Kirsty McGuire have anything to say about the issue of additional resources that might be required to deliver the bill?

Kirsty McGuire (South Lanarkshire Council): We have not made any comments on that. However, to pick up on Charlie Devine's point about additional costs for infrastructure, we have been looking at putting in additional infrastructure, as South Lanarkshire is pretty short of that, given the size and geography of the area. I would say

that £1.5 million to £2 million is probably quite a conservative estimate, especially when we are looking at the purchase of land on top of that.

The Convener: Mr Jack, I note that you also did not comment specifically on these early questions, but I am sure that you will have some thoughts on them.

Jim Jack (West Lothian Council): Thank you, convener. West Lothian has benefited quite a bit from the recycling improvement fund, and we are progressing twin-stream recycling at the moment. That has been a major exercise in behaviour change, which is also what is required for the Circular Economy (Scotland) Bill, which will take significant input in terms of education, and coercing or coaxing—however you want to describe it—in our communities.

We have two pilots running with four staff working on education and engagement as we go in front of the collection service to reduce contamination, which is also a significant cost the council.

The Convener: The bill talks about something like £2.95 per household for education, behavioural change and so on. Do you recognise that figure?

Jim Jack: Considering the costs that we have at the moment, we are probably above that, although I have not looked at it in that level of detail. As I say, we have some resource that we can put in but that did not come from the recycling improvement fund. It is capital-based resource, so it paid for infrastructure such as new bins and the other stuff that was required.

The programme that we have on the go at the moment has a target of reducing contamination and making a saving for the council, and I am netting off the staff costs from that.

The Convener: Mr Devine, in answer to the second question, you say,

“some of our responses to the initial consultation are now irrelevant or require further review and updating”,

and you touch on

“forthcoming legislative changes such as Deposit and Return Scheme”—

which was considered to be forthcoming at the time—

“and the Extended Producer Regulations”.

Can you see where those changes have been made and what the implications are of that for Dundee?

Charlie Devine: Definitely. I will take the deposit return scheme as the first example. That would remove a set volume of material from local authority handling and change how the service

would operate, for example. One of the key elements of the delay, which obviously was not considered at the time of our response, would be the removal of glass from the proposed system. Glass constitutes a significant part of the material, so the local authority would continue to handle that material and we would need to go back and look again at how we would forecast its volume.

The extended producer responsibility is United Kingdom legislation and it will be dealt with as such, so it is not clear how the money that is going to be given up by the producers will be distributed to local authorities. For example, if how packaging is made is changed or the volumes of it are reduced, that will have to be considered when recycling systems are being set up and when we look at how the back-end contracts for sorting and recycling of that material would work.

There are quite a few unknowns there, and that made it difficult. If you asked me the same question again, given what we now have, I would probably be able to give you more detail and be better placed to give you an accurate response.

The Convener: The extended producer responsibility expects to bring in approximately £1.2 billion a year across the United Kingdom, which might mean £100 million for Scotland and £2 million or £3 million for somewhere like Dundee. You are, however, right that it is hard to pin that down at this stage.

Ms McGuire, one of the issues that has come up is littering and how people who litter from cars could be fined. The financial memorandum talks about the potential cost of policing and dealing with that as being between £34 and £102 per notice. You have all expressed concerns about how collectible that would be. What are your concerns and those of South Lanarkshire Council?

Kirsty McGuire: There are a number of concerns. The first is that, again because of South Lanarkshire’s size and geography, we do not believe that the number of enforcement officers is realistic if we want to deliver. The second is the cost. It is difficult for us to recruit officers and environmental health officers—we are struggling to do so, and we are having to pay officer rates. We therefore feel that the estimates of how much it will cost us are on the low side.

We also think that it is important to be realistic about the predicted income from fines. There is a prediction that 100 per cent of fine income would come back to us, but that is not the case. At the moment, between 10 and 15 per cent of fines for such offences are paid. If we do not get paid, that is reported to the procurator fiscal. If the procurator fiscal takes the case, that generally results in a fiscal fine, but none of the money from

fiscal fines goes into local authority budgets, so that is a concern for us.

Everyone here is saying the same thing. We really want an education programme, communication and an investment in our waste education teams. In South Lanarkshire, and across local authorities, savings have had to be made and waste education teams have been affected by cuts. Because of that, councils do not have the resources to provide the education and awareness raising that is required to be successful.

Jim Jack: We have very similar concerns. I will add that the demographic group that is likely to be fined includes some of the customers that we find hardest to engage with in creating behavioural change. To be blunt, they face the dilemma of whether to pay fines or pay their rent.

The Convener: Charlie Devine from Dundee spoke about something that may also affect you in West Lothian or Ms McGuire in South Lanarkshire, which is the issue of trying to increase recycling from flats rather than from garden-gated properties. Will the bill help in delivering that, or is there an overestimate of how much waste will be collected in appropriate receptacles?

Jim Jack: West Lothian is currently looking at flatted properties as part of our recycling improvement fund bid. We have some difficulties caused by multiple types of flat ownership: some have individual tenants and some belong to housing associations or to the council itself. You might think that it would be easier to engage with our own tenants, but there can be a quick turnaround with them, so we are concerned about how effective that engagement is.

We must also ensure that the additional receptacles that we provide to segregate waste do not become just another grey bin. It is taking quite some time to work through that process. At the moment, most of our flatted properties offer only a grey bin for general waste collection or a bin for commingled paper, card and tin cans. We hope to change that, but, as Kirsty McGuire said, it takes a lot of time up front to make that change and a lot of input time to keep the messaging consistent.

The Convener: Ms McGuire, what is happening with flatted properties in South Lanarkshire?

Kirsty McGuire: Our flatted properties are the biggest concern for South Lanarkshire. A number of years ago, we carried out a campaign, introduced a new service standard and became less tolerant of contamination within recycling bins. That was quite labour intensive: it took many months to get that past our elected members in the first instance and then to carry out education and awareness raising with members of the public.

We benefited from a significant increase in the quality of the material collected in our recycling bins but, conversely, we ended up with a lower recycling rate, which meant that our tonnage of cleaned-up recycled material went down. It looked as if we were performing less well than we had been when, if you looked behind the data, there was an improvement in the quality of the recycled material.

That only worked for properties with a four-bin system and with front and back doors. Unfortunately, more than 30 per cent of our properties are in multioccupancy buildings, and we also have a high proportion of terraced properties with no access from the back to the front garden collection point, making it difficult to provide bin infrastructure because it is difficult for people to bring out their bins.

A lot of the time we have had to revert to sack collection, which is not helpful given that we are looking to improve the amount of recycling that we are collecting. That also gives rise to issues such as refuse accumulation and refuse in back areas. That means that sometimes we have to go back to a weekly, residual waste collection, which also does not help.

I am sorry—I got off the point a wee bit there. Our flats are where our biggest challenge is. Even though there is the option to issue fixed-penalty notices, the difficulty with flats is that we do not know who we should issue that notice to and if a household does not pay it, we do not know who to refer to the procurator fiscal.

09:45

The Convener: Mr Devine touched on that point about chasing people, too.

Charlie Devine: Yes.

The Convener: Ms McGuire, one of the issues that you have raised is how much the financial memorandum seems to believe that local authorities will have to pay in order to hire additional staff to monitor this. You talked about the assumptions around the full-time equivalent enforcement officer as being nowhere near the actual real cost. Can you touch on that? It is obvious that your colleagues are also concerned about that.

Kirsty McGuire: The costings that we produced are based on a grade 3 officer level—an officer in the council would be someone responsible for enforcement and general environmental enforcement. With on-costs, which we usually take to be about 30 per cent, we estimate that the cost of a full-time equivalent post for enforcement would be around £55,000 a year. We do not have an enforcement administration post, so that role

would have to be undertaken by an enforcement officer.

The Convener: Are you saying that those are hidden costs that are not really considered in the financial memorandum?

Kirsty McGuire: Yes.

The Convener: I see Mr Devine nodding there.

Mr Devine, from the recycling improvement fund of £70 million, £53 million has been allocated to 17 local authorities. Do you feel that that means that there is not enough left to cope with the changes that will now have to take place, given the changes to the DRS and so on?

Charlie Devine: I probably speak from a slightly more informed position on that because, in a previous role, I was part of the team that pulled the recycling infrastructure fund together. I know about some of the background work on that. The real costs are probably considerably more, but that was what was available from the Scottish Government capital funding. We tried to make that fit the biggest priorities.

It really depends on what the infrastructure requirements of each local authority are and whether they have been part of a previous investment cycle—with funds from Zero Waste Scotland or directly from the Scottish Government. The biggest issue is that ensuring that everyone has the same type of infrastructure and could offer the same service would probably require more than double that amount.

The other challenge is that, until all the local authority services are aligned, it is difficult for everyone to use similar types of infrastructure. Again, the code of practice for household waste recycling is key to that. That code is taking on a more mandatory role in the Circular Economy (Scotland) Bill and will mean that each service will align to produce similar materials. That will also mean that the infrastructure has more in common. However, there are challenges in the interim period.

The Convener: Have your local authorities received funding? It is interesting that 17 out of the 32 local authorities have received a total of £53 million. Obviously, local authorities are different sizes and so on. Has your local authority received funding, or is that something that you are in discussion with Scottish ministers about? I see Kirsty McGuire shaking her head.

Charlie Devine: Dundee City Council was one of the early adopters. We received about £90,000 to try to modernise the telecommunications in vehicles to try to improve the services and their availability. We are currently preparing a further bid for funding for capital work in the household waste recycling centre. That is a live issue for us.

Whether there is sufficient money left in the fund by the time our bid is assessed and whether the timeline suits the funding is another matter.

Kirsty McGuire: South Lanarkshire has not received funding. That is predominantly down to a timing issue. We are in the middle of a review of waste services, which was timed to coincide with the introduction of the deposit return scheme. As Charlie Devine mentioned, if glass had been included in the scheme, there would have been an opportunity for us to make some efficiencies because glass is about 60 per cent of the material that we collect in our container bin, which is for glass, plastics and cans.

Because the timing of our review was based on the introduction of the deposit return scheme, the delay has had an impact on us. We also have to think about the introduction of the extended producer responsibility scheme for packaging regulations and what an efficient waste service would look like. It has therefore been pretty challenging for us to get a direction for our service. Until we know what our service will look like, we will not know what we are applying for funding for. If we had applied for large-scale funding, it would not have been good timing for us because we might have made different decisions based on how the strategy goes.

The Convener: That is interesting, given that the legislation is going through.

Jim Jack: We received a significant amount of money from the recycling improvement fund partly because of the timing for service changes that were principally driven by the requirement to make revenue savings across the council, including within operational services.

We were able to fund the roll-out of splitting our commingled plastics, card, paper, tin and plastic bottles collection. A lot of the funding that we got from the fund went towards that. Equally, there was an allocation for flatted properties. We are working through that just now. There was also some money, as Mr Devine said, for in-cab improvement technology to allow a better understanding of the presentation of bins and deal with complaints.

As I said, that was capital funding. I had to make significant revenue savings within waste services. That included moving to a seven-day collection service. The timing of the review and the funding helps to progress that. I am concerned about the future, what the journey will continue to look like for waste services, our ability to be light enough on our feet, and whether we will be funded to achieve what we need to achieve. Our council's principal concern is that we should be no worse off through the process.

The Convener: I will ask a final question about that in a minute, but I will ask about co-design first.

The bill discusses co-design. It is not the first one that the committee has dealt with that does that. The talk of “co-design going forward” is always somewhat woolly to me. That also means that much of the bill will be delivered through secondary legislation. I ask the witnesses to give me their individual views on that, starting with Mr Jack.

Jim Jack: That has been a concern for our council and my colleagues who have been trying to understand what the collection service will end up looking like and what the market looks like for the products that we have.

We have a general waste contract going out now. It is due to return in January, and the early indications are that the cost pressures on that could be significant. Our council agrees with the principles of the bill. The question is how the market reacts, where the cost and risk sit, and how local authorities are funded through it.

Kirsty McGuire: Co-design is where we want to be. Local authorities want to have an input into what services will look like. The difficulty is that there is a lot of variety in collection services because of local conditions. What suits one local authority does not necessarily suit another.

We do not have infrastructure. We are dependent on the processors who are on our doorstep because we do not bulk, so we have direct delivery. That influences what material types we collect. Some local authorities are reluctant to move away from a single-stream recyclable collection and believe that the way forward for every other local authority is to have the same. That would work in a lot of properties where there is insufficient space because refuse collection was a last thought in the architecture of older properties. However, it does not suit us, because we get income from our waste streams.

A lot more discussion is required to find some sort of compromise. That makes me wonder whether there is one size that fits all and whether we can be as prescriptive as we have been in the past with the code of practice. We have asked for separate glass collection and for certain items to be collected at the same time, and the frequency of residual waste collection has not been mandated but a maximum frequency has been recommended. We have to consider local circumstances.

Charlie Devine: To echo what colleagues have said, there is the challenge of getting everybody to do things in harmony. There are a number of steps there. Obviously, we have to be able to present consistent materials to the marketplace in some

instances and to tie up local ways of working in rural, rural-urban and urban areas.

Another issue to consider is that, under the EPR regulations, those who place packaging in the marketplace want to get that packaging back in some way. That should be a pull on how the systems are designed to get the best-quality material back into the market. We also have to try to get a better price for local authorities for doing that. What are the mechanisms in the EPR regulations that will help that? That would then become part of the design of the system. It is about co-designing not just with each other but with the market to ensure that the materials are there.

On the way in which the system is set up, obviously we try to recover as much recycling as possible, but that might not be recycling that the market wants, so we do not get the best prices for it at the time. We might put a lot of effort into material that will not have the best carbon impact but is best for logistics and waste handling.

There are quite a few challenges. Co-design would be quite a large part of taking forward not just harmonising between local authorities but harmonising the waste system and the system for materials use, and closing the circular economy loop, which everybody is trying to do at the moment.

The Convener: The Scottish Government seems determined to make this work. It says that the Scottish ministers will be enabled to impose statutory recycling targets on local authorities, with financial penalties if targets are not met. In Wales, a local authority can be levied with a fine of £200 per tonne of waste by which it falls short of the target amount. It is clear that there will be pressures on local authorities.

The financial memorandum talks in detail about savings from paper cups going to landfill and this, that and the other. You have all said that any additional costs should be met fully by the Scottish Government, but what is the net outcome from the bill for each of your local authorities?

Mr Devine, you were quite hesitant about talking about pounds, shillings and pence at the beginning of this question session, but where are we in terms of the parameters for a city such as Dundee to deliver what is in the financial memorandum? Would that cost the city an extra £500,000, £1 million or £2 million? Obviously, we have to look at that. The whole point of financial memorandums is to give best estimates so that we can look at the impact on the public purse. Where is Dundee on that? I will ask your colleagues the same question.

Charlie Devine: Dundee is a compact city that has some very challenging conditions to have a

really efficient and cost-effective household waste recycling and collection system. That is reflected in our recycling rate. We have worked hard to get that, and we still find it really difficult to get anywhere near the target recycling rate. That is a major challenge for us. Getting to that needs a big investment not only in infrastructure—we have made that over the years—but in communication. There need to be a lot more people on the ground to do that and engage.

More than 50 per cent of properties in Dundee are communal, and there are some really challenging traditional housing types for the introduction of a comprehensive separated waste system. We have a lot there, and there will be a lot of investment going forward. A lot of that will be not only in capital things but in more people on the ground.

The Convener: The savings from the legislation are clear. I am just wondering what the net position is. It is hard for us to say, “Local authorities want more money.” We really need to pin it down to a ballpark figure. Surely Dundee City Council has considered how much additional funding it would require—if it needs additional funding—to deliver the bill and over what time period.

10:00

Charlie Devine: It is hard to put a number on that just now, because there are a lot of different scenarios. The main one is that, if you do not pay to dispose of the waste, that frees up money to be invested elsewhere. However, even moving recycling on to the market costs money. It is not as easy to net it off as it would be against the cost of waste disposal versus the cost of recycling. The market values change a lot, so that can be difficult to cost.

We need a steady level of staff and a steady level of engagement to be able to address those issues. I do not know whether enough money will come from changes to net that off in the council's revenue budgets for those staff requirements.

The Convener: Short of putting matches under your fingernails, I will not get a cash figure from you, Mr Devine.

Charlie Devine: To be honest, we need a lot more information.

The Convener: Aye.

Charlie Devine: The financial memorandum is really helpful, because it gives us much more scope for where to think but, at the moment, it is not the finished article that we could give to Parliament to consider.

The Convener: I am looking for ballpark stuff. Ms McGuire, do you have anything to add?

Kirsty McGuire: I agree with Charlie Devine. There is too much uncertainty, and there is not enough detail behind things at the moment. I can see that there will be savings in litter clearance and litter disposal, but there has to be investment everywhere else. If we want to improve our recycling rate and get to the average recycling rate—South Lanarkshire's recycling rate last year was 40.3 per cent, so we are 3 per cent below average—we need to invest in communal bin infrastructure.

We are looking at putting in a bid to the RIF small grant fund for a pilot of communal bins that have see-through panels to try to encourage our residents to take a wee bit more ownership of the waste that goes in the bin, but we need capital investment for those things.

The Convener: Mr Jack, you are my last hope.

Jim Jack: I am sorry to disappoint, convener, but, like my colleagues, we really struggled when we considered the issue at committee to articulate what you want to our elected members because of the uncertainty around the issue. As I said, the changes that we have made involved moving to a seven-day collection, which is a significant change for the council. That was to save a sum in the region of £340,000 from vehicle reductions. We have had to make big decisions on waste services for our community.

My concern is that I would like to give you a figure, but we are struggling to do so. The RIF has helped us with some of the infrastructure, but if that model changes a bit, that money will be used and we will need to apply for something else, which is another additional cost.

The Convener: I will open up the evidence session to colleagues around the table. The first to ask questions will be the deputy convener, Michael Marra, who will be followed by John Mason.

Michael Marra (North East Scotland) (Lab): I am conscious that the waste management process in your various councils has changed dramatically over the past decade. You have been through a lot of change processes over that period, and you have described some of those and the changes that you have made.

In layman's terms—perhaps we will not get a figure—do the costs that have been set out feel realistic? Given your experience of change management and the cost of making those changes, do the costs feel realistic to you?

Kirsty McGuire: We spoke about a figure for communications of £2.95 per household, but you also need back-office staff for communications.

You need someone who develops that communication, so there is a resource requirement there. You also need people who deliver the communication, and you need accompanying education programmes. Quite a bit of that is missing from the costs that we are looking at. We know from our experience as local authorities that you cannot merely issue a bit of communication, because people just put it in the bin. You need the staff and the engagement behind it.

Michael Marra: The financial memorandum sets out that there will be costs of £227,000 across three years for a local authority. That seems to me to be a vanishingly small figure. In his first answer, Mr Devine said that he was looking at capital investment of between £1.5 million and £2 million, as well as five to 10 additional staff, to set up one waste management centre, but the allocation is £227,000 across three years. Is that realistic?

Kirsty McGuire: No.

Jim Jack: From our experience of change management, which colleagues have mentioned, the costs for education and engagement will, in my view, be higher. That is not something that you can do in a fortnight and then not revisit, because recycling rates dip. We all sign up to the message and think that we are doing better than we actually are, but the national figures show that, despite all the campaigns of late, there is still so much recyclable material in grey bins. It is very difficult to shift that position.

Michael Marra: Paragraph 48 of the financial memorandum states that Zero Waste Scotland has calculated that the cost of implementing the current code of practice will be £88.4 million. Do you know where that figure has come from?

Charlie Devine: Being a former employee of Zero Waste Scotland, I can make an educated guess. I have been through a lot of assumptions, research and comparators with other nations. We tend to mention Wales a lot because it is higher performing, but the Welsh model involves a completely different investment cycle and collection system, so it is not quite comparable in relation to previous investment.

The other assumption behind the figure is that we have a fully functioning back office at the moment, so the figure is what is needed to top things up to implement the bill. However, as colleagues have said, that function is not there in its entirety, so we are not starting from a level playing field; we will have to go backwards and reinvest in order to get back to where we should be before we move on to the level of engagement that will be needed for the bill.

Michael Marra: You are making some well-educated assumptions about where the figure has

come from, but that information has not been set out to colleagues. You do not have any detail on it. I see shaking heads.

Charlie Devine: Obviously, Zero Waste Scotland did a lot of research, but a lot of that might have been desk-based work that looked across Europe, where things can be quite different. For example, considering the pay-as-you-throw policy can distort things, and there is not direct variable charging. We work from whatever is collected via council tax bands. There are lots of challenges in that regard, so those systems are not fully comparable with where we are trying to go.

Michael Marra: Are you aware of any discussions between colleagues in your local authorities and Zero Waste Scotland or the Scottish Government about where the figure has come from? Has that detail been set out?

Charlie Devine: No.

Kirsty McGuire: No.

Michael Marra: Okay. Paragraph 48 also sets out some details about the extended producer responsibility scheme. As the convener touched on, that is one area in which there will be an income stream to try to offset some costs. Are you aware of any discussions about the scale of that income stream—how much money might come in—and how it would be distributed across different local authorities?

Charlie Devine: I can speak on that point from the perspective of my local authority. We take part in the research that is organised by the Department for Environment, Food and Rural Affairs, so quite a lot of work is going on in the background to try to work out what the figure should be for each material treatment and for each local authority.

However, ultimately, the money that is generated will go to the Scottish Government. Unless it is ring fenced, the money could be used to provide additional investment in any part of the service. There are therefore some issues. Even if the scheme generates additional money for us, there is a question about whether the money will be put in a ring-fenced fund from which local authorities can benefit directly in relation to waste management, or whether it will involve a Treasury transaction, with the money becoming part of the overall cost system. I can understand why either of those things might happen.

Michael Marra: There has been no clarity so far. Kirsty McGuire is shaking her head. You do not know whether the money will go into the block grant or whether there will be a fund—

Kirsty McGuire: Or whether it will replace an element of the block grant. It has not even been

confirmed whether local authorities will receive the additional money. That is obviously a major concern. There is an assumption that we will receive the money from the EPR scheme, but we might not.

Michael Marra: That is useful. My next question is about the distributional effect. Given what has been said, we do not have clarity on that or an understanding of it. As a Dundonian, I have sympathy with Mr Devine in relation to the challenge of collecting waste in a local authority that has the tightest boundaries in the United Kingdom and where 50 per cent of properties are flatted. Has the Government given any indication that it recognises those challenges? Has there been any discussion with the Government about that?

Charlie Devine: We have made such points numerous times on different issues. Our performance rates show that, even though we are investing a lot of money, we do not have a highly performing system. That in itself is an indication of the situation that we face. We highlight the delivery challenges that we face in that respect in any submissions that we make.

The ambition is for us to be as good as we can be, so the situation that we are in is not a result of a lack of effort. It is probably down to the circumstances, which we need to find a way round.

Michael Marra: I recognise that—so, there is no direct recognition in the discussions around the bill, or in other discussions, of why those rates are so low.

The convener referred to the fines that might be levied on local authorities for not achieving a particular recycling rate over the long term. The bill increases the challenges in that respect, because Dundee City Council could be fined for not being able to achieve that recycling rate, even though that is a factor of the boundaries that have been set for it by the Scottish Government, rather than being to do with the performance of individuals in the group that you work in. Is there any recognition of that in how the financial aspects of the bill might be dealt with?

Charlie Devine: Yes, that has been recognised in discussions that I have been involved in with Scottish Government colleagues in the relevant team. There is a recognition that, from the point of view of demographics, it might not be possible for all local authorities to achieve a flat recycling rate. Some local authorities might be better placed to achieve a higher rate of recycling, while some will only be able to achieve a lower rate, depending on their particular circumstances.

That is recognised, but I have not seen any models or documentation to back that up, other

than positive comments from Scottish Government colleagues, who have said that the issue is one that they will have to consider. That might be addressed in secondary legislation as it comes through.

Michael Marra: That will be important.

Mr Jack, you alluded to some of the challenges that might exist in reclaiming fines in areas of deprivation. Is there any recognition of the need for the challenges of reclaiming fines and achieving behaviour changes in areas of deprivation to be recognised in the financial structures?

Jim Jack: The only point that I could make with any certainty about that would be about littering fines. As a local authority, we have a lot of difficulty in pursuing littering fines in such areas, to the extent that it becomes a cost to us to get to a point at which we can recover the money. It concerns us that the income side of the bill seems to be predicated on 100 per cent payment of fines. I am not aware of that being achieved in relation to littering—it has certainly not happened in my authority area. In the past, factors such as deprivation and the choice of whether to pay the fine or to pay the rent have been cited when we have pursued such fines.

Michael Marra: Kirsty McGuire, you mentioned the savings that you thought might be realisable in relation to littering. In Dundee, street cleaning has been cut to the bone. There have been several rounds of cutbacks as a result of the £6 billion that has been taken out of local government funding over the past decade across Scotland. Is it realistic to think that we can scale back those services any further? There will always be some level of residual waste, even if we take coffee cups out of the equation. It does not seem as though we have a service that it is up to scratch at the moment in many parts of Scotland, let alone if we consider the idea that we might be able to scale it back further. Are those the kind of areas in which you have identified that savings could be made?

Kirsty McGuire: Not through the bill; the potential savings relate solely to disposal costs from street cleansing. We are under pressure to make significant savings from street cleansing and from our ground services. It is likely that there will be a reduction in service provision as a consequence of that. We will have fewer bodies on the ground for street cleansing services. I do not see any savings as a consequence of the bill in relation to employees or vehicles, but I recognise that, if there is less weight in the bins, disposal costs are lower.

The Convener: I will make one point, which is that Dundee's boundaries were set pre-devolution.

10:15

John Mason (Glasgow Shettleston) (SNP): I will follow on from some of the points that have already been made. Mr Devine said that the financial memorandum was helpful and that it goes into a bit more detail than before. Is there enough detail in it, or do you accept that there has to be uncertainty because of the further discussions that have to take place? Should there be more certainty in the financial memorandum?

Charlie Devine: There needs to be more certainty, but I recognise that changes are in transit at the moment, some of which we do not have any control over. For instance, the EPR scheme is set at Westminster. There is a level of uncertainty, and there always has been, but there is not really any headroom to do anything with it, if something changes.

Another point is that we have to enter into long-term contracts, which is difficult if something changes halfway through the contract. Waste disposal is probably the most prominent example. Even in relation to the off-takes for recycling, we enter into short-term contracts from which we do not benefit. DRS is a good example, as we could not go beyond August of this year with that material stream. Then, all of a sudden, we have to go back to the market with another short-term contract. It can be quite challenging from that point of view, and it is hard for the financial memorandum to account for that. We know that you can go out and get a much lower income from material and pay a much higher cost for processing, all within a short period of time. It is very difficult; it is a live situation. It is difficult to get into that level of detail in a document such as the financial memorandum, but there needs to be recognition that market rates change depending on how certain things are for us.

John Mason: As a committee, we have to go back and say whether it is a good or a bad financial memorandum. Which do you think that we should say?

Kirsty McGuire: It is not the worst. We would just like a wee bit more detail about where the assumptions that have been made came from.

Jim Jack: Without sitting on the fence, I would say that we had difficulty understanding and being able to articulate back to elected members and others whether we would be worse off. That has been our concern. I totally get Mr Devine's point that some indication has to be given and that there has to be some means of measuring what the cost and benefits would be.

In relation to uncertainty in the market, I mentioned earlier that we are about to go out to tender with one of our biggest contracts. We

expect that there will be a significant price increase, which is partly due to uncertainty.

John Mason: Some of these points come from the Dundee City Council submission, which is why I am focusing on it. In relation to the disposal of unsold goods, you make the point that no budget at all is put in for councils. Should it be?

Charlie Devine: Yes, there should be recognition of that. The point of putting that in our submission was that, although we probably do not deal in that retail-type environment, it would be about where that material gets passed on for disposal. If that is through a household disposal system, we would pick up the cost for it, but it might also be about giving stuff away at retail level to a householder who then does not need or want it, so it still finds its way into the waste system. That is quite common in relation to buy-one-get-one-free initiatives in relation to food, for instance. When there are such campaigns, food waste rises significantly. People think, "It is free—why not take it?", but when it is not wanted or required, it comes through into the waste system. How that works needs to be considered.

John Mason: From a slightly different angle but on the same subject, the financial memorandum states that the costs that the Scottish Environment Protection Agency might get or need in relation to the disposal of unsold consumer goods range from £30,000 to £200,000, the latter being if it was more proactive. I find that interesting because it is a very wide range and it brings in the issue of being proactive, which I did not particularly see elsewhere in relation to either councils or anyone else. That raises the wider question of whether you want to be more proactive. Do you need to be more proactive, and would that really cost seven times more than if you did the minimum?

Charlie Devine: It is funny. It looks as though that is targeted towards the retail and wholesale markets rather than household waste. I recognise that household waste would be affected at some point, as in the example that I gave.

John Mason: I am thinking wider than just unsold consumer goods. Going through all this, do you think that the costs, finances and expectations are based on you doing the minimum, or is there an expectation that you will be—or do you hope to be—more proactive in this area?

Charlie Devine: We need to be more proactive in order to be realistic. Reuse is a major element of what we are trying to do. It is not just about managing waste. The reuse of unsold goods and whether they find their way to a useful life in households or wider markets is also part of the issue.

The best example at the moment is probably food waste, because of the perishability aspect.

Elsewhere, legislation is pushing for wholesalers and retailers to put that food material back into use, rather than going down the disposal route, for various reasons. However, that would be quite challenging for other household goods, which could include anything.

John Mason: Mr Jack, you said that a lot is going into residual waste. A figure somewhere said that 60 per cent of residual waste could have been recycled. It seems to me that where I live, in Glasgow, or in my part of Glasgow at least, some of the issue is due to a lack of education. People put things in a plastic bag and put the bag in the recycling bin, whereas, as I understand it, the plastic bag should not go into the recycling bin. The paper and cans should all be put in loose, so there is an education issue there.

There is also a bit of confusion between different councils, given that some of us live close to other council areas. My mother used to live in South Lanarkshire, which does things differently from Glasgow. It used to be the case that here in the Parliament, and in Edinburgh, you had to put both the plastic bottle and the top into the recycling bin, whereas in Glasgow you do not put the top in, only the bottle. There is a lot of confusion there, which presumably means that we need education.

On the other hand, there is a macho image, at least in Glasgow, that you do not put litter in the bin. That does not give you the right image—it is not cool—and you certainly do not split your rubbish up between different bins, because that is not cool either.

Can councils do more and should they have been doing more? Would it cost more if you were to start challenging those things?

Jim Jack: Local authorities are generally proactive on that message. Certainly in my council, given the waste disposal budgets and my remit as head of service, which includes a number of front-line services in West Lothian, it is a concern that we have to pay to get rid of waste. We want to reduce that cost as much as we can, and I have mentioned the work that we have done on that journey. West Lothian was recycling pretty well. Changes were made to the reporting frameworks, which show our recycling rates being lower, principally because we are using more energy from waste under the contracts that go through. However, we are proactive in what we are doing and, as I said, we have benefited from the RIF to help with that.

The issue around market certainty and customer use is that the best thing for the customer is for it to be as simple as we can make it but that, in order to get clean products back to the market, we have to split our waste into different streams.

There are differences between councils, which Charlie Devine commented on. There is no standard fit. The messaging needs to be topped up regularly, and that is the journey that we are on. As much as the trials that I mentioned are intense for the two communities, the journey will not finish at their end date. We will need to keep going back.

John Mason: I and, perhaps, some of my neighbours would go as far as saying that we need somebody from the council to come round and say, “Look at that bin. This should be in it and that should not be in it.” In all the time that we have had recycling in Glasgow, I have never seen that happen or had a leaflet on the subject through my door. Every week, the wrong stuff goes into the wrong bins, and it just carries on.

Jim Jack: That would not be your experience with us in West Lothian. We use a tagging system. The education staff go out in front of the refuse collection wagons and they look at the contents of the bins as best they can. They knock on doors where they can do so and we drop letters to encourage people to recycle. However, getting that message through is labour intensive and it can be contentious. There has been an increase in adverse customer reaction—albeit in a minority of cases—to our staff, who are only doing their job of helping everybody to recycle. The majority of people get that message, but they may not fully comply.

John Mason: Some people are fanatical. For example, my sister—I hope that she is not watching—takes the labels off jam jars, which I consider ridiculous.

Kirsty, will you comment?

Kirsty McGuire: The situation in South Lanarkshire is similar. I touched on the fact that we introduced a tagging campaign because of the material that was going into our recycling bins. We had to change contractor and we realised that what we thought was good quality was, in fact, not good quality. We continue to do that. If our refuse collection crews identify that the wrong items are in a bin, they will tag it and not lift it, and they will include that information in the in-cab system, which goes to our contact centre. If someone in the contact centre gets a call from a resident to say that their bin has been missed, which is quite common—it is not common that bins are missed, but it is quite common that people report that we have not lifted bins—the contact centre can say right away that it was not lifted because it was contaminated with the wrong items, and we can arrange a follow-up visit from our waste education team.

John Mason: That sounds positive. Charlie, is that level of involvement not possible in the cities?

Charlie Devine: It is really difficult when it comes to communal bins because it is difficult to identify whether there is a single offender in a block of six flats, whether everybody is the same, or whether somebody who has just been walking past in the street has done something. There is also something that we call “wishcycling”, which happens when people are not sure about something but they put it in the recycling bin and we deal with it. However, deliberate contamination of material is the most difficult thing for us. That takes up a lot of time and effort. For example, Dundee has a big transient population of people who come to the city to study at university, so we have a short burst of new people whom we have to educate. We work with the various landlords and housing associations to do that, but it can be challenging.

As I said, the system that we have as a result of a previous investment has been pretty stable for the past seven or eight years. Those in communal properties and those who have a back door and a front door are offered exactly the same system because we are trying to avoid any element of confusion. However, it is still challenging. The vast majority of contamination is probably in the communal system. We know where the challenges are in that.

John Mason: To take another angle, I want to pick up your point that, in future, you might not be allowed to charge for the uplift of specific items such as garden waste. Glasgow has just started doing that, and I think that other councils have been doing it. Will you explain to us what the issue is?

Charlie Devine: Certainly. Zero Waste Scotland has done some work on the subject, and one of the barriers to recycling is about charges. Local authorities charge for the collection of garden waste at the moment, but it is not a prescribed item, so they will not be able to charge for it. The situation is similar for bulky items. In some councils, including ours, there have been charges to collect such items for a number of years, so it is an established revenue stream. There is recognition that some material could slip into the residual waste stream, although there are other ways of dealing with that, such as using different frequencies for residual bins.

At the moment, we have the opportunity to cover the cost of those opt-in services and to continue to support the other services in the scheme. It would be quite challenging if that was to be taken away—as it is. I have looked not just at that study, but at wider United Kingdom waste research, and we want to flag up to the committee that that could be an issue. The position down south has changed as well. As far as I know,

councils there will no longer be given the option to charge for such things.

The other thing is that we process our garden waste and produce a product that we can use and market, and we want to protect the self-sufficiency that we have in dealing with those materials.

The Convener: Kirsty, do you have anything to add?

10:30

Kirsty McGuire: Not really. We are the same. There is uncertainty about whether the change that John Mason alluded to will come in. Glasgow recently introduced a charge for garden waste uplifts. I suspect that that would not have happened if we knew that the change was 100 per cent certain. This is another area of waste about which there is uncertainty, which makes it pretty difficult to make any medium or longer-term decisions.

Jim Jack: We do not charge for garden waste collections. We combine food waste and garden waste, and we are not alone in that. Some other local authorities charge for that combined service. However, that is not to say that our council will not consider the matter again.

John Mason: Mr Jack, you referred to grey bins. I do not know what people can put into grey bins in your council area, but in mine grey bins are only for food. Could councils work together and have the same colours of bins? Would that help?

Kirsty McGuire: We have been speaking about that for 20 years.

Charlie Devine: Work was done on harmonisation as part of some previous legislation—possibly the Waste (Scotland) Regulations 2012—but the cost of doing that was considerable. It was in the hundreds of millions, which took it out as an option. If somewhere has not rolled out a service yet, it would be good if it invested in harmonising its bin colours. However, the work that was done was quite open and there was a range of approaches. It is difficult, because cross-boundary communications are required. For instance, if a person stays close to two council areas, they can get the wrong message and put the wrong stuff in the wrong bin because they have heard something on the radio or somewhere else.

John Mason: I accept that that is a problem.

The final issue that I want to talk about is the proposal on littering from vehicles. I find it hard to get my head around how it could possibly work unless there is somebody with a camera photographing people who are dropping litter out of vehicles. What would the cost of that proposal

be? The financial memorandum suggests that it could be self-financing. Is that possible?

Kirsty McGuire: I do not think that it will be self-financing, based on previous experience. South Lanarkshire Council has issued fines to people who have dropped litter from cars. That has been based on reports that we have received. We have reason to believe a person if they have provided evidence that they have seen litter being dropped from a car.

John Mason: However, if the person who was involved challenged that, would you find it hard to prove?

Kirsty McGuire: That is the difficulty.

Jim Jack: Corroboration is required if we seek to fine someone for littering, whereas no corroboration is required if someone is caught speeding by a camera. That is the difficulty that local authorities have. Our small team of environmental wardens have cameras, but we have to put the wardens out in pairs for corroboration. That will impact on the costs that are mentioned in the financial memorandum. If we need corroboration, we need to have funding for two people working together.

John Mason: Okay. I will leave it at that.

Liz Smith (Mid Scotland and Fife) (Con): You have all been extremely helpful in telling us where you think the costs might have been underestimated and about some of the difficulties that we have to consider regarding the financial memorandum. Do you think that there could be more clarity about where responsibility for the costs will fall between national Government, local government and SEPA? Is there sufficient clarity on who will be responsible for which costs?

Kirsty McGuire: I did not pick up any issues with that. I thought that it was clear.

Charlie Devine: Clarity would be good for me, because I do not come from a regulatory background. It looks as if everybody has a role, but it is not clear who will lead.

Liz Smith: I asked the question only because, when the Net Zero, Energy and Transport Committee looked at the bill, there were some questions about who would be liable for specific costs and whether we need a bit more clarity in the financial memorandum or whether it is just a numbers game.

Charlie Devine: The way that it works at the moment means that we know the boundaries between SEPA and local government when it comes to an offence having taken place. I am not sure who would lead on some of the work that involves a multi-agency approach unless it was

designated, which would mean that it would become the leader's financial issue.

Liz Smith: That might be something that the committee can pursue.

I go back to behavioural change, which is critical to the whole debate. Do we need to do more to encourage the use of recycling centres, including by ensuring that they are open at the times that they say they will be open? There are certainly staffing issues in my local authority. Two or three recycling centres are going to be closed at certain times during the week, and the hours are going to be cut. Do we need to do more to encourage people to use recycling centres?

Kirsty McGuire: In South Lanarkshire, our centres are pretty well used. I know that because I tend to get complaints about queues. Lots of people use the centres at the same times, and then there are times throughout the day when they are not well used. We can understand that, because people are at work, college or university, for example. Everybody tends to use the centres at the same times. However, it does not seem to be an issue in South Lanarkshire. All our sites are open from 8 in the morning until 7 at night during the summer and from 8 to 4.30 or 5 o'clock during the winter, so we have quite long, generous operating hours.

Liz Smith: Has there been an increase in the number of people who are using the centres?

Kirsty McGuire: Everyone experienced massive increases during the pandemic, which caused us all serious issues. We have now returned to normal usage levels, which are pretty steady, but that is just from South Lanarkshire's point of view.

Liz Smith: I presume that there is scope for cost reductions if there is greater use of recycling centres.

Kirsty McGuire: No, because the costs just move somewhere else. Actually, it is probably more expensive to take waste through our recycling centres than through kerbside collections.

Liz Smith: That takes me back to my question about responsibility for the costs.

All the previous speakers have commented on behavioural change, which I agree is critical to solving a lot of the issues. We have a big job to do to get people to understand the implications of not taking a responsible attitude to waste management. I agree that there is a lot of confusion. In Perth and Kinross, two excellent new bins have appeared for cans, plastics and tins, but there are two existing bins that take the same things plus cardboard and paper. We now have other bins for those things as well. All those bins

exist and nobody is quite sure where to put anything. I cite that as an example. It would be very helpful if local authorities were extremely clear about what waste goes where, because that confusion must have a cost implication.

Kirsty McGuire: We all agree that communication is the key to that issue.

Before we leave the topic of civic amenity sites or household waste recycling centres, I note that they have a role in collecting materials that we do not accept at the kerbside, which is really important for recycling. Those include, for example, batteries, electrical goods and larger white goods. Across the country, we have an issue with lithium-ion batteries, but people can take them to civic amenity sites. The same is true for gas bottles. When they end up in the back of refuse collection vehicles, it causes major issues at materials collection facilities and energy-from-waste facilities. There is definitely a role for civic amenity sites.

Liz Smith: On public education and information, what have you found to be the most successful channel to ensure that people adhere to the right processes? Is it putting leaflets through doors or telling people that their bin is contaminated and they have to sort it out? What has been the most effective way of communicating?

Kirsty McGuire: We have recently invested more in door-knocking exercises. We have problems in flatted areas, where residents will put out rubbish and expect it to be removed. They will not phone for a bulk uplift despite the fact that South Lanarkshire Council still provides every household with one free uplift each year. That is really labour intensive, but we have found that there has been a benefit. We have sent our waste education team out to knock on doors, deliver leaflets and give one-on-one advice. That has made a difference, but it is costly and it is not feasible for us to do that across the wider area, because it is far too big for that.

Liz Smith: Is it possible to distinguish between the more rural areas, where you cannot be expected to go door knocking because it is too difficult, and the urban areas? Is there a better public information campaign in the urban areas than in the rural areas?

Kirsty McGuire: I would not say so, because we issue a lot of the communications South Lanarkshire-wide through social media platforms or websites. For example, the South Lanarkshire View website publishes stories on the subject. We concentrate our door-knocking efforts in the areas where we have a real problem, which tend to be our more built-up areas.

Liz Smith: That is very helpful.

Michelle Thomson (Falkirk East) (SNP): Good morning. Thank you for all the information that you have given so far. The session has brought out the considerable uncertainty about and complexity of what we are doing.

As the convener has pointed out, an FM should show the margins of uncertainty for any estimate. I often search for key words to get a picture. There is not any particular disclaimer of uncertainty but, if you search for the word “range” and look at the ranges, you will see that the ranges are vast in the estimates. Some of the figures for regulation range from £30,000 to £200,000. Basically, the bigger the range, the higher the uncertainty and the less accurate the estimate. I want to get your sense of that from a confidence point of view. A lot of information has come out this morning but, in addition to what you have already said, are there any particular areas where the range of estimate expressing uncertainty is so utterly huge as to be worth not very much at all?

Charlie Devine, you smiled at me, so you can go first.

Charlie Devine: I was thinking that we work in that world. We start off with a really broad range and, as we get more information, we start to narrow the range down to something that we can live with. That tends to be where we are but, as you say, the range is vast.

Obviously, each local authority is in a slightly different place, so everybody will have a different idea of it. As we mentioned, we need to invest money in certain parts of the service, such as communications, and it is about how we do that and where the balance is between having more communications and less enforcement. I always say that, if we have to enforce something, that means that everything else has failed. That has always been a big challenge. Do we have 10 people out there pushing the message and one person dealing with enforcement? That gives an idea of where the range would come into it. It is quite challenging to do that and to have more information. The only way to have more information is to be quite far down the line from where we are—probably beyond the financial memorandum.

Michelle Thomson: I will come on to that. My question is for either Kirsty McGuire or Jim Jack. Where is the range or number of ranges that are so vast by quantum that you think that they are almost worse than useless? You have put a lot of information on the table today, but I am trying to establish where the ranges are so vast that you think, “Well, this now becomes largely meaningless.”

Jim Jack: For me, it is about where the interventions work best. That is where, from a

local authority point of view, I am a bit uncertain. The chain—or circular economy—gets to the point that, if everybody plays their part, we must have something better at the end. However, if we introduce the local authority bit in the middle of the chain and there are no upstream or downstream changes, that makes it hard for us. That is certainly a bit that I struggle with, when I read through the financial memorandum to see what it means specifically for our council. I appreciate that that has not answered your question fully and maybe introduces something new into the mix, but there is a bit about the sequencing of the changes.

Michelle Thomson: I have probably made my point about the vast ranges. Both Charlie Devine and Jim Jack alluded to behavioural changes, and that is the element of uncertainty in the bill.

I want to pick up on something that my colleague John Mason asked about earlier. He used the terminology “good” and “bad”, but I am going to make it a little more academic and ask how much confidence you have in the estimates on a scale of zero to 10, where zero is no confidence and 10 is high confidence. I think that I can fairly reflect that you have expressed considerable uncertainty about what they mean for you, so this is not meant to be about apportioning blame; I am just trying to reflect where we are in the process. What number would each of you give for the FM where zero is “nul points”, literally, and 10 is a high degree of confidence?

10:45

Kirsty McGuire: I am going to go for a number under five—

Michelle Thomson: Is that a four, then, to be specific?

Kirsty McGuire: Yes. I understand the reason for the variations. It is pretty difficult to attribute costs when you do not have the full picture. We do not know what the secondary legislation will look like, what form the other legislation will take or what form the EPR scheme will take. To be fair to the people who wrote the financial memorandum, that makes it pretty difficult to put in any meaningful figures.

Michelle Thomson: Charlie and Jim, what numbers would you give?

Charlie Devine: I am trying to avoid sitting on the fence here. [*Laughter.*]

Michelle Thomson: Exactly—that is why I am asking for a number.

Jim Jack: I am in the same area as Kirsty McGuire, to be honest. It is tempting to say “five”, but that would not achieve what you want.

Michelle Thomson: No, no—I am not looking for anything in particular. I am just trying to get a measure on the table. You can choose between four and five. It is not a trick question.

Charlie Devine: I am slightly more optimistic. A lot of work is going into this. There is more to be done, but the work is there and it is on the right track. We just need a bit more work in the background and a bit more understanding of the other costs, rather than the ones that I have tried to address.

I do not think that we can narrow it down to a single function that we want to identify, because it is part of a chain of events that happens within local authorities to get to that stage. It would be helpful to have a bit more understanding of what the chain of events is and what the actual costs of that will be.

Michelle Thomson: You have led me on to my final question. In an ideal world, where would we go from here, recognising all the evidence that you have given this morning? In relation to co-design, which the convener mentioned earlier, what would you ideally like to happen to get to something that will up those scores, whereby we can all have more confidence in the FM?

I fully accept the different points that you have made about uncertainty, the complexity of this work and the role of councils. Fundamentally, do we need a continued exercise of co-design and the production of an updated FM, or are you happy for the extra work to slip under secondary legislation? If you had a choice, which approach would you choose and why?

Charlie Devine: It is a difficult one. I think that co-design at this level would be really difficult and it would probably lengthen the process considerably. However, if the work becomes part of the secondary legislation and it is done there, we will need to make sure that it is recognised that that could bring other changes and we might have to go back.

The co-design thing can be as big and complicated as you want to make it. We can see from other examples in the UK that they have spent a lot of time and effort and they have had to go back to basics again. It is important to recognise that. It is about involving all the partners and making sure that we are playing a proper part within the circular economy, but also making sure that it is viable and workable on the ground and that citizens can actually contribute to the system, rather than being brought in at the last minute and not understanding it.

We have spoken about communication, but we should probably do a test to see what the public’s understanding of the circular economy is at the

moment, given that it can take people time to figure it out at our level.

Michelle Thomson: I put the same question to Kirsty McGuire and Jim Jack. What do you think should happen now to move us on from where we are, in terms of co-design or secondary legislation?

Kirsty McGuire: Is this about whether we rework the financial memorandum at this stage or whether we wait until there is secondary legislation?

Michelle Thomson: That is an option.

Kirsty McGuire: If we get to the stage where there is secondary legislation, we will at least know the direction that we are travelling in. The uncertainty just now makes it really difficult, as I said. It might also be that, once we know more about what is happening in the waste sector, we will be able to come up with some better assumptions and more relevant costings.

Michelle Thomson: Do you have a final comment, Jim?

Jim Jack: I am of the same mind. The secondary legislation is perhaps the area that creates the biggest concern at the moment, because we do not know what it will look like. I totally appreciate Mr Devine's point that we need some progress and some parameters to work to. I suppose the concern for us is to ensure that one part is not locked down in isolation from the others. The scale between the two figures is quite large, so I would be minded to go that way.

Michelle Thomson: Okay—thank you.

The Convener: Thank you very much. That concludes questions from the committee. "Circular economy" is one of those phrases that just appeared and I do not think that the public really know a lot about it. It is like when Tony Blair came in in 1997 and "social exclusion" suddenly became the phrase that everybody used. I think that some education is needed in relation to the circular economy.

I am just going to say one thing. The financial memorandum itself points out that it does not have all the answers. For example, it says in paragraph 33:

"It is not possible at this stage to provide definitive estimates about the extent of any additional costs or benefits to local authorities that would be associated with the introduction of enforcement tools for local authorities in relation to householders' recycling obligations".

The financial memorandum admits that it does not have the full answer there.

I thank all three of you for giving evidence. It is greatly appreciated. We will take evidence on the bill from the Scottish Government at our meeting

on 7 November. With that in mind, do any of you have any final points to make? Is there anything that we have not touched on that you feel that we should have? Are there any specific points that you want to ensure that we do not omit when the minister comes before us in a couple of weeks' time?

Kirsty McGuire: I do not have anything to add. I think that we have covered everything.

Charlie Devine: No.

Jim Jack: No.

The Convener: Okay. Thank you very much.

That concludes the public part of the committee's work today. We will move into private session to consider our work programme. We will have a wee break until 5 to 11 to enable our witnesses and the official report to leave.

10:52

Meeting continued in private until 11:12.

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