

MANIFESTO FOR RESOURCES 2015

Policy proposals for
the General Election





INTRODUCTION

The industries that make up the resources sector (recycling, reprocessing, re-use, repair and remanufacturing, and resource management) are integral elements of the UK's emerging circular economy and contribute strongly to employment, growth and carbon reduction.

Every day, we demonstrate the economic value and impact of good environmental business practice.

In a recent study, the Government estimated that the core resources and waste sector generated £6.8bn in gross value added (GVA) and supported a minimum of 103,000 jobs in 2013.¹

We do a vital job for the UK economy, resource efficiency and environmental protection. But we could do so much more. Ours is an industry which has grown significantly in the last fifteen years, but with much unrealised potential that could be delivered with a strong and clear strategy for resource management and the circular economy.

For example, a major study recently estimated that a more ambitious policy programme for the circular economy could deliver half a million jobs (gross), with a net reduction in unemployment of over 100,000 by 2030.² Even continuing broadly on the

current policy trajectory could deliver over 200,000 jobs, with over 50,000 net jobs and reduced unemployment, especially in lower- to medium-skilled occupations and in regions with greater need of action, such as the West Midlands, Yorkshire and the Humber and the North East.

This potential would also be more likely to be effectively delivered if the UK were to remain a leader and active participant in the European Union (EU).

The EU has led on so much of the work that has delivered strong economic and environmental benefits in the resources and waste sector, and we urge UK politicians to stay the course and recognise these benefits that membership and continued active engagement in the European Union would bring.³

¹ Defra (2015), 'Resource management: a catalyst for growth and productivity' https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/401453/resource-management-catalyst-growth-productivity.pdf – also notes that 'Broadening the definition to include repair, re-use and leasing activity that help extend the life of products, the contribution to the economy could be much greater. Data for 2013 suggests it could have been as high as £41bn to approximate GVA (aGVA)³ and 672,000 jobs, with £18.9bn of this being generated in the automotive sector, but it is difficult to determine exactly how much of this directly relates to activity that extends the life of products and reduces waste.' (Paragraph 3)

² Green Alliance and WRAP (2015), 'Employment and the circular economy: Job creation in a more resource efficient Britain' <http://www.green-alliance.org.uk/resources/Employment%20and%20the%20circular%20economy.pdf>

³ Resource Association, CIWM, ESA, ADBA and REA jointly agreed a statement identifying the benefits of EU membership to our industry, as part of the EU Balance of Competences Review <http://www.resourceassociation.com/page/eu-balance-competences-review-joint-response>



PRESENT SITUATION

THE NEED FOR CHANGE

The potential for the circular economy just described requires a longer-term and deeper policy commitment than presently exists. It needs an intelligent mix of fiscal incentives and penalties, smart regulation, enforcement of existing rules and a fresh approach to using public procurement as a lever to deliver demand for products that use recycled material and meet circular economy objectives.

Current responsibility for resources policy spreads across many Government departments, which often act in confusing, un-coordinated and even contradictory ways. This creates uncertainty in the industry amongst all actors in the supply chain from local government through to designers and end users of products and investors. In recent years, the Government has 'stepped back' from interventions in resources and waste policy, especially in England, while Wales and Scotland continue to advance stronger long-term ambitions for resources which are now reaping rewards in delivery.

There are growing demands from a wide cross section of the resources industry – from recyclers, reprocessors, waste companies, manufacturers, brand owners and local councils to name a few – for fresh impetus to be injected into this developing part of the economy, that builds on the successes to date of the last fifteen years and prepares us for the challenges of climate change, resource security and job creation that a strong circular economy can deliver.



REALISING THE POTENTIAL OF THE CIRCULAR ECONOMY

DELIVERING GREATER RESOURCE EFFICIENCY AND CREATING JOBS AND GROWTH THROUGH A **RESOURCE MANAGEMENT AND CIRCULAR ECONOMY ACT**

In this Manifesto for Resources 2015, the Resource Association sets out a series of measures we believe add up to a comprehensive strategy that could be initiated by the next Government. We believe the time is right for a fresh impetus, and that this should be underpinned in law by a new Resource Management and Circular Economy Act. This Act should boost the resources economy by providing the building blocks for an intelligent, data-led resources strategy that sends clear signals to industry and investors that the UK is taking a long-term approach to issues of resource security, scarcity and efficiency and the building of the circular economy.

A Resource Management and Circular Economy Act should, as a minimum:

- Establish on a statutory basis an **Office for Resource Management (ORM)** with full cross-departmental co-ordination authority on resources policy, in line with the recommendations of the Materials Security Working Group report on the creation of an ORM.⁴ Its first task should be the urgent commissioning of a fundamental review of the environmental and economic case for action on resource use, scarcity and efficiency (along the lines of the Stern Review on climate change) feeding into the conversion of the current Waste Strategy into a Resources Strategy.
- Establish a **statutory duty on businesses to collect and submit data on waste and resource use**, to aid full understanding of material flows and impacts and infrastructure planning. This duty should be placed on the regulated and licensed businesses that provide waste and resources collections.
- Introduce a combined approach to tackling biodegradable municipal waste by bringing forward a **ban on biodegradable waste to landfill with a duty to provide food waste collections accessible to every household by 2020**. This should extend to landfill and eventually incineration bans on key recyclables as markets and end uses for recyclates are fully developed, in a time frame to 2030.
- Introduce a **requirement for businesses to separately collect key recyclables (paper, glass, metals and plastics) and food waste from their premises**, as already introduced by the Scottish Government.
- Establish a **statutory duty for local authorities to publish an End Destination Register for Waste and Recyclate** and extend the duty to their contractors to provide the required data, as part of a necessary move to improve public confidence in the recycling process by generating greater transparency of operations.
- Establish a **ban on the collection of glass co-mingled with other recyclates**, expressly requiring glass to be separately collected to significantly improve the quality and reduce the contamination in many collection systems that mix glass to the detriment of all other materials' use.

⁴ Materials Security Working Group (2015), An Office for Resource Management

BEYOND THE URGENT NEED FOR A RESOURCE MANAGEMENT AND CIRCULAR ECONOMY ACT

DRIVERS TO ACCELERATE THE DELIVERY OF A CIRCULAR ECONOMY

We propose several further measures for action, either through the emerging Office for Resource Management or indeed for more urgent attention should the restructuring of Government responsibilities prove slower than is necessary. Our priorities for action are:

- Urgent action to refocus Government and its agencies' existing resources on the need to catalyse demand for products that utilise recyclate. This should be done through a **new Resources Industry Infrastructure Action Plan** that identifies the next actions needed on recycling market development, building on the original work and remit of WRAP and examining all necessary aspects of action needed – including assessment of barriers as well as opportunities. It should recommend a target for overall increase in recyclate tonnage reprocessed in the UK by 2025 which could be incorporated into the proposed legislation. It should also undertake urgent research into the feasibility of **legislation for minimum recycled content in key product streams**, prioritising those most urgently in need of underpinning with legislation, such as plastic bottles.
- Commitment of **new investment to tackle waste crime** at home and illegal exports of waste sent as recyclate, recognising the value to HM Treasury of increasing tax revenue by reducing tax evasion through waste crime.
- Commission an **independent review of product design** in relation to barriers to recyclability, and identify a 'route map to recyclability' for those products that currently utilise material combinations that militate against effective recycling (allowing for certain exemptions such as specific medical products). If voluntary agreements to change product design prove too slow, legislation should be used to prohibit specific material combinations in products, in line with the review.
- Undertake a **full review of the Packaging Recovery Note system** for producer responsibility for packaging and packaging waste, in the context of the future needs of a resources strategy – with completion of urgent and immediate reforms to the issue of PERN to create fairer trading conditions for UK reprocessors.
- Undertake a **review of public procurement rules**, not just to identify and remove barriers to the procurement of recycled products, but to establish minimum standards for procurement of resource collection services. These should include communications, education and enforcement costs to be established as essential requirements.
- Establish the case for the early **introduction of an Incineration Tax** to further accelerate the move towards a circular economy by extending the disincentive on disposal. This should be combined with the **revision of the Landfill Communities Fund (LCF)** to incorporate a Tax Credits scheme based on the revenues from the Incineration Tax using similar criteria for qualification as the present LCF, but extending this to the reintroduction of a revised Category C for waste prevention, re-use, repair and circular economy-related innovations and projects, and recycling market development research and development.
- As part of a move from waste strategy to resources strategy, consider the potential for **review of recycling targets as the primary measure of success** and examine the case for the use of residual waste per capita, re-use per capita, carbon and other measures as better metrics that capture the intentions of a circular economy-based resources strategy.



CONCLUSION

We acknowledge that this Manifesto is a significant shopping list of policy measures, but it reflects the need and the depth with which policy in this area requires review and rejuvenation – and also therefore the potential which we and many other industry stakeholders see in the future for the resources sector and the growing circular economy to deliver the jobs, growth and resource security that the country needs.

ABOUT US

The Resource Association is a trade association for the recycling and reprocessing industries and their supply chain. We focus on championing the value of UK reprocessing and recycling in terms of employment, resource efficiency and integrity, carbon reduction and our role in the low-carbon, green economy.

It works with Governments across the UK, the European Commission, other trade associations and stakeholders with shared interests. Our member companies and organisations represent an estimated £2.7bn contribution to UK GDP, the recovery and recycling of just under 7 million tonnes annually and the employment of around 10,000 people. Further information at www.resourceassociation.com

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