

Built Environment Forum Scotland (BEFS) is an umbrella body for organisations working in the built environment in Scotland. Drawing on extensive expertise in a membership-led forum, BEFS informs, debates and advocates on the strategic issues, opportunities and challenges facing Scotland's historic and contemporary built environment. BEFS is a supporting member of the [Climate Heritage Network](#).

Other relevant consultation responses from BEFS can be seen below, as many issues overlap and demand associative consideration:

CIRCULAR ECONOMY ROUTE MAP & CIRCULAR ECONOMY BILL (22/08/2022)

BEFS welcomes this consultation on the Circular Economy Route Map to 2025 and Beyond (running concurrently to the Consultation on the Proposal for a Circular Economy Bill), which we consider to be a broadly holistic, ambitious and well considered series of measures. As we have raised in previous consultations – most notably and recently in BEFS response to the draft NPF4 – the existing and historic built environment, whilst often recognised in part, lacks full integration; existing buildings, infrastructure and planning are positive solutions across a variety of areas, they should not sit separately.

THE ROLE OF LOCAL GOVERNMENT AND ITS CROSS SECTORAL PARTNERS IN FINANCING AND DELIVERING A NET-ZERO SCOTLAND (21/01/22)

In this consultation response, BEFS highlights the role the existing built environment can play in a sustainable circular economy. Adapting, repurposing and reusing buildings presents an enormous opportunity to provide carbon solutions, solutions which can provide benefits to economy, people and place.

BEFS will be responding only to relevant questions of the consultation, as below:

Circular economy strategy

1. Is a statutory requirement needed for a circular economy strategy?

BEFS recognises the statutory requirement for a circular economy strategy and accompanying regulations and enabling framework, and would note related comments made in BEFS comment piece 'We can't incentivise our way out of climate change <https://www.befs.org.uk/latest/existinghomesallianceframework/>'

2. Is there anything else you would like to say about a circular economy strategy? (Section 1 – 5)

BEFS has previously issued responses detailing role that the existing built and historic environment can and should play in a sustainable circular economy, and would reiterate the importance of its inclusion in a circular economy strategy.

The embodied energy present, and the potential for positive interventions is huge. Adapting, repurposing, and reusing our current building stock presents an enormous opportunity to provide skilled employment, carbon solutions, and more homes.

Whilst BEFS would promote maintenance, retention, and reuse of buildings primarily there are also mechanisms which help to promote circularity of building materials. [Material Passport](#) schemes are being

considered in various countries and the arguments for sustainability and circularity could suggest this is a path worthy of exploration.

BEFS also supports the comments made previously by RICS:

“Within the built environment; as a first principle, there needs to be a significant shift in focus towards incentivising re-use over demolition”

Alongside enforcement and legislative measures there needs to be a culture shift, in particular in relation to the re-use of existing buildings and infrastructure. BEFS would here note the importance of complimentary incentivisation to enable meaningful change:

- Incentivisation for use and reuse of traditional buildings through income tax powers. A previous example being the HMRC, Business Premises Renovation Allowance (2007-2017).
- Enabling, through conservation and continued use, the full potential of Scotland’s built heritage asset by removing unequal application of taxation and VAT on restoration, maintenance and conservation works, whether through graduated relief or other fiscal incentives.
- BEFS would again advocate for incentivising a culture change, driving maintenance, retention, reuse and repurposing of existing heritage assets rather than the current default to ignore, replace or dispose of them. We would further add that maintaining what we have is also a particularly Scottish issue, as highlighted in a [2020 BRE report](#): the UK has the largest proportion of pre 1946 housing stock in the EU, 37.8% compared with the EU average of 22.3%, and Scotland is markedly higher, with 52.9% of housing being built pre-1946. Traditional properties form a fifth of Scotland’s overall housing stock. This helps to demonstrate the scale of the climate, and social, good that could be effected by policies embedding maintaining and appropriately retrofitting these homes, and our public buildings, as part of circular construction practices.

BEFS reiterates that not only valuing the embodied energy in our buildings, and assessing full-lifecycle considerations, but that also considering policies to support a circular economy which incentivises a culture change towards driving maintenance, retention, reuse and repurposing of our existing built environment will be key to meeting Scotland’s ambitious targets; for a green recovery, promoting a circular economy, meeting established climate targets, and positively intersecting with societal responsibilities.

3. How should circular economy strategies be aligned with climate change plans and other environmental targets (including biodiversity goals)?

BEFS would strongly note the need to align these measures with existing policies and strategies, in particular the National Planning Framework 4 (NPF4). We consider it essential that there are clear delivery mechanisms for construction – and therefore adaptation of existing buildings – within a circular economy and would welcome a focused strategy on this. Delivering within the existing policy landscape and strategies, in particular NPF4 and Our Past, Our Future - Scotland’s strategy for the historic environment - recognise the positive contributions the existing built environment has towards achieving Scotland’s ambitious environmental targets.

Further, alignment and clear links with the Scottish Governments [Just Transition in Construction and Built Environment discussion paper](#) would be a welcome and cross cutting method of ensuring that our existing built environment and infrastructure are considered holistically. BEFS has participated in feedback sessions on the discussion paper, reiterating the points above, and suggesting that the focus on manufacture within construction could usefully incorporate manufacture focused towards maintenance and fabric first approaches – this is particularly pertinent within the context of a circular economy.

As well as UN; SDG 12, UN:SDG 11 *Sustainable Cities and Communities* must also be considered within the concept of the circular economy. Wider issues related to the built environment and sustainability and the UN:SDG 11 are discussed in a paper by BEFS within the [UWS-Oxfam](#) report.

BEFS supports the comments made by RICS, which merit repeating here in full:

“...given the scale of the challenge – with construction and demolition accounting for half of all waste produced in Scotland – we believe a construction-specific circular economy and sustainability strategy is required.

Given the scale of the problem, the built environment also provides an enormous opportunity to realise real change. This predominantly means a culture shift towards the long-term stewardship of built assets, with a flexible view of how buildings can be used in the future, and an incentivised programme of retrofit and re-use.

1. *RICS is strongly supportive of work to accelerate the adoption of best practice standards. We are working closely with industry and governmental partners develop novel, data driven guidance that provide a standardised method for measuring, reporting and benchmarking carbon and cost. The public sector can lead the way in adopting the use of such standards within its own procurement and funding programmes. See Q10 for further detail.*
2. *Incentivising the refurbishment of buildings, over demolition and rebuild, is crucial for the future sustainability of the sector, and should be embedded throughout the building standards and planning regimes in Scotland. This long-term stewardship of built assets, with regular maintenance and retrofit plans, and a flexible view of how that building can be used while protecting its cultural heritage. While we welcome the Government’s support for the campaign to reduce VAT for home improvement works, we believe the Government should look at alternative fiscal levers within its powers, such as a demolition levy (see Q10 for further information on the CIOB’s research in this space). Clearly, demolition and new buildings will be required in order to meet societal demands over the coming years, but a hierarchy of preferences that incentivises re-use as a first port of call for developers should be introduced.*
3. *A Scottish Programme for Reuse of Construction Materials and Assets, that could match supply with demand and minimise carbon emissions through transportation and manufacture, would be incredibly beneficial to supporting the start of a truly circular built environment sector. There are a number of interesting industry-led developments in this space – including those being looked at by EALA Impacts – but to realise such an initiative at scale would require Government-backing. Efforts should be made to align with UK initiatives in this space.*
4. *Recycling will play an important role in the waste management hierarchy and avoiding landfill, therefore we support the investigation of how this innovative method to encourage recycling would work in practice, and its potential benefits.*
5. *Prioritisation should be given to recovery and re-use. As such, secondary aggregates should not be the primary focus of work to build a circular economy. However, RICS supports this initiative as a step in the right direction in improving productivity and reducing waste within the construction process.”*

Circular economy targets

1. Are statutory circular economy targets needed?

Should targets be implemented BEFS would stress the need for accompanying guidance, support, and capacity/resource building to enable delivery.

2. Is there anything else you would like to say about powers to introduce circular economy targets? (Sections 6 and 7)

Not answered.

Restrictions on the disposal of unsold consumer goods

1. Do you think there is a need for additional regulation restricting the disposal of unsold consumer goods?

Not answered.

2. Is there anything else you would like to say about the disposal of unsold consumer goods? (Section 8)

Not answered.

Charges for single-use items

1. Should Scottish Ministers have powers to make regulations that require suppliers of goods to apply charges to single-use items?

Not answered

2. Is there anything else you would like to say about charges for the supply of single-use items? (Section 9)

Not answered.

3. How do you think Scottish Ministers should use their powers to have the greatest impact in transitioning to a circular economy?

As noted above, a full transition to circular economy will depend on holistic decisions, and cross portfolio working.

BEFS would also highlight previous comments made by RICS, outlining other workstreams:

“The circular economy strategy should address each of these issues, setting out how the Government can take a leading role in promoting best practice, procuring for value over price, and incentivising sustainable practices across the built environment.

- **Procurement:** RICS, along with various industry and governmental partners, are working towards a shared understanding of the need to procure for value over cost, taking into account lifecycle costs, carbon, longevity, and quality. **The Government has a key role to play in demonstrating best practice.** RICS has supported the development of the [Value Toolkit](#), advocating a shift towards value over price, and a move away from unsustainable costing.
- **Fiscal Incentives:** The current fiscal environment incentivises demolition and rebuilt over retrofit and re-use. There is a VAT discrepancy, whereby home improvement works are charged at 20%, and there are other incentives, such as non-domestic rates, which can encourage the demolition of empty buildings. While we welcome the Scottish Government’s support for the VAT campaign, **the Government should look at alternative methods within its fiscal competence to address this discrepancy.** Examples include the Chartered Institute of Building’s (CIOB) calls for a demolition levy ([click here](#)).

- **Standardisation and Accounting:** Working alongside organisations across the built environment sector, RICS has taken the lead in developing a standardised method through which to measure, report and benchmark carbon and cost in the built environment. Such standardisation, and the ability to compare carbon and cost alongside each other, is essential in developing actionable insights in order to decarbonise the built environment. Further, it is essential that a more holistic accounting method is used to assess new construction projects, that incorporates lifecycle, carbon and social costs in order to gain a comprehensive understanding of the true opportunities of a more sustainable approach. **The Government should demonstrate best practice by being at the forefront of adopting and promoting these novel standards and guidance, embedding them in the day-to-day business activity of build environment companies.**

o **WhileLifeCarbonAssessment:**Howtomeasurecarbonacrossthelifecycleofbuilt environment projects.

o **International Cost Management Standard – 3rd Edition:** Reporting the carbon and cost implications of projects, and helping to benchmark against comparable initiatives.

o **BuiltEnvironmentCarbonDatabase:**Anevolvingsourceofcarbondaainthebuilt environment, with cross-industry support.

o **UKNetZeroCarbonBuildingsStandard:**WorkingwiththeUKGreenBuildingCounciland other organisations to develop a new Zero Carbon Standard for both new and existing buildings.

Net zero

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

1. Do you think the Bill will play a significant role in achieving these net zero targets? Please give your reasons.

Yes

2. There is a Policy Memorandum accompanying the Bill. This aims to set out the underlying reasons why the Scottish Government thinks the Bill is necessary. Did you find the discussion under “Sustainable Development” in the Policy Memorandum helpful or unhelpful in terms of understanding what impact the Bill would have in terms of reaching these net zero targets?

[Read the Policy Memorandum](#)

BEFS welcomes links to UN Sustainable Development goals and looks forward to opportunities to participate in the development of subordinate legislation and guidance in future.

General comments or aspects not in the Bill

1. Are there any areas not addressed by the Bill that you believe should be included? If so, what are they?

As above - adapting, repurposing, and reusing our current building stock presents an enormous opportunity to provide skilled employment, carbon solutions, and more homes. If fully recognised within measures towards a circular economy, the skilled work provided through these channels would be positive for national

and local economic recoveries. The opportunity of retrofit would create labour-intensive, localised job creation. BEFS has frequently lobbied for skilled, green employment in relation to this work.

2. Are there international examples of best practice in legislation supporting the transition to a circular economy?

Whilst BEFS would promote maintenance, retention, and reuse of buildings primarily there are also mechanisms which help to promote circularity of building materials. [Material Passport](#) schemes are being considered in various countries and the arguments for sustainability and circularity could suggest this is a path worthy of exploration.

BEFS responses to a number of Consultations in relation to the Built Environment can be found at: <https://www.befs.org.uk/resources/consultations/>

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The Scottish Parliament would like your permission to publish your consultation response. Please indicate your publishing preference: **Publish response with name**

We will share your response internally with other Scottish Parliament policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Parliament to contact you again in relation to this consultation exercise?

YES

I confirm that I have read the privacy policy and consent to the data I provide being used as set out in the policy. **I CONSENT**