



CIWM

CIWM - A Resource Productivity Manifesto

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A proper focus on resource productivity and efficiency is vital to the UK's future economic, social and environmental development, including tackling climate change. CIWM, the leading professional body for resource and waste professionals in the UK, is therefore calling on all the political parties to commit in their manifestos to:

- Ensure that current environmental standards are maintained and that the UK continues to show ambition on delivering clean growth and a better environment, irrespective of Brexit
- Embed better resource productivity and efficiency as a key strand of government economic and environmental policy
- Provide a clear and stable future policy direction to 2030 and beyond, taking account of the development of the EU Circular Economy framework

The resource and waste management industry can make a dual contribution to future UK prosperity. Firstly, as a dynamic sector that already provides over 100 000 jobs and almost £7bn Gross Value Added to the economy. Secondly through the vital role it can play in improving resource productivity and efficiency in the UK through sustainable waste practices and the supply of the quality secondary raw materials and green energy. The sector can help the UK provide 'inclusive growth' and employment, both because management of secondary resources derived from waste can support local economic development and because industrial growth and new infrastructure (e.g, housing) requires appropriate waste management services and facilities. This potentially means creating more job opportunities in some of the UK's traditional low growth/high unemployment areas. Transitioning to a resource efficient, low carbon economy will require a renewed focus on skills related to low carbon growth, resource productivity and efficiency.

Environmental standards

The Analysis

Decades of action by lawmakers and the resource and waste management sector have significantly reduced the negative effects of resource use and waste generation in the UK and elsewhere. However, primary resource extraction continues to alter the environment here and overseas, and the pressure on natural resources will only increase with population growth. Waste is also an ever-present challenge; waste inappropriately handled continues to blight our countryside as litter or fly-tipping; plastic fragments in the oceans damage aquatic life and make it into our food chain; decaying waste creates the potent greenhouse gas methane; and hazardous materials in the environment cause damage to human health and the environment globally. In addition, extracting and handling resources and managing waste consumes energy and water, other valuable resources. There is, therefore, an extremely strong case for continued action to address these issues with a robust regulatory framework to ensure the responsible and efficient management of resource and waste. Currently, most of that framework in the UK comes from EU law.

Waste crime in the UK is also widespread and increasing, from small-scale fly-tipping through to large scale, organised waste crime involving millions of tonnes of waste. It is estimated to cost the

UK economy well over £500m a year in lost taxes and profits (HMRC estimates the lost landfill tax from waste mis-description alone at £150m a year).

The CIWM Ask

Ensure that current environmental standards are maintained and that the UK continues to show ambition on delivering clean growth and a better environment, irrespective of Brexit

- Produce a long-term strategy to protect and enhance the UK environment
- Enshrine current environmental protections in a new, binding Environmental Protection Act
- Continue to tackle waste crime by:
 - providing suitable resources (money and legal powers) to the environment agencies and HMRC to fight waste crime
 - strengthening awareness of the legal obligations amongst businesses and householders, so less material can enter the illegal waste world
 - making the use of electronic Duty of Care systems compulsory for all waste producers and handlers

Resource productivity

The Analysis

Predictable and affordable access to materials is an essential part of delivering industrial competitiveness, sustainable economic growth and long term business security. Resource availability and security has for some years been identified by UK plc as a potential future risk. According to the manufacturers association EEF “UK manufacturers have consistently highlighted that high material prices and security of supply is a threat to growth”. Almost a third of profit warnings issued by FTSE350 companies in 2011 were attributed to rising resource prices. Significantly increased price volatility in some commodity markets, and moves by several leading economies to lock in exclusive access to some minerals, are also creating risks for the UK economy.

For the priority growth industries in the UK, an assessment of the resource implications is therefore essential; for example, raw materials are the biggest cost driver in the automotive industry (circa 47%), more than double the cost of labour (circa 21%).

An additional risk is the impact of austerity on local authorities’ ability to maintain and improve recycling services for the municipal waste stream, and the latest figures show the UK’s recycling rate has started to slip backwards.

The CIWM Ask

Embed better resource productivity and efficiency as a key strand of future government economic and environmental policy

- Monitor and report on whole-economy and, where practical, sector-specific resource productivity
- Ensure the post-Brexit regulatory framework supports resource productivity (promoting resource efficiency, waste prevention, reuse, sharing economy, etc) and a more circular economy
- Through WRAP, Innovate UK and other similar means, provide support for innovation on resource productivity and waste management
- Strengthen or introduce a coherent set of extended producer responsibility schemes for a suitable range of waste streams (packaging, mattresses, electrical and electronic equipment, tyres, etc.) to share the costs more equitably across the supply chain, including local authorities,

incentivise more resource efficient product design, and enable investment in recycling infrastructure

- Recognise resource productivity and waste management skills as part of STEM and provide support (beyond apprenticeships) for resource productivity upskilling in smaller firms in all manufacturing sectors

Stable and ambitious policy direction

The Analysis

The resource and waste management sector is shaped and driven by policy and regulation. Clear medium to long term policy and ambition is needed to support future investment in the sector, particularly as much of the investment (aside from the collection of municipal waste) is now expected to come from the private sector and can have multi-year lead times and return on investment periods. However, England currently lacks a formal strategy for waste (though there is now a welcome strategy on litter) and the current framework only extends to 2020. Likewise, the developers of waste-derived renewable energy infrastructure have struggled to justify investment against a background of frequent, significant and, in some cases, very sudden changes in the incentives framework.

Likely growth in waste volumes (linked to population and economic growth) could see the cost to local authorities and businesses go up by £260 million to £485 million per annum without further action to reduce waste and improve reuse and recycling.

Landfill capacity is falling rapidly and overseas markets for the UK's refuse derived fuel (RDF) are showing signs of levelling out and may be negatively impacted by Brexit. In addition, the current delivery programme of new UK Energy from Waste facilities is coming to an end. There is serious concern that the UK will hit a capacity gap in residual waste treatment infrastructure post 2020 unless there is significant further investment.

The situation for recycling is also concerning. An assessment made in 2016 by the Environmental Services Association suggests that there is almost no new public sector procurement of recycling infrastructure through their members currently in the pipeline for England. With 15% of the UK's current recycling capacity likely to end its useful life between now and 2020, this could see a reduction in household recycling rates of 5% and the loss of 8,000 jobs.

The CIWM Ask

Provide a clear and stable future policy direction to 2030 and beyond, taking account of the development of the EU Circular Economy framework

- No stepping back from the existing 2020 framework for resource management, in particular the 2020 EU landfill diversion and recycling targets
- Adopt the EU Circular Economy package proposals in the UK once agreed, followed by a properly consultative review of its elements where appropriate
- Produce a comprehensive resource productivity and waste management strategy for England, consistent with the targets in the Climate Change Act, setting the direction of travel out to 2030 and beyond

Conclusion

The next UK Government must continue the journey towards a clean environment and better resource productivity. To do so will require an ambitious, forward-looking and stable policy direction.