

Submission from the Forum of Private Business

Introduction

The Forum of Private Business is a not-for-profit organisation which supports micro and small businesses throughout the UK, with 1,800 members based in Scotland. We provide our members with a range of services, including representation of their views to decision-makers in Westminster and Holyrood.

We recently surveyed members of our Scotland panel to gather their views on the zero waste policy – prior to the publication of the draft waste regulations. We found that members were generally supportive of the policy, with many feeling businesses had been lagging behind households in this area for some time. However there were some concerns about the impact of the policy, particularly in terms of time and cost.

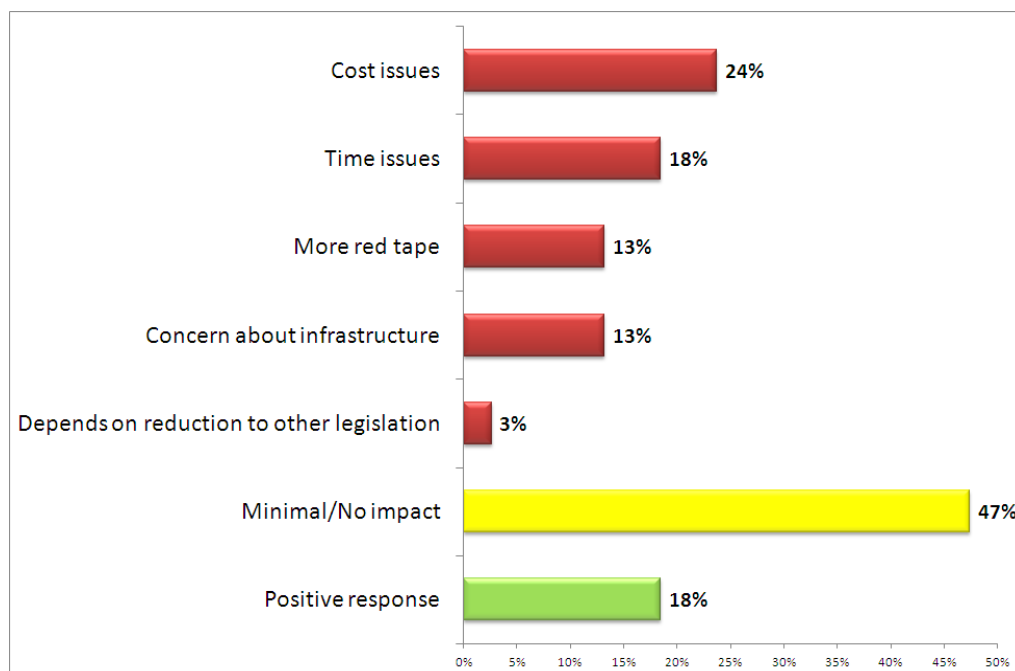
The impact on small businesses

Overall, members of our Scotland panel supported the general aims of the policy and understood the reason behind its introduction. A number of respondents felt that businesses were behind in terms of recycling and believed they had a duty to protect the environment, meaning they were willing to bear the associated costs of implementing the policy.

“As any business there would be a cost and time element involved, but we have to be aware that we are only here for a short time and we have to do our best to ensure that when we leave we are leaving something that can still be improved upon and not leaving a disaster behind.” Panel Member

As can be seen in Figure 1, a large number of respondents, 47%, felt there would be minimal impact of the policy on their businesses, while 18% of respondents felt there would be a positive impact from the plans.

Figure 1 – impact of the zero waste strategy



The positive elements identified including improving Scotland's standing overseas and a belief that the policy would lead to greater investment in recycling facilities for businesses.

However, some businesses were concerned about the impact of the policy. The time and cost implications of having to use employees to sort the waste were a worry, while others felt that the infrastructure was not in place or that recycling would exclude key elements of waste (this was anything from carpets to cardboard).

"It would depend on the ease of complying with the regulations and whether their schemes had space for new businesses. I looked into recycling more paper through the council and they could not take on any more businesses to the scheme they had up and running." **Panel Member**

"Dramatic - there is only one "totally food waste recycling business" in our area and the charging structure on top of already excessive charges made worse by the local authority closing the "business" waste disposal unit would be a disaster." **Panel Member**

Businesses were also concerned about the cost of waste disposal as owners felt that they were already in effect subsidising homeowners for domestic recycling and that this could be used by cash-strapped councils to subsidise social policies, at a time when businesses could least afford it. Storage was also an issue and many felt that it would be cheaper and more effective to sort at a central recycling point.

Reducing the burden on businesses

It is essential for policy roll out that central government, local government and the Scottish Environment Protection Agency (SEPA) have the support of small businesses during implementation. Therefore the zero waste team must ensure the impact of the policy on small businesses is minimal. Small businesses are already facing numerous red tape - 74% of Scottish members surveyed felt the time spent complying with regulation had increased during the past two years¹ – and any additional regulations must be carefully considered to ensure they do not harm economic growth.

The Forum supports the Government's aims for better regulation and provides input through our position on the independent Regulatory Review Group. We understand the impact of the waste regulations on business has been considered and we were pleased to see the publication of the draft Business and Regulatory Impact Assessment (BRIA). We also welcome the decision to exempt small business from the food waste requirements until 2015. It is the very smallest businesses that are impacted most by regulations such as these and as such they need additional time to become compliant.

Yet we feel the BRIA only goes so far in estimating the impact on small firms. The cost benefits of the policy to businesses may have been overestimated meaning that the net cost to businesses may be greater than anticipated. Additionally, as BRIAs have only been in place a short time, there is little data on their accuracy and they may not be able to predict unintended consequences. Now the draft bill has been published we urge the Government to consult businesses more widely, particularly the smallest businesses. The zero waste strategy team must also ensure plans are in place to fully inform

¹ Forum of Private Business cost of compliance research
www.fpb.org/images/PDFs/surveys/Referendum_196_report.pdf

businesses of the changes during the implementation stage. The draft plans include a number of online options to inform small firms, but appears to be lacking in terms of a helpline for businesses and television or leaflet marketing.

As well as the informing businesses of the changes, the zero waste team must work with local authorities to ensure a smooth roll-out. The Forum is concerned that the recycling infrastructure may not be in place to support the policy. A number of panel respondents stated that existing business recycling facilities in their area are oversubscribed, while others have been closed due to cuts. Sufficient recycling infrastructure for businesses must be in place before the policy is implemented in order that small firms do not struggle to comply with the legislation.

Finally we believe the Government should consider giving start-up firms a period of grace to comply with the rules. The amount of red tape can confuse business owners that are just starting out and it can take them time to work out what compliance procedures need to be put in place. We would not like to see young struggling firms handed fines due to issues with waste collection, therefore we feel they should be given a period of a grace during the first few weeks of trading in order to get to grips with the rules.

About the Forum of Private Business

The Forum of Private Business is a proactive, not-for-profit organisation, providing comprehensive support, protection and reassurance to small businesses.

The organisation aims to deliver an exceptional service to its members, adding value through the provision of practical, tailored solutions that promote business success, and by being their voice in government.