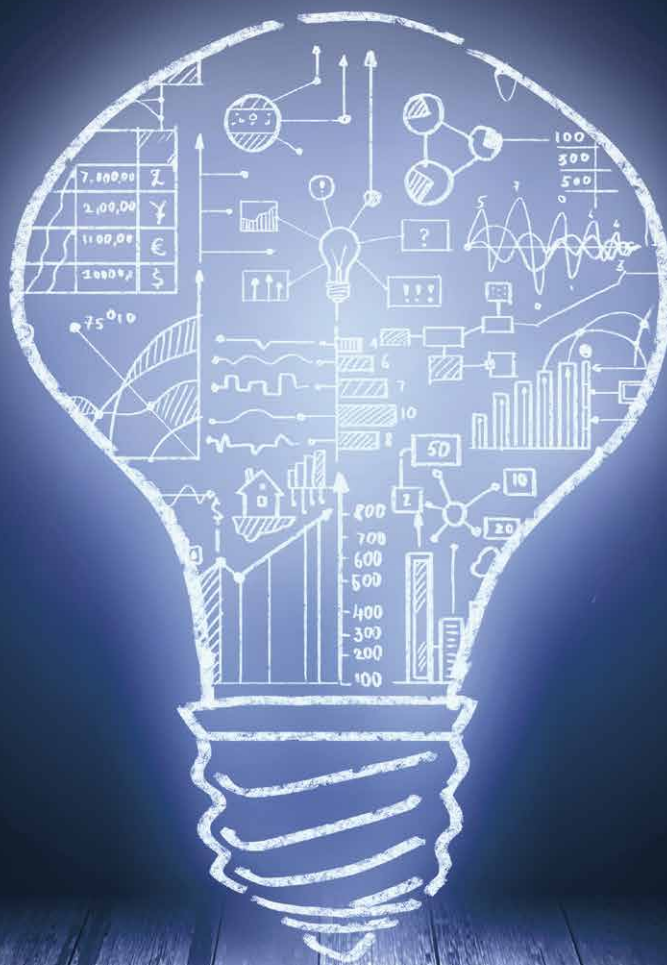


Sustainable resources & waste management:

priorities for the new UK government



May 2015

Introduction to Resources and Waste UK

Resources and Waste UK (R&WUK) is the newly created partnership between the Chartered Institution of Wastes Management (CIWM)¹ and Environmental Services Association (ESA)². It is a unique partnership of the professional institution and trade association at the heart of the sustainable resources and waste management industry in the UK. It has been created to form a single voice in the interests of championing the future of resource management.

Contents

Executive Summary	3
Foreword	4
Priority 1: Support and improve waste collection and recycling performance	6
Priority 2: Improve the climate for investment in circular economy infrastructure to deliver sustainable growth and jobs	8
Priority 3: Boost domestic demand and markets for recyclates	10
Priority 4: Create the right regulatory balance to clamp down on waste crime while encouraging legitimate business	11
Priority 5: Stronger government co-ordination of resources and waste policy	12
Priority 6: Positive engagement in policy development for resources and waste at an EU level	14

1 CIWM is the professional institution for the UK's resource and waste management sector. It has approximately 6,000 individual members based predominantly in the UK, 2,500 of which are Chartered Waste Managers

2 ESA is the trade association for the UK's resource and waste management sector. We work with our members to transform waste and resource management across the country. This work helps enable our members to turn Britain's waste into valuable resources, whilst continually protecting the environment.

Executive Summary

Resource and waste management is a dynamic and growing sector in the UK, with the potential to underpin and secure sustainable economic growth across the whole economy. With a new UK government taking shape, and significant policy and local government developments on the horizon in Wales, Scotland and Northern Ireland, R&WUK has outlined six key policy areas for 2015 where it believes government and industry action is needed.

Priority 1: Support and improve waste collection and recycling performance

With the EU 50% recycling target on the visible horizon, recycling showing signs of flatlining or even falling in some parts of the UK, and ongoing pressure on local authority budgets, R&WUK feels that there is a clear rationale for additional government support and intervention. Local authorities must be adequately resourced to meet government expectations, and additional support on food waste, communications, and hard-to-engage audiences is likely to be needed. While household recycling is the current priority, recycling provision for UK businesses must also not be ignored.

Priority 2: Improve the climate for investment in circular economy infrastructure to deliver sustainable growth and jobs

To maintain the progress made in the last two decades and meet the more ambitious policy framework that is evolving through the Circular Economy agenda, the UK must focus on delivering the right infrastructure for the future. Measures to strengthen strategic planning, de-risk investment in commercial and industrial waste treatment capacity, and derive maximum value from our wastes at a local, national and UK level are among the proposals put forward by R&WUK.

Priority 3: Boost domestic demand and markets for recyclates

In order to tap into the economic and environmental potential of the Circular Economy agenda, the UK needs a strong demand for recycled material to feed the manufacturing sector and improve UK plc's resource efficiency and security. The UK's reprocessing infrastructure is currently experiencing challenging operating conditions as a result of global market forces and the low oil price. Boosting domestic demand for recyclates would help to stabilise and support UK reprocessors and provide a degree of protection against global market volatility. Among the actions proposed by R&WUK are a renewed focus on pull mechanisms such as standards and procurement specifications, financial incentives to increase recycled content, and measures to mitigate market price risks.

Priority 4: Create the right regulatory balance to clamp down on waste crime while reducing burdens on legitimate business

Waste crime continues to be a priority, with both economic and environmental consequences for local communities, local authorities, the legitimate waste industry, and the public purse. R&WUK's main recommendations include adequate funding for UK regulators, tougher surveillance, enforcement and sentencing powers, and a stronger 'technical competence' regime. The system must shift the cost of regulation and enforcement towards poor performers and illegal activities, and reward good practice by reducing the burden on legitimate and responsible operators.

Priority 5: Stronger government co-ordination of resources and waste policy

Sustainable waste and resource management contributes to a range of important environmental, economic and social agendas including energy diversity and security, sustainable economic growth and resource efficiency, and climate change. Co-ordinated policy making is essential to ensure that this sector can make the maximum possible contribution, and R&WUK is calling for visible joined-up working between government departments, a new 'Stern'-style review on resources, and a formal Waste Strategy for England to provide a clear and ambitious roadmap in a similar way to other UK countries.

Priority 6: Positive engagement on policy development for resources and waste at an EU level

The European Union has been responsible for setting the majority of the vision and policy for sustainable resources and wastes management over the last 10 to 20 years. R&WUK believes that it will continue to do so and that, regardless of the UK's relationship with the EU, our industry and those around us will be subject to EU policy and standards. It is essential, therefore, that the UK government actively and positively engages in the development, delivery and monitoring of environment policy at an EU level, with the Circular Economy package as an immediate priority.

Foreword

R&WUK is the new CIWM and ESA partnership company. Its purpose is to influence the future of the rapidly developing sustainable resources and waste management industry, drawing on the expertise and knowledge of the two partners and their members³. We need a clear 'voice' on the things that really matter to champion the future of resource management and R&WUK gives us exactly that. It also allows both parties space and flexibility to speak as distinct entities if they wish, and to work with other parties across the industry – either together or separately.

This partnership is the result of long and hard work between the two organisations. It has not come about by chance. Both organisations spotted the need to work together and with the imminent election of a new UK Government, 2015 was an ideal time to do it⁴.

The new Government will have many priorities but we want them to play their full part in delivering a more resource efficient and resource secure economy whilst protecting people, the environment and future generations. We also need a Government that is prepared to work with businesses to create the right environment and to influence positively in Europe – the seat of much of the vision and policy in resource management – setting standards that are readily adopted both at home and around the world.

Together, we recognise the richness and strength of leadership and ideas flowing from all four UK national Governments. Through R&WUK we will encourage them to work together to provide a stable and supportive policy environment for better resource management in all sectors. We also want them to learn from each other and from other governments. And we want them to work with and learn from the individuals and businesses actively engaged in keeping resources working and putting wastes back to work.

Our sector offers economic and jobs growth⁵. We can bring future security for raw materials, and help all other sectors around us be more resource efficient and competitive in both home and export markets. BUT we need a Government ready, willing and able to do that with us.

This report identifies six key policy areas where R&WUK wishes to see Government action:

1. Supporting and improving wastes collection and recycling performance
2. Improving the climate for investment in circular economy infrastructure to deliver sustainable growth and jobs
3. Boosting domestic UK demand/markets for recycled materials
4. Creating the right regulatory balance between hitting waste criminals hard and reducing burdens on legitimate businesses in the industry
5. Delivering coherent resources and waste policy across Government departments and between the four UK Governments
6. Engaging positively in policy development for resources and wastes at a European level

3 CIWM and ESA already work in partnership:

- engaging with other institutions and associations through the Trade Association Group, comprising CIWM, ESA, the Resource Association, the Institution of Civil Engineers, the Renewable Energy Association, and the Anaerobic Digestion & Bioresources Association
- delivering the *Resourcing the Future* conference which also has the Resources Association as a partner
- contributing jointly to the CIWM magazine for both memberships
- encouraging both memberships to work together at a regional level through CIWM centres together
- forming the Waste Management Industry Training and Advisory Board (WAMITAB)

4 R&WUK Co Ltd was formally created on 17 January 2015

5 The sector is hard to define but employs 100,000 to 150,000 people directly, is worth over £12 billion per year turnover and has consistently grown faster than UK inflation (*Resource Management: A Catalyst for Growth and Productivity*, Defra, February 2015.)

Our industry has a role to play too and together CIWM and ESA will accept this challenge and work with partners wherever they can be found to help deliver these priority objectives. The European Roadmap to a Resource Efficient Europe underlines the importance of the task and its contribution to prosperity and sustainability⁶:

“Businesses are facing rising costs for essential raw materials and minerals, their scarcity and price volatility are having a damaging effect on the economy. Sources of minerals, metals and energy, as well as stocks of fish, timber, water, fertile soils, clean air, biomass, biodiversity are all under pressure, as is the stability of the climate system. Whilst demand for food, feed and fibre may increase by 70% by 2050, 60% of the world’s major ecosystems that help produce these resources have already been degraded or are used unsustainably.”

It is a task that needs to be accomplished in just one working lifetime and success will only be possible if this industry, its people, its partners and its Governments work together. We hope R&WUK will make a valuable contribution to this important agenda.



John Quinn
President of Chartered Institution
of Wastes Management



Peter Gerstrom
Chairman of the Environmental
Services Association



Steve Lee
Chief Executive of Resources
and Waste UK

⁶ Roadmap to a Resource Efficient Europe, European Commission, Sept 2011 http://ec.europa.eu/environment/resource_efficiency/about/roadmap/index_en.htm

Priority 1: Support and improve waste collection & recycling performance

The UK must meet an EU target of recycling 50% of household waste by 2020, as well as potentially higher targets by 2030, but there is growing concern that the progress towards the 2020 target is stalling. While Wales is moving ahead with a recycling rate of over 55% a renewed focus on recycling will be required to move beyond the 43% overall rate at which the UK has been flatlining for the past four years.

Local authorities are the main delivery agents for meeting the EU recycling target but have been subject to funding cuts of around 40% during the course of the last Parliament and into the new one⁷. To date, evidence suggests that budget savings have been delivered primarily through efficiency improvements. However, there is growing concern that further austerity will result in some councils being unable to meet all their statutory responsibilities, and that frontline services such as waste and recycling, which have been protected compared to other areas of spend, could be hit harder^{8,9}.

The UK average also masks distinct differences in performance – between Wales in particular and the rest of the UK, and also between urban and non-urban areas. Higher Welsh recycling levels have been achieved through a combination of clearer direction from central government, statutory targets placed on individual authorities, and funding support. The forthcoming tighter fiscal regime will test whether the rest of the UK can match Welsh rates but in a harsher spending climate.

Urban areas tend to struggle to match the higher performance rates achieved by non-urban areas. This is partly due to a combination of different budget priorities and pressures and higher density housing in urban areas, along with more transient and difficult to engage populations. But it is also a result of garden waste collections boosting composting rates in non-urban areas, an option largely unavailable to urban authorities.

A further challenge is the large number of different

types of collection services across the UK, with similar and neighbouring local authorities collecting different materials through different methods. This makes national-level communication and education around recycling more difficult and can lead to inefficiencies in the procurement of services and sub-optimal outcomes with regard to quality and access to recycle markets.

Other factors are also likely to impact on the recycling rate in the near future including more accurate measuring of recycling contamination (i.e. material that can't be reported as having been recycled that may previously have been counted) as a result of MRF regulations introduced in England, Scotland and Wales. While difficult to quantify, there is also the potential impact of the EU Waste Framework Directive requirements for 'separate collection', which in some cases may affect co-mingled collections introduced to boost recycling rates. Increased volatility in recycle markets, which has seen a reduction in prices and in UK reprocessing capacity, introduces a further challenge into the equation. These are serious issues in themselves, but they could be further exacerbated in the longer term given that any significant drop in the recycling rate is likely to have an adverse effect on public perception, confidence and participation.

While the immediate focus needs to be on municipal recycling, improved support for business waste recycling is also required, particularly for SMEs. While Scotland has implemented statutory business waste collections and Wales could be looking to follow suit through powers proposed in its forthcoming Environment Bill, the policy framework in England remains weak in this area.

There is a clear rationale for central government intervention to help boost stalling recycling rates. As well as avoiding potential infraction fines of almost £200m per annum for failing to meet the 2020 target, higher recycling rates would boost local employment, divert valuable materials from landfill, improve business resource efficiency and lead to savings in greenhouse gas emissions.

7 Under pressure: How councils are planning for future cuts, LGA, May 2014, <http://www.local.gov.uk/documents/10180/5854661/Under+pressure.pdf/0c864f60-8e34-442a-8ed7-9037b9c59b46>

8 Waste on the frontline; challenges and innovations, CIWM, February 2015, http://www.ciwm.co.uk/web/FILES/Technical/CIWM_Ricardo-AEA_Waste_on_the_Front_Line-Challenges_and_Innovations_Feb_2015_v3_Issued.pdf

9 The impact of funding reductions on local authorities, NAO, November 2014, <http://www.nao.org.uk/report/the-impact-funding-reductions-local-authorities>

To this end, the Government should:

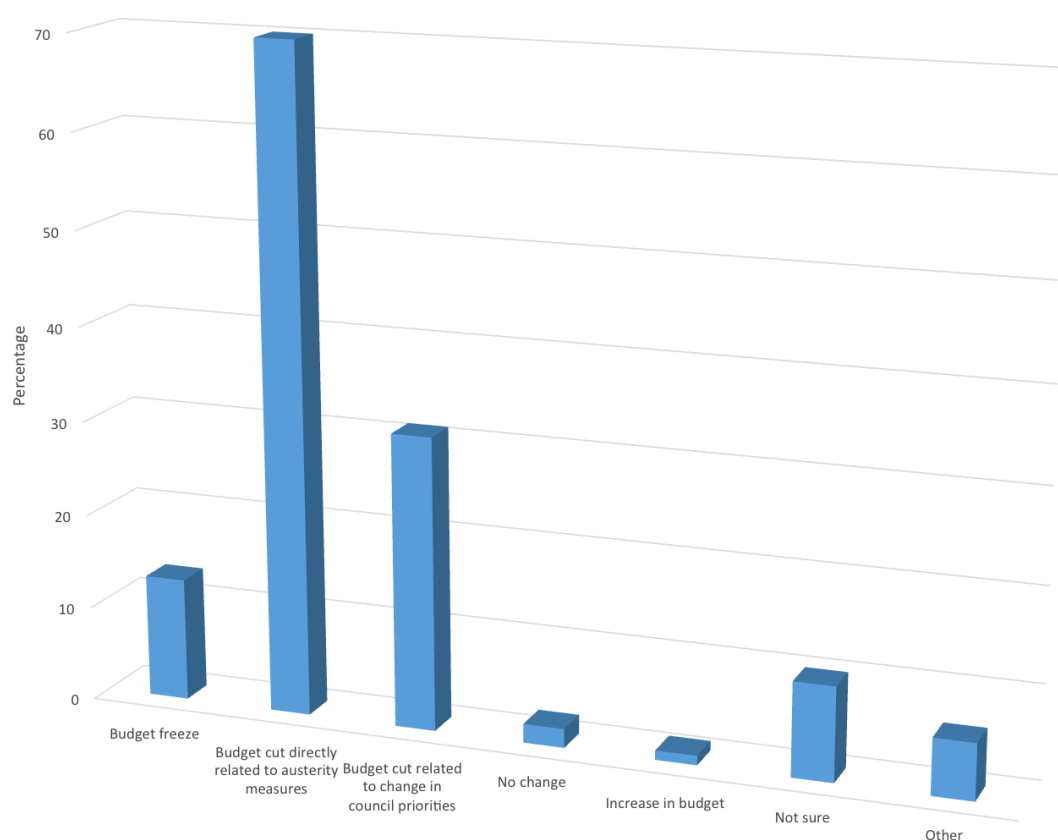
- Ensure that local government has adequate resources to meet all waste and resource management responsibilities and central government expectations
- Consult on the potential benefit of reintroducing statutory local government household waste recycling or landfill diversion targets
- Review potential opportunities for further efficiencies to be achieved through increased harmonisation of collections services
- Introduce meaningful pilot schemes of 'pay as you throw' for household waste to test the validity and potential impact of its broader introduction
- Support the increased roll-out of separate food waste collections and improvement in capture rates
- Provide targeted support for the local authorities facing the most serious challenges in increasing recycling rates in urban environments

- Amend the UK's Packaging Regulations to ensure that the polluter pays principle applies and Obligated Businesses pay fully for the recycling of their materials
- Maintain funding for WRAP and other relevant organisations to deliver information and advice on waste and resource efficiency to businesses

R&WUK and the industry will:

- Work with WRAP and other partners to develop a new national-level communications strategy aimed at householders
- Strengthen relationships with other parts of the supply chain to boost resource efficiency in all parts of the UK economy
- Continue to support the objectives outlined in the Responsibility Deal agreed in 2011 to help businesses to manage their waste more sustainably¹⁰

Expected changes to local authority budgets between 2015/16 and 2020/21



Source: Ricardo-AEA / CIWM 2015

¹⁰ Responsibility Deal between Government and the waste and resource management sector, Defra, June 2011, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/69406/PB13580-responsibility-deal.pdf

Priority 2: Improve the climate for investment in circular economy infrastructure to deliver sustainable growth and jobs

The UK has transformed its waste management performance in the last two decades, especially for municipal waste and recycling. Since the year 2000, for example, we have shifted from high dependence on landfill for all wastes to a point where:

- municipal waste recycling has increased faster than anywhere else in Europe to over 40% throughout the UK and above 50% in Wales;
- energy recovery from our waste has grown to over 10 million tonnes of capacity.

This is a success story in its own right but it still leaves the UK landfilling over 17 million tonnes of mixed waste, exporting around 2.5 million tonnes of waste-derived fuels to other parts of the EU, and in danger of stagnating in terms of recycling, re-use, and waste prevention. Realising the economic and environmental advantages envisaged in the EU's Roadmap to a Resource Efficient Europe¹¹, the UK will need a new generation of infrastructure and services to allow us to fully exploit waste as an important material and energy resource, and support improvements in resource efficiency and competitiveness across UK plc.

Efforts to improve the UK's performance on waste have been focused primarily on municipal waste – a reliable and relatively predictable feedstock for long term planning and infrastructure investment purposes. However, progress towards a more circular economic model will mean tackling commercial and industrial waste streams and will require many different treatment and recovery technologies. This in turn means addressing a number of challenges that have been highlighted for a number of years now by both CIWM and ESA¹²:

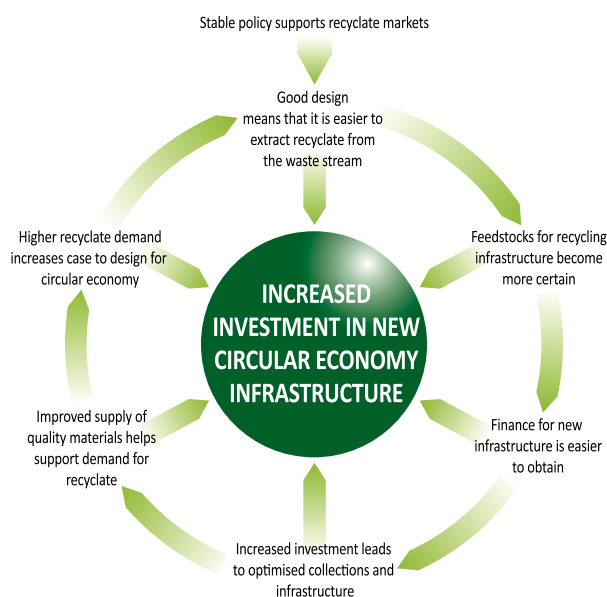
- the lack of a robust policy framework and data capture for C&I waste streams¹³
- policy instability with regard to incentives and financial support mechanisms, particularly for energy from waste technologies;
- a higher risk profile due to feedstock uncertainty

which constrains investment, particularly in a difficult economic climate such as the last seven years;

- the absence of any coherent national planning or industrial strategy to stimulate C&I waste recycling; and
- negative public perception of waste treatment facilities, most notably energy from waste but also increasingly other recycling and recovery technologies.

Addressing these challenges to ensure that the UK can plan, finance and build the infrastructure needed to move towards a more circular economy is, therefore, essential, but the benefits could also be significant. The industry has estimated that opportunities in circular economy infrastructure could help generate 50,000 new permanent jobs with £10 billion in capital investment. This would boost the UK's GDP by around £3 billion per annum¹⁴.

Figure 2: Supporting Circular Economy investment



Source ESA 2013

11 Roadmap to a Resource Efficient Europe, European Commission, September 2011 http://ec.europa.eu/environment/resource_efficiency/about/roadmap/index_en.htm

12 ESA written evidence to the EFRA Committee Waste Management in England enquiry, May 2014, <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/environment-food-and-rural-affairs-committee/waste-management-in-england/written/9413.html>

CIWM written evidence to the EFRA Committee Waste Management in England enquiry, May 2014, http://www.ciwm.co.uk/web/FILES/Consultation_Responses_2014/CIWM_EFRA_Waste_Management_response_May_2014.pdf

13 Commercial and Industrial Waste in the UK and Republic of Ireland, CIWM, October 2013, http://www.ciwm.co.uk/web/FILES/Technical/21st_oct_FINAL_CIWM_2013_President's_report.pdf

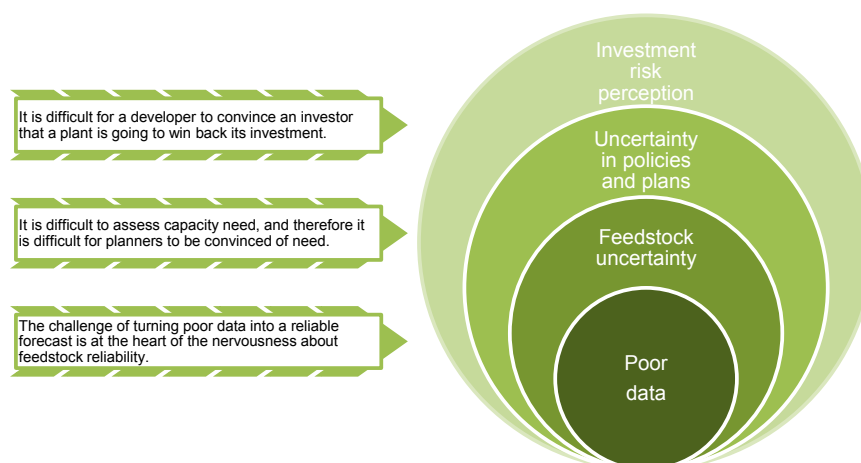


Figure 3: Layers of investment risk – The lack of sound data and agreed forecasts creates a ripple effect

Source: Ricardo-AEA / CIWM 2015

And, at the same time, reducing UK exports of refuse-derived fuel by creating more domestic capacity would provide a sustainable and reliable source of UK heat and power.

To this end, the Government should:

- Strengthen strategic planning for waste and all secondary materials (including the energy embedded in residual waste in all its forms including heat) at a national level, for example by including waste in the National Infrastructure Plan
- Support planning for waste and resource management at a larger-than-local level by linking it to economic development planning and strengthening the 'duty to co-operate' requirement on local authorities
- Issue a Call for Evidence on the design, operation, costs and benefits of landfill bans or restrictions across the EU to inform policy development on this style of intervention across the UK
- Recognise the potential risk, articulated by a number of leading industry stakeholders¹⁴, for future gaps in waste treatment infrastructure and ensure that a robust monitoring process is in place such that need and provision can be assessed in a reliable and timely way
- Explore additional financial support and de-risking mechanisms to encourage service and infrastructure provision to meet any capacity shortfalls – including a full review of the

role, funding and performance of the Green Investment Bank

- Use its first Finance Act to introduce new tax allowances for waste infrastructure expenditure to offset the loss to the industry of Industrial Building Allowances
- Amend the Energy Act to equalise support under the Contracts for Difference regime for all technologies which use residual waste or waste-derived fuels
- Amend the CRC Energy Efficiency Scheme to exempt recycling, sorting and reprocessing industries
- Introduce a planning obligation on new developments to use local area heat networks

R&WUK and the industry will:

- Co-operate with Government in generation and provision of waste and resource flow data and forecasts to support assessment infrastructure and services needs for waste
- Fully engage with the review of the GIB's impact to date and its future role
- Undertake and publish research into mechanisms to support the UK reprocessing sector¹⁶
- Work with public bodies to improve data mapping of material flows and support and promote the continued uptake of the Electronic Duty of Care (edoc) system

14 Going for growth: a practical route to a circular economy, ESA, June 2013 http://www.esauk.org/esa_reports/Circular_Economy_Report_FINAL_High_Res_For_Release.pdf

15 Capacity assessments produced by a number of stakeholders including SITA (Mind the Gap, <http://www.sita.co.uk/downloads/MindTheGapReport-SITAUk-1402-web.pdf>) and the Green Investment Bank (The UK residual waste market, <http://www.greeninvestmentbank.com/media/25376/gib-residual-waste-report-july-2014-final.pdf>)

16 Research commissioned by CIWM into whether the Packaging Waste Regulations remain fit for purpose – due for publication in October 2015

Priority 3: Boost domestic demand and markets for recyclates

In order to tap into the economic and environmental potential of the Circular Economy agenda, the UK and Europe need a strong demand for recycled material to feed the manufacturing sector as part of a green re-industrialisation of the EU. A thriving domestic market for UK recyclates would support domestic reprocessing capacity and enable more of the value of these secondary materials to the manufacturing supply chain to be captured within our borders.

At present, most waste and resource policy has so far focused on pushing waste out of landfill, without considering the demand side. This means while the UK reprocessing industry has expanded rapidly over the last decade, a significant proportion of the UK and EU's recycled materials continue to be exported to other parts of the world.

Weak domestic demand disincentivises recycling in a number of ways. A lack of demand for certain material streams and grades means that gate fee costs to waste producers (local authorities and businesses) are higher than they otherwise would be. Dependence on fewer outlets increases recycling markets' instability, constrains investor confidence, and can lead to increased stress during periods of low global prices (as has been the case during early 2015). At present, the combination of local authority budget cuts, a drop in the oil price from mid 2014, and a general downward trend in commodity prices are exacerbating the situation, threatening the viability of parts of the UK reprocessing industry.

To date, government policy has favoured an indirect approach to stimulating domestic demand for recycled materials through mechanisms such as sustainable procurement guidance and voluntary agreements with industry (e.g. WRAP's Courtauld Commitments). Until the recent focus by BIS on the UK bioeconomy, the UK's industrial strategy has also largely ignored the role of domestic secondary resources.

However, recent developments in the UK market, including significant oil price-related pressures on plastics reprocessors and the loss of around a third of the UK's paper reprocessing capacity, suggest that more direct intervention may be needed.

The UK's materials recovery industry has a turnover of around £8 billion and employs 30,000 people. Closing the loop domestically for more recycled materials would boost jobs and investment, and improve the UK's trade balance by reducing the need for imported resources.

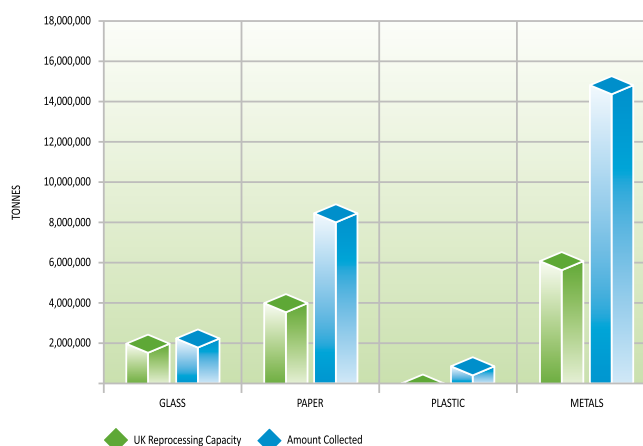
To this end, the Government should:

- Increase the specifications for recycled content and products in Government Buying Standards
- Lobby our EU partners to support amendments to the Principal VAT Directive to lower rates for products which contain higher recycled content
- Issue a Call for Evidence to explore options for varying Excise Duties on products depending on their recycled content
- As part of reforms to the PRN system, introduce measures to incentivise the use of recycled content in packaging (i.e. by reducing the size of the obligation for those packaging manufacturers which use recycled content)
- Support mechanisms to provide more stable secondary materials markets and to spread future materials price risks across the supply chain to encourage development of infrastructure, services and markets
- Review the effectiveness of Voluntary Agreements as a mechanism for driving sustainable behaviour in the supply chain

R&WUK and the industry will:

- Undertake and publish research into mechanisms to reduce exposure to volatile commodity markets¹⁷
- Provide best practice examples in tendering, partnership working and collaborative approaches to markets and procurement

Figure 4: Material collected compared to domestic reprocessing capacity



Source: WRAP, BMRA, CPI, European Container Glass Federation (published by ESA 2013)

¹⁷ The structure and operation of markets for trading in recyclates - research commissioned by R&WUK and due for publication in June 2015

Priority 4: Create the right regulatory balance to clamp down on waste crime while encouraging legitimate business

The problem of crime in the waste and resource sector is a growing blight and one which must be addressed as a matter of urgency. It is almost two years since a group of key industry bodies, the TAG (Trade Association Group)¹⁸, raised its concerns in a letter to the relevant minister¹⁹. The letter emphasised the economic and environment damage inflicted by waste crime, from flytipping which impacts negatively on our local communities to organised crime which subverts environmental regulations for illegal profit and damages the reputation of the sector.

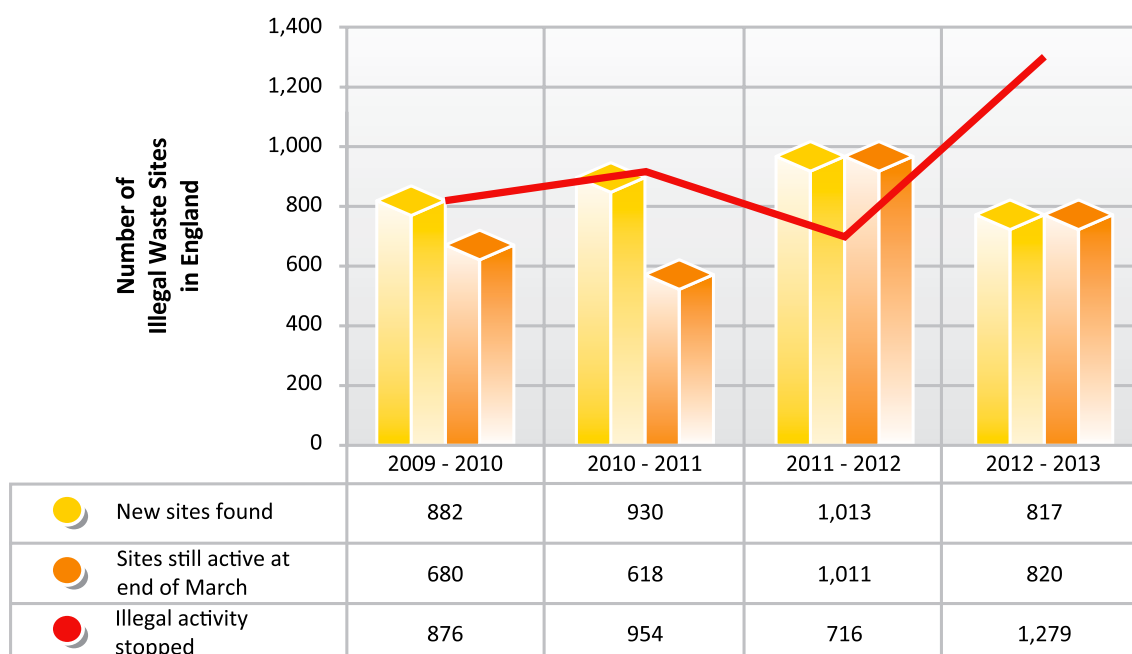
In March 2014, a report commissioned by the Environmental Services Association Education Trust²⁰ estimated the economic impact of waste crime to exceed £500m and put forward recommendations for a joint approach to tackling it. These included adequate funding for the Environment Agency, HMRC and other relevant departments and agencies, clearer and tougher sentencing, and measures to require waste operators to make adequate provision for the legal

disposal of waste they receive in case of business failure or negligence, or of clean-up in case of fire or other industrial accident.

The Government's response to these clear messages from the industry was that they would take 'tough and speedy' action against illegal waste operators and this was to take the form of consultation on a series of proposals aimed at improving the response to illegal activities and additional funding of £5 million to support Environment Agency enforcement capabilities. Both of these initiatives were widely welcomed by the sector and the funding secured in 2014 was followed up by an additional £4.2 million to the Environment Agency to tackle waste crime announced by the Chancellor in the 2015 Budget.

There is growing recognition that compliant waste businesses should not have to carry similar financial and regulatory burdens as poor performing and illegal operators and the current consultation reflects this in the measures proposed to tackle both of

Figure 5: Number of illegal waste sites



Source: Environment Agency 2013

18 The TAG group comprises CIWM, ESA, the Resource Association, the Institution of Civil Engineers, the Renewable Energy Association, and the Anaerobic Digestion & Bioresources Association

19 TAG letter, June 2013, http://www.ciwm.co.uk/web/FILES/Media/Waste_Crime_Letter_ESA_RA_REA_CIWM.pdf and Ministerial response http://www.ciwm.co.uk/web/FILES/Media/LdM_Waste_Crime.pdf

20 http://www.esauk.org/esa_reports/ESAET_Waste_Crime_Tackling_Britains_Dirty_Secret_LIVE.pdf

these problems. We therefore support the proposals in the recent Defra consultation paper²¹ to enhance enforcement powers at regulated facilities. Similarly, we back the proposal to support local authority enforcement powers through the introduction of fixed penalty notices for flytipping offences.

Waste crime harms the environment, defrauds the Revenue and undermines both the commercial viability and the reputation of the legitimate resource management industry. What is needed is a system that adequately rewards compliance and effectively penalises those who ignore or subvert the regulations and we welcomed the previous Government's willingness to take this issue seriously.

To this end, the Government should:

- Maintain and build on the progress that has been made to date by making waste crime a policy and funding priority
- Explore measures to shift the cost of regulation firmly towards persistent poor performers in the industry, reward good practice and raise standards through monitoring, compliance and permit charge schemes

- Continue to financially support waste crime units within UK regulators, which would provide a strong return on investment
- Empower regulators with full cost recovery abilities
- Strengthen local authority powers to address waste crime, including fixed penalties and surveillance powers
- Strengthen the Fit and Proper Person requirements and enforcement for waste management including technical competence and explore the use of targeted financial assessments and guarantees to protect the environment and public purse from illegal waste management and abandonment

R&WUK and the industry will:

- Share intelligence with environmental regulators to assist them in targeting illegal activity
- Work to promote best practice and raise standards of compliance across the industry through the provision of appropriate training, seminars and other learning opportunities.

Priority 5: Stronger government co-ordination of resources and waste policy

The waste and resource management sector contributes to a wide range of important environmental, economic and social agendas.

The sector:

- is a provider of secondary raw materials and renewable energy and a key facilitator for the circular economy;
- contributes to the climate change and carbon agenda by managing and reducing harmful greenhouse gas emissions;
- offers significant potential for economic benefit through growth and new jobs;
- provides the services needed by UK plc as a whole to become more resource efficient; and
- supports health and wellbeing in our communities by protecting local environmental quality.

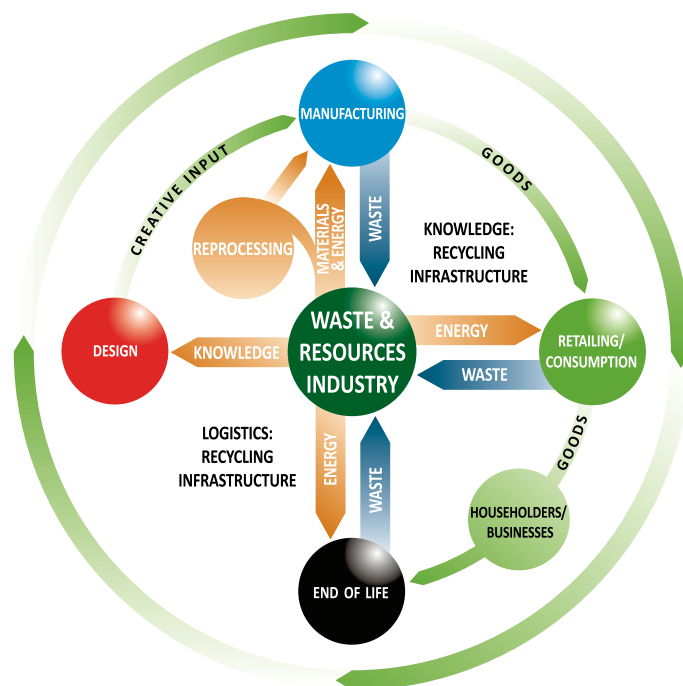
With waste being a fully devolved policy area, significant divergences in approach are emerging across the UK, with Scotland and Wales in particular showing greater ambition and commitment to holistic planning for resources than England.

R&WUK believes that it is essential, therefore, that the Government recognises that the management and husbandry of both primary and secondary resources is critical to both the UK's economic and environmental wellbeing in the long term. Independently and through the TAG, CIWM and ESA have both already repeatedly emphasised the need for more effective and co-ordinated policy making across government departments²². Given that the value of goods and services produced by the sector is over £12 billion a year, and it employs over 150,000 people, this must include the Treasury. The industry is expected to continue to expand, with the Treasury itself forecasting growth of over

²¹ <https://www.gov.uk/government/consultations/waste-crime-improving-enforcement-powers-to-reduce-persistent-non-compliance-at-waste-handling-sites>

²² <http://www.ciwm-journal.co.uk/archives/11277>

Figure 6: The waste and resources industry at the heart of the Circular Economy



Source: ESA 2013

3% for waste management and 4% in recovery and recycling (reference).

We therefore need a clear national strategic plan for waste and resources in England (the last Waste Strategy was produced in 2007; the last government review of waste policy was in 2011), linked into the wider resource and energy security, low carbon and circular economy agendas, and core industrial strategies.

As well as providing a vision and blueprint for the direction of travel, a robust strategy should address some of the key barriers and challenges of which both the industry and government are well aware: the availability of accurate data on all waste and secondary materials; planning for domestic resource recovery capacity and markets at a larger-than-local and national level; investment in infrastructure and skills; and meaningful progress on waste prevention. It would also help to ensure that the range of fiscal incentives and legislative drivers in this area work in harmony, without conflict or unintended consequences that detract from the desired outcome.

In addition to a national plan, the Government must also work closely with Scotland, Wales and Northern Ireland so that strategic waste and resource issues are discussed and co-ordinated at a pan-UK level. This is necessary both to ensure that in the face of European and global market trends and forces, the optimum resource management outcomes are

achieved for the UK as a whole. It is also necessary to ensure the sharing of learning from the different approaches being adopted across the UK.

To this end, the Government should:

- Recognise the importance of sustainable resources and waste management to the remits of several government departments through appointment of a clear 'policy lead' department and minister to coordinate policy and action.
- Commit to produce a new Waste Strategy for England, informed by commissioning an independent Stern-style review on resources and an assessment of the value and availability of secondary materials as an economic advantage to UK plc
- Develop and expand the national Waste Prevention Plan to strengthen the policy focus at the top of the hierarchy, including re-use and remanufacturing

R&WUK and the industry will:

- Map the sector's future skills requirements and potential gaps
- Work with public bodies to improve data mapping of material flows and support and promote the continued uptake of the Electronic Duty of Care (edoc) system

Priority 6: Positive engagement in policy development for resources and waste at an EU level

The EU has been responsible for setting the majority of the vision and policy for sustainable resources and wastes management over the last 10 to 20 years. We believe it will continue to do so and that, regardless of the UK's relationship with the EU under the next parliament, our industry and those around us will be subject to EU policy and standards.

This is a shared view by many business organisations including the CBI, whose Director General recently concluded: "Membership of a reformed EU and having access to the single market is fundamental to future jobs and growth in the UK"²³. This is echoed in the Aldersgate Group Manifesto²⁴ and the UK Environmental Law Association, which has concluded that "it is likely that the UK would have to continue with EU environmental regulations if it left the EU, but would have little influence over new policy"²⁵.

We believe that EU policy and direction has been a consistently positive force for waste and resource management across the board, raising standards across Europe. Some work is needed to help poorer performing states reach the necessary landfill diversion and recycling targets, but the majority of Member States have reached a stage where we need to think about what the next level of ambition looks like.

It is widely recognised that any future strategy must broaden that thinking out into the realm of resource efficiency and circular economics for all industry sectors, including design and manufacture, not just the waste sector. It is not simply about

environmental and resource security imperatives; many stakeholders have articulated the economic, business and social benefits of a 'circular economy' approach. For example, ESA's circular economy report²⁶ suggests that opportunities in circular economy infrastructure alone could help generate 50,000 new permanent jobs with £10 billion in capital investment, while a report published by WRAP and Green Alliance²⁷ estimates that the number of new jobs could rise to over 500,000 if wider circular economic activities are given a significant push.

Therefore, R&WUK welcomes the intent expressed by the European Commission to develop a more "ambitious" Circular Economy Package to set the objectives and standards for at least the next decade and believes that it is vital that the UK has a voice in shaping that package – a task likely to last for much of the next Parliament. The Commission has repeatedly made clear the positive contribution that greater resource efficiency makes to EU and national prosperity and jobs and both CIWM and ESA have reinforced this position through evidence to recent select committees and enquiries²⁸.

We also recognise that policy ambition regarding wastes and resources varies between the four UK countries, with Wales and Scotland in particular setting objectives beyond current EU policy but likely to be in line with the next phase of EU Circular Economy policy. We need to see a UK position regarding EU negotiations that reflects the thinking of all four national governments in line with the CIWM opinion submitted under the Smith Enquiry regarding future Scottish governance arrangement²⁹.

23 CBI response to Labour Business Manifesto, March 2014, <http://news.cbi.org.uk/news/cbi-responds-to-labour-business-manifesto/>

24 Priorities for the next parliament, Aldersgate Group Manifesto, December 2015, <http://www.aldersgategroup.org.uk/reports>

25 UKELA Balance of Competences response, August 2013, <http://www.ukela.org/content/doclib/260.pdf>

26 Going for growth: a practical route to a circular economy, ESA, June 2013 http://www.esauk.org/esa_reports/Circular_Economy_Report_FINAL_High_Res_For_Release.pdf

27 Employment and the circular economy: job creation in a more resource efficient Britain, WRA & Green Alliance, Jan 2015, <http://www.wrap.org.uk/content/employment-and-circular-economy>

28 CIWM written evidence to the EAC Select Committee enquiry on Transforming the approach to waste and growing a 'circular economy', April 2014, http://www.ciwm.co.uk/web/FILES/Consultation_Responses_2014/CIWM_response_written_evidence_EAC_-_April_2014.pdf

ESA written evidence to the EAC Select Committee enquiry on Transforming the approach to waste and growing a 'circular economy', April 2014, <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/environmental-audit-committee/growing-a-circular-economy/written/8746.htm>

29 Written evidence from CIWM to the Smith Commission Inquiry, Oct 2014, http://www.ciwm.co.uk/web/FILES/Smith_Commission_Inquiry_response_Oct_2014.pdf

To this end, the Government should:

- Confirm that regardless of any renegotiation of terms with the EU, it fully acknowledges and supports the role of EU-level environmental policy and regulation and will actively engage in the development, monitoring and further review of the EU Circular Economy package in particular
- Develop and articulate a coherent and positive position on the future EU Circular Economy package which reflects the opinion of all four UK national Governments
- Require fair and consistent data standards, metrics and reporting under all appropriate EU-driven targets to allow realistic comparison between Member States' performance and to support the review and development of evidence-based policies and interventions
- Argue for the introduction of longer term financial instruments to drive behaviour change on resource consumption across the whole supply chain from raw materials through to supply and use of recycled materials or recovery of value from wastes. This should include assessment of the full range of 'push' mechanisms for secondary materials, including all existing targets, together with 'pull' mechanisms to stimulate industry demand for these materials. In particular this

should include full exploitation of the business advantages of using secondary materials. The potential for differential VAT rates for materials, raw materials levies and the development of new or tightened Extended Producer Responsibility mechanisms should also be explored

- Support the development and monitoring of Improvement Plans for Member States who cannot meet the various targets under the appropriate EU Directives, Regulations etc. Compliant states must be able to see that the needs of non-compliant countries are recognised but that over time all Member States will drive for the same standards and levels of achievement

R&WUK and the industry will:

- Fully support Government in all appropriate EU negotiations
- Provide data and information as evidence for policy development and to allow full reporting to support monitoring and review of UK performance and the effectiveness of EU policy and interventions
- R&WUK will actively seek opportunities to promote the UK sector's interests and views at a European level to influence the circular economy agenda



Email: info@resourcesandwasteuk.co.uk

Web: www.resourcesandwasteuk.co.uk

R&WUK is a not-for-profit company | Company No: 03489593

Resources and Waste UK (R&WUK) is the newly created partnership between the Chartered Institution of Wastes Management (CIWM) and Environmental Services Association (ESA). It is a unique partnership of the professional institution and trade association at the heart of the sustainable resources and waste management industry in the UK. It has been created to form a single voice in the interests of championing the future of resource management.