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# Defra's Waste Policy Review – Six months on

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**Is the government increasing the opportunity for sustainable waste management and resource efficiency in the manufacturing sector?**

**eef** The  
manufacturers'  
organisation

## Executive Summary

We welcome government recognition of the need to value the resources in waste and attempts to review waste policy to achieve this. However, the 2011 Review of Waste Policy in England should have done more to achieve this. Specifically, we believe the development of a resource strategy, simplified legislation and the improved provision of infrastructure, services and advice can drive more sustainable resource use within manufacturing.

### *1. A resource strategy*

Government should create a resource strategy that stimulates and rewards resource efficiency and removes the barriers to valuing waste as a resource. While the Review has made some progress in trying to improve the quality of recyclate, it has not fully identified how resources are being managed and how materials could flow more easily within the economy, whilst still achieving protection of the environment. Regardless of the European policy context, government should seize the initiative to act quickly.

### *2. Simplified, more targeted legislation*

The strategic and regulatory framework for waste and resource use, which has evolved over 30 years, retains an out-dated presumption that waste needs to be disposed of, typically to landfill. It is confusing, disjointed and can inadvertently act as a barrier to resource efficiency. A new policy framework should be cohesive, value resources appropriately and allow for their efficient use. Legislation and guidance should be rebalanced, targeting responsibility deals and regulation where they are needed, while removing legislation where the outcome has been secured and there is little more to be gained. This is particularly relevant for packaging regulation. In addition, regulators should adopt new, better regulation approaches to help new and growing businesses come into regulatory compliance.

### *3. Provision of infrastructure, services and advice*

The new Business Recycling and Waste Services Commitment on local authorities and the Responsibility Deal between government and the waste and resource management sector have the potential to improve access to infrastructure and services. Manufacturers should be able to access local authority waste infrastructure and receive a better service from their waste contractors. Government should also intervene to help establish a broader range of specialised waste treatment facilities and ensure that business support activities are backed by good communication, advice and funds.

## Introduction

The government undertook a wide ranging review of waste policies in England, culminating in the publication of an action plan in June 2011. Of interest to manufacturers were commitments to promote better use of resources, simplify regulation and improve access to infrastructure and services. However, these do not go far enough and fail to consider the practical experience of manufacturers.

Effective resource management is a significant economic and environmental challenge. Waste policies should increase the opportunity for sustainable resource management. Business, and the UK economy as a whole, can benefit from competitive advantages through resource efficiency, as a result of reduced costs and access to new markets.

Manufacturers such as Saint Gobain, Caterpillar, Bridon International Ltd, Sheffield Forgemasters International Ltd and Siemens are already pursuing a range of successful zero waste policies and public commitments to improve environmental performance beyond legal requirements.

We believe that with the right strategic and regulatory framework, more manufacturers will feel empowered to embrace this agenda and contribute to a truly resource efficient society.

This report sets out what more needs to be done to set the conditions where resource efficiency within manufacturing can flourish. In September 2011, we reported separately on what barriers need to be overcome for waste to ascend the hierarchy of waste management options, in [\*Ascending the Waste Hierarchy: practical issues in manufacturing\*](#). This, plus wider discussions with a range of manufacturers informs our position.

## 1. A clear and long-term resource management strategy setting out a vision for how the UK will make the most of available resources

### *Key recommendations for government*

*Develop an ambitious resource strategy identifying what needs to be done to enable materials to flow easily within the economy.*

*Consider the issue of resource scarcity as part of the wider strategy on resources.*

*Make data and evidence more transparent to business and industry.*

*Continue efforts to improve the quality of recycle.*

*Involve manufacturers in the design and monitoring of initiatives to improve the quality of recycle.*

The government's review of waste was a vital opportunity to set a clear direction on how to value wastes in future. Manufacturers need programmes and policies that allow resources to circulate easily within the economy and secure resources of the right specification for use. We expected the review to identify how those outcomes will be achieved alongside a long-term framework to provide businesses with the certainty needed to adapt and change. However, the review failed to set this out comprehensively and there are few clear goals for the future.

Whilst we recognise European policies on waste are evolving, and the Review was conducted prior to the publication of the European Roadmap to Resource Efficiency, this has not hampered the ambitions of other Member States, nor indeed the devolved administrations. The Scottish Government has published a zero waste plan with clear targets for recycling and landfill bans, backed by the Zero Waste (Scotland) Regulations 2011. The Welsh Assembly Government published, at a similar time, its strategy 'Towards Zero Waste', with a long-term regulatory framework detailing targets for 2025 and 2050. Both have a long-term vision for extracting valuable resources from waste.

We renew our call for government to develop a clear resource strategy for England, informed by an analysis of how our resource management compares with competitors in Europe and beyond. The longer government delays in doing so, the longer our manufacturing industries will continue to miss out on the competitive opportunities resource efficiency can bring.

The strategy must also consider the waste which is exported from our economy which could be recovered and used here. This includes those critical materials which may be in scarce supply in future. Fifteen million tonnes of waste are exported every year for recycling, one sixth of our non-fossil fuel exports, according to the government's review. This includes 7.5 million tonnes of scrap metal. Waste is exported due to infrastructure shortfalls and market forces. A resource strategy could ensure more of these resources are captured for domestic use.

A resource strategy needs to be grounded on sound data and evidence. Government research has indicated that businesses could save £18 billion through no-cost or low-cost resource efficiency savings. It is not clear from the Review how these savings are to be made and by whom. We also question the accuracy of the data and assumptions made in identifying and estimating these savings. Government should take steps to make these opportunities much more transparent to businesses. The barriers to securing these savings must also be understood. Without this, the savings eluded to will remain out of reach to many manufacturers.

We note that important progress will potentially be made on improving recycle quality. We welcome initiatives to improve the performance of waste recyclers, such as the proposed Material Recycling Facility Code of Practice and the Responsibility Deal between government and the waste and resource management sector. To use waste resourcefully, recycle needs to meet guaranteed specifications procurers can trust. We believe the manufacturing sector should be involved in designing these standards and the Environment Agency commit to enforcing it. In addition, we believe that enforcing the waste hierarchy at all points in the waste supply chain has the potential to further improve standards and the quality of recycle.

## 2. Waste legislation and guidance must be simplified to allow businesses to fully contribute to sustainable waste and resource management.

### *Key recommendations for government*

*Focus rules on defining and managing waste on how it can be used as a resource.*

*Use simpler and more transparent communication of what is permissible in waste legislation.*

*Target producer responsibility policies to where they are needed and remove them where the outcome has been secured.*

*Consider new approaches for helping new or growing businesses comply with regulation.*

We believe rebalancing waste legislation is needed to achieve an economy where waste is valued as a resource. A smarter policy framework could allow a more circular resource use, whilst enhancing commercial competitiveness and protecting the environment.

The transition to valuing waste as a resource continues to be hampered by our regulatory system. Legislation is failing because it does not consider how a business would want to manage waste as a resource. Instead it is based on out-dated waste management practices whereby unsegregated waste was taken away for disposal, usually to a landfill. This leads to convoluted legal arguments about the meaning of waste.

The lack of clarity regarding whether materials are waste and if permits are required, builds a fear of not discharging duty of care obligations on waste properly. This is hindering the use of waste as a resource by others.

For example:

- Sawdust and wood chippings are not being sent for re-use at equestrian facilities because it is not clear if a permit is needed.
- The spent acids and by-products from galvanising industry could become materials for others if they lost the 'waste' label and complied with REACH.

- Permits are extremely specific about waste types defined using the European Waste Classification, rather than by waste characteristics, a waste operator is too restricted in the wastes they could reasonably recover and would need to apply to change the permit.
- Multiple site businesses could achieve greater economies of scale for innovative recycling options if they were allowed to aggregate and sort their wastes at central depots.

Rules on defining and managing waste should focus first on how it can be used as a resource. A simpler and more transparent communication of what is permissible in waste legislation would encourage better solutions. It would also counter misconceptions about waste regulation and streamline the confusing array of waste directives, regulations and policies which currently lack a cohesive strategy or integrated guidance.

Industry standards, either those already available in the form of Codes of Practices, European Best Available Techniques Reference Documents (BREFs), or the new standards being proposed as better regulation initiatives, should be used to describe preferred waste and resource management. For example, a sector guidance note could describe resource efficiency potential in the sector with advice on techniques to reduce or process waste. The note could also detail how the wastes could be recovered, valued as a by-product or reach end of waste status with information on compliance with regulation such as REACH, the EU's chemical and substance regime. This would result in waste and resource management being better integrated into the sector's environmental permits, standards and management. Government should not allow a definition of waste or a permitting system to hinder resource effectiveness.

Waste policy should be further streamlined by targeting policies to where they are needed, and removing them when its objectives have been secured and there is little more to be gained.

For example, producer responsibility regulations on packaging sit uncomfortably within the regulatory landscape. Its original aim was to drive the development of reprocessing infrastructure for packaging and secure high levels of recycling through the supply chain. Barriers to a closed loop in packaging materials are now widely considered to be consumer behaviour and a lack of collection infrastructure.

The government should now seek to reduce the

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regulatory burden on manufacturers by adopting a material-specific approach – targeting policies to secure recyclate markets where there are clear market failures. For some materials the market is now sufficiently mature to warrant a review of government intervention, however there may be materials where the current system works well and where reprocessors still need the revenue to further develop markets. As an alternative sector agreements of best practice could focus on sector-wide and time-constrained commitments to enable waste prevention and recycling, collection and reprocessing.

New, better regulation approaches should also be adopted to help new or growing businesses comply with waste (and other) regulation. The sheer volume and complexity of regulation makes it difficult for these businesses to know where to begin. A phased approach to regulatory compliance, similar to the model used by the Acorn scheme for the phased implementation of environmental management systems, would allow these manufacturers to address and consider their most significant impacts first and move into total compliance over time without being overwhelmed.

### 3. Facilitate speedy delivery of the necessary infrastructure and advisory services.

#### *Key recommendations for government*

*Turn the local authority Business Recycling and Waste Services Commitment into a national policy.*

*Enhance the Responsibility Deal between government and the waste sector to make the most of the incentives already in place.*

*Better integrate resource efficiency advice into existing, trusted business efficiency support.*

*Product-based standards needs to have an international context and should not be pursued unilaterally.*

Businesses, as both waste producers and material procurers, require local authority and waste management industry services that are responsive to their needs. We have identified the lack of convenient and affordable recycling facilities as a major barrier to business waste recycling. EEF members report variable quality and scope of services offered. Two significant policy initiatives in the Waste Review, one aimed at local authorities and the other at the waste management industry, could substantially increase business waste recycling. Especially if they target SMEs as well as low-volume waste streams.

- The recently announced [Business Recycling & Waste Services Commitment](#) sets out the principles of how local authorities can help businesses meet their waste management responsibilities and make it easier to recycle. However, local authorities' commitment is voluntary. Notwithstanding the fact that service demand varies locally, this commitment should be part of a national policy on services required by local authorities, and not subject to local negotiation.
- The [Responsibility Deal between government and the waste and resource management sector](#) could lead to a better range of waste management infrastructure, services and expert advice. For many manufacturers, their relationship with their waste contractor is the sole point of advice on how to deal with their wastes. However, much of this improved service is to be targeted at SMEs. We had hoped that the Deal would have benefited all companies. We also would have liked to have seen a commitment to inform companies of how much

landfill tax they are paying. The government should consider this when assessing progress in March 2012. Manufacturers should be involved in this assessment in order to feedback their experiences.

While access to general waste infrastructure needs to be improved, there is also a genuine need for more complex waste treatment processes. For example, currently dust and air pollution control residues containing small quantities of metals are exported or stabilised and landfilled due to lack of waste recovery processing in the UK. As air quality standards tighten, more will need to be processed. Targeted government intervention to help overcome market failures should be explored.

As well as access to infrastructure, in many instances a lack of expert advice is hindering a step change in resource efficiency.

The government is proposing a number of actions to identify how alternative business models can help reduce wastes. These include re-manufacturing, leasing, product services and buy-back schemes. It is vital that this is accompanied with good communication of the research, advice and sufficient funds to support pilots in order to maximise benefits.

Government should make use of existing channels. While programmes like the Waste and Resources Action Programme (WRAP) currently do little to support manufacturers, the Manufacturing Advisory Services is considered a trusted source of advice in the sector. Government should build on this trust and used MAS as a conduit to stimulate both efficient working practices and resource efficiency in the round.

That said, we support action by government to expand local waste minimisation networks and continue to support the work of the National Industrial Symbiosis Programme, the waste "swap-shop" which aims to match waste producers with those that could use it. Manufacturers report that the usefulness of these schemes can be hit and miss therefore it is important that both aim to provide more sophisticated support in future in order to fully capitalise on their potential.

Finally, the government announced that the Product Research Forum will be identifying metrics to show reduced environmental impact of grocery and home improvement products. Product-based standards need to have an international context. Therefore, it is important that the output of this work is used only within this framework.

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## About us

EEF is dedicated to the future of manufacturing. Everything we do is designed to help manufacturing businesses evolve, innovate and compete in a fast-changing world. With our unique combination of business services, government representation and industry intelligence, no other organisation is better placed to provide the skills, knowledge and networks they need to thrive.

We work with the UK's manufacturers, from the largest to the smallest, to help them work better, compete harder and innovate faster. Because we understand manufacturers so well, policy makers trust our advice and welcome our involvement in their deliberations. We work with them to create policies that are in the best interests of manufacturing, encourage a high growth industry and boost its ability to make a positive contribution to the UK's real economy.

Our policy work delivers real business value for our members, giving us a unique insight into the way changing legislation will affect their business. This insight, complemented by intelligence gathered through our on-going member research and networking programmes, informs our broad portfolio of services; services that unlock business potential by creating highly productive workplaces in which innovation, creativity and competitiveness can thrive.

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*The author, Charlotte Danvers, researched and wrote the report whilst on secondment to EEF from the Environment Agency. We thank Charlotte for her hard work and expertise and the Environment Agency for agreeing to the secondment.*

*To find out more, contact:*

**Susanne Baker**

Senior Climate and Environment Policy Adviser

020 7654 1690

sbaker@eef.org.uk

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