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Comprehensive Spending Review 2020 Submission

Submission from CIWM (Chartered Institution of Wastes Management) and IOM3 (Institute of Materials, Minerals & Mining)

Resources & waste management: contribution to net zero and resource productivity

A growing body of evidence demonstrates that reaching net zero emissions requires us to become much more resource efficient across society. This fundamental link between decarbonisation and resource productivity and efficiency is also acknowledged in a number of recent Government strategies, including the Industrial Strategy ambition to double resource productivity by 2050 and the Clean Growth Strategy ambition to making the UK a world leader in terms of competitiveness, resource productivity and resource efficiency. The Government's 25-year Environment Plan and subsequent Resource & Waste Strategy set out a range of policies to deliver these ambitions.

The successful implementation of these policies is not only an important priority for decarbonisation, however, but will also contribute to the priorities outlined for the current Comprehensive Spending Review to strengthen economic recovery from COVID-19, support job creation and promote a 'levelling up' of economic opportunity.

Scenario analysis carried out by WRAP in 2013 on the benefits of moving towards a more circular economy ([WRAP's vision for the UK circular economy to 2020](#)) indicates that substantial progress in recycling, repair and remanufacturing, together with major development in reuse and new business models in the UK, could by 2030 avoid the use of circa 20 million tonnes of material and divert 40 million tonnes to economically productive uses. This could generate additional economic value of around £75 billion, create around 500,000 gross jobs and permanently lower unemployment by around 100,000.

The resources and waste sector also has significant potential to promote geographically inclusive growth. Its services and infrastructure are required across the country, and as one of the most dynamic sectors and one of the few to grow during the 2007-2009 economic downturn, this sector offers significant opportunities for employment at all skills levels and across a range of disciplines. Defra's 2015 assessment of the sector ([Resource management: a catalyst for growth and productivity \(February 2015\)](#)) states that: "*Material recovery and landfill diversion have also generated economic benefits that are reflected in the labour market – they support jobs which are dispersed geographically and by occupation and skill/pay levels. These jobs compare favourably with other sectors of the economy. In 2012, the aGVA per hour worked was approximately £31 per hour,*

above the UK economy average of £27.8 per hour. The labour productivity of the waste sector was also above the national average for each of the 4 years preceding 2012.”

Research by economists at Green Alliance and WRAP ([Employment and the circular economy Job creation in a more resource efficient Britain](#)) provides further evidence, suggesting that development of a more circular economy could create up to half a million additional jobs and reduce the unemployment rate by close to 0.3 percentage points, with a higher impact in high unemployment regions and on occupations with higher unemployment rates.

The CSR 2020

In order to deliver the significant contribution that resources and waste management can make to these important government agendas as outlined above, CIWM and IOM3 consider the CSR 2020 should address the following areas.

1. Delivery of ambitious policy frameworks

Set out in the 2018 Resources and Waste Strategy and underpinned by the Environment Bill, a number of critical policy frameworks are currently being put in place that have the potential to deliver a step change in resource efficiency and recycling, with a particular emphasis on plastics waste.

The combined effect of the packaging Extended Producer Responsibility, Deposit Return Scheme and Collection Consistency proposals will be to significantly influence the design, end of life collection and sorting, and recyclability of packaging placed on the UK market, and will support the objectives of the forthcoming Plastic Packaging Tax to increase demand for recycled plastic.

This package of measures, however, is complex and involves significant systemic change. While the ultimate objective is to ensure that producers fund in full the management and recycling of their packaging at end-of-life, the initial implementation of these policies will require upfront expenditure across a number of areas critical to successful delivery and performance including:

- establishment of robust oversight bodies;
- significant improvements in waste data and tracking capability to support performance and compliance monitoring;
- adequate resourcing of enforcement to avoid a potentially high risk of fraud, illegal activity and tax avoidance;
- capital spending to support the necessary additional services and infrastructure to achieve the objective of increasing quality recycling;
- sufficient capability within the relevant government departments to finalise, implement and ‘bed in’ these policies.

CIWM and IOM3 therefore urge the Treasury to ensure that relevant departmental settlements support the effective and timely development and roll-out of these major policy frameworks.

2. Tackling waste crime

In 2015, illegal waste activity was estimated to have cost over £600 million in England alone, with some estimates suggesting an even higher figure of £1 billion. In the intervening period, there is

evidence that this trend has not only continued but that the resources and waste sector is also being increasingly targeted by serious and organised crime operations.

In recent years, additional enforcement activity and funding has been directed towards tackling waste crime but more will need to be done. By way of example:

- Monitoring and enforcement related to illegal waste exports is a resource-intensive task and in recent years the Environment Agency has increased the resources directed towards tackling illegal exports of waste. However, illegal activity continues to take place, and has led to adverse media coverage and concern in other countries about accepting exports from the UK - impacting adversely on legitimate and responsible UK operators. During the pandemic, significant increases in plastic waste exports, despite demand-side disruption as a result of the pandemic, led to concerns about increased illegal activity at a time when there was limited capability to ramp up inspection and policing of waste movements at UK ports. The need to adequately resource this area of enforcement activity is further evidenced by a report in August from Interpol ([INTERPOL Strategic Analysis Report: Emerging criminal trends in the global plastic waste market since January 2018](#)) which has found an alarming increase in illegal plastic pollution trade across the world since 2018. One of the main challenges identified is the “shortage of resources allocated to waste enforcement in most countries” and the need for “targeted and time-efficient inspection strategies, particularly intelligence-led risk indicators and financial investigations, tackling not only waste sites but also criminal networks and illicit assets”.
- Given rising levels of serious and organised waste crime, the government-commissioned 2018 [Independent review into serious and organised crime in the waste sector](#) made a number of recommendations, including that a Joint Unit for Waste Crime (JUWC) should be established and that the plans for additional 2018-22 Environment Agency funding should be reviewed to ensure consistency with plans for a Joint Unit for Waste Crime. CIWM’s understanding is that the JUWC has functioned with limited funding during its first year and the CSR must include a long term settlement for the JUWC, which has a critical role to play in embedding a multi-agency, intelligence-led approach (as recommended by the Interpol report) to tackling this type of waste crime.
- The Independent Review and the Resources & Waste Strategy propose other measures to prevent and tackle waste crime across the board, including mandatory electronic tracking of waste, a national database of registered brokers, reform of the registration and duty of care requirements for carriers, brokers and dealers, and strengthened Duty of Care requirements on waste producers. While the Environment Bill provides the powers needed to implement these recommendations, capital funding to support the development of improved waste data capability will be essential as will adequate resourcing of Defra and the Environment Agency to develop and implement the new regulatory regimes delayed as resources were diverted to deal with the COVID-19 pandemic.

CIWM and IOM3 welcome enabling powers set out in the Environment Bill to reform charging powers for the purposes of cost recovery for the Environment Agency, Natural Resources Wales and DAERA (NI) to ensure flexible and reliable funding to tackle waste crime. However, additional targeted funding streams to tackle waste crime and support increased enforcement must be maintained, and a long-term settlement for the Joint Unit for Waste Crime put in place.

3. Regulation and resilience

Robust environmental regulation sits at the heart of the Government's ambitions to Build Back Better and, in the longer term, to position the UK "as a world leader on improving air quality, environmental biodiversity, a more circular economy, and managing our precious water resources in a changing climate". However, CIWM and IOM3 have first-hand experience of the strain that the COVID-19 pandemic has put on government departments and delivery bodies, which has served to highlight systemic vulnerabilities and ongoing resource constraints.

Dealing with such a crisis understandably entails diverting resources to where they are most needed and CIWM commends both Defra and the Environment Agency on their responsiveness and collaborative contingency planning approach. But as attention turns to how the UK can 'Build Back Better' and shape a green recovery, lessons from the pandemic must be learned.

- **Regulatory capacity:** COVID-19 has served to highlight areas where the resourcing of important enforcement activities was already under strain and became more so during the early months of the pandemic. By way of example:
 - The pandemic has exacerbated the problem of insufficient permitting capacity at the Environment Agency to the extent that the private waste sector has identified this barrier as a major constraint to the sector's ability to deliver vital infrastructure projects that would support both a near-term and a longer term green recovery.
 - The point at which a recycled waste material can be considered to have been turned back into a safe and fit-for-purpose product is a complex but important regulatory activity and has an important role to play in delivering a green recovery and promoting economically beneficial resource productivity. However, as a result of resourcing constraints, particularly during the pandemic, Environment Agency review work on the existing set of Quality Protocols, a framework that supports and facilitates decision making on a range of materials, has been delayed. Most recently, the Environment Agency has also had to suspend its End-of-Waste panel to free up additional capability to address the permitting backlog mentioned above.

CIWM and IOM3 believe UK regulators have a critical role to play in protecting the environment in line with the 25 year Environment Plan aspirations, underpinning the ambitious policy frameworks on resources and waste currently being developed, supporting a green recovery post-COVID and delivering the government's ambitions on resource productivity. We urge the Treasury to ensure that the settlements in the 2020 CSR reflect this vital and extensive role.

- **Resilient UK reprocessing capacity:** COVID-19 also underlined the UK's vulnerability to major systemic shocks like the pandemic due to its heavy reliance on export markets for recovered materials, in this instance particularly textiles and plastics due to global market disruption and the collapse in crude oil price. The rationale for increasing domestic reprocessing capacity is set out in the Resources & Waste Strategy 2018 and the pandemic has served to emphasise that it is essential to creating a genuinely sustainable green recovery.

CIWM and IOM3 call for settlements for BEIS and Defra to include the necessary resource to ensure that effective policy and fiscal incentives, and targeted funding for R&D and innovation, can be developed and implemented to create a supportive investment landscape to increase domestic reprocessing capacity and demand for secondary materials. Measures to 'pump prime'

infrastructure and support innovation will not only increase the UK's resilience but will also support the Government's ambition to double resource productivity by 2050, ensure the UK economy benefits from quality secondary raw materials, and support job creation.

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CIWM: CIWM is the leading professional body for the resource and waste management sector representing around 5,700 individuals in the UK, Ireland and overseas. Established in 1898, CIWM is a non-profit making organisation, dedicated to the promotion of professional competence amongst waste managers. CIWM seeks to raise standards for those working in and with the sector by producing best practice guidance, developing educational and training initiatives, and providing information on key waste-related issues. More information can be found at www.ciwm.co.uk

IOM3: The Institute of Materials, Minerals and Mining (IOM3) is a major UK science and engineering institution whose activities promote and develop all aspects of the materials cycle, from exploration and extraction, through characterisation, processing, and application, to product recycling and reuse. IOM3 supports professionals in materials, minerals and mining to become heroes of the transition to a low-carbon, resource-efficient society, not villains. We seek to be the best professional membership body we can be by providing modern, flexible services, quality technical content and value for money. IOM3 has a membership of over 15,000 individuals, and represents a combination of scientific, technical, and human resources which links industry, government, education, research, and the academic world. Individual members of the Institute come from a variety of backgrounds, from students to company chief executives.