

MANIFESTO FOR RESOURCES 2017



INTRODUCTION

A fresh focus on making the UK's economy more resource efficient would have strong twin environmental and economic, irrespective of the UK's future relationship with the European Union. As political parties prepare manifestos for the 2017 General Election, we challenge them all to:

- **Make a long-term commitment to the development of a circular economy, encompassing much greater resource productivity and efficiency for UK industry;**
- **Send clear signals to our industry about the levels of ambition and impact they see the circular economy having, providing us with a strong and stable policy direction to encourage investment;**
- **Guarantee that existing environmental standards and protections will remain in place as a minimum and commit to exploring improvements, regardless of the outcome of Brexit negotiations;**
- **Commit to placing high-quality recycling and consistency in household recycling collections at the heart of resources policy, recognising the importance of this to a healthy and sustainable UK manufacturing base utilising recovered materials;**
- **Become champions for the value and potential of the circular economy and the role of the resources sector within it, recognising our foundation role in the UK economy and the ambition we have for our industries.**

A circular economy approach to UK industrial development would be transformatory with social, economic and environmental benefits. It requires new thinking and approaches to policy, using ecosystems as a sustainable model for industrial development and utilising the natural efficiency of resource cycles¹.

Today, often, natural resources are mined and extracted, turned into products and ultimately

discarded. In a circular economy, the resource loop should be closed, with wastes from industrial processes and products (as well as homes and commerce) becoming inputs for other industries. Resource efficiency is maximised and waste is minimised.

The Ellen Macarthur Foundation, which was established in 2010 to accelerate the transition to a circular economy, defines it as:

Looking beyond the current 'take, make and dispose' extractive industrial model, the circular economy is restorative and regenerative by design. Relying on system-wide innovation, it aims to redefine products and services to design waste out, while minimising negative impacts. Underpinned by a transition to renewable energy sources, the circular model builds economic, natural and social capital.²

In practical reality, this can mean many things, including improving products' durability, repairability and recyclability; remanufacturing products (i.e. rebuilding products to the specifications of the original manufactured product using a combination of reused, repaired and new parts); minimising waste, resource and energy loss from industrial processes and construction; implementing systems of industrial symbiosis, in which the wastes or by-products of one company or industry become the raw materials for another; recycling basic key materials such as paper, glass, plastics and metals; reducing emissions to air, water and land; and replacing non-renewable resources with renewable materials.

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 reductions in negative impacts of society on the environment. Every day, we demonstrate the economic value and impact of good environmental business practice.

In a recent study³, 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.

We do a vital job for the UK economies, 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 study⁴ 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. 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.

¹ See Felix Preston, A Global Redesign? Shaping the Circular Economy (Chatham House, 2012).

² 'What is a circular economy?' at <https://www.ellenmacarthurfoundation.org/circular-economy>

³ 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 "this might be considerably more if 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." para 3

⁴ 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>

THE PRESENT SITUATION: BREXIT AND BEYOND

The potential for the circular economy just described requires a longer-term and deeper policy commitment than presently exists in England. In Scotland, policy on the circular economy is much more advanced with marked progress also emerging in Northern Ireland and particularly on quality and high-performance recycling in Wales.

For a circular economy to develop well, ingredients include 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.

Brexit and the negotiations that are expected to accelerate after the Election present important challenges for our industry as they do for many others. Our central premise in this Manifesto is to embrace the potential of the circular economy, regardless of the outcome of the Brexit negotiations. The circular economy and the benefits of greater resource efficiency should be intrinsic to any future UK economy.

TEN STEPS TOWARDS A CIRCULAR ECONOMY

In this Manifesto, we have focused on key areas that we consider important steps for Government to make in moving towards a circular economy. Given the dominant context of this General Election, our desire is to indicate actions any Government could take that we believe would send clear signals about our future direction of travel.

Ten Steps towards a Circular Economy:

1. Undertake a comprehensive review of English waste policy, transforming the present policy base into a resources and circular economy strategy for England, with maintenance of the existing 2020 legislative framework as its starting point and commissioning a fundamental review of the environmental and economic case for action on resources use, scarcity and efficiency (along the lines of the Stern Review on climate change). 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.
2. Establish a statutory duty on businesses to collect and submit data on waste and resource use, to aid full understanding of materials flows and impacts and infrastructure planning. This duty should be placed on the regulated and licensed businesses that provide waste and resources collections.
3. Introduce a combined approach to tackling biodegradable municipal waste by bringing forward a ban on biodegradable waste to landfill with a duty to provide separate food waste collections accessible to every household by 2025. This should extend to landfill and eventually incineration bans on key recyclables as markets and end uses for recyclates are fully developed, in a timeframe to 2030.
4. Introduce a requirement for businesses to present separately key recyclables (paper, glass, metals and plastics) and food waste from their premises as already introduced by the Scottish Government.
5. 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 necessary data, as part of a necessary move to improve public confidence in the recycling process by generating greater transparency of operations.
6. Establish a ban on the collection of glass commingled with other recyclates, expressly requiring glass to be separately collected (including sorted at the kerbside) to significantly improve the

quality and reduce the contamination in many collection systems that mix glass to the detriment of all other materials use.

7. Implement a fresh approach to identifying 'demand-pull' measures to catalyse demand for products that utilise recyclate. We propose again 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 include assessment of fiscal measures that could accelerate re-use and recycling including use of recycled content (except for metals where it is considered an inappropriate policy measure). 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. It should also 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 certain 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.
8. 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. We urge Government to direct regulators to adopt a consistent approach to enforcement of export rules for recyclate and strong targeting of real waste criminals.
9. 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 necessary reforms to the issue of PERN to create fairer trading conditions for UK reprocessors.
10. 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 guidance for procurement of resource collection services, to include sensible and sustainable need for communications, education and enforcement costs to be established as essential requirements and the establishment of a duty on local authorities to market recyclable materials in line with current recognised industry quality standards. The Scottish Excel Procurement Programme provides a valuable exemplar and we advocate adoption of similar for England, Northern Ireland and Wales with the extension of the proposed 'marketing duty' to Scotland as well.

CONCLUSION

The prize of a circular economy that can become the resource efficient foundation of a future UK economy, regardless of the outcome of the Brexit negotiations, is one we hope will be embraced by the next UK Government. We commend these Ten Steps proposals to all the political parties in the forthcoming General Election and look forward to continuing the dialogue with the new Government.

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