



HOUSE OF LORDS

Science and Technology Committee

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7th Report of Session 2007–08

# **Waste Reduction: Government Response**

Report

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For membership and declared interests of the Committee which conducted the original inquiry, see the Committee’s 6th Report of Session 2007–08 *Waste Reduction* (HL Paper 163–I).

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# Waste Reduction: Government Response

## REPORT

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On 20 August 2008 the Science and Technology Committee published its 6th Report of Session 2007–08, Waste Reduction (HL Paper 163–I). The Government's response is published without comment in the Appendix to this report.

## APPENDIX: GOVERNMENT RESPONSE TO THE HOUSE OF LORDS SCIENCE AND TECHNOLOGY COMMITTEE REPORT: WASTE REDUCTION

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### Introduction

The Government welcomes the Select Committee's report. Our detailed response to specific recommendations is shown below.

The Committee's report has two key passages which perhaps can be taken as summing up its approach:

- “Emotive topics such as local rubbish collections and the availability of public recycling facilities have already received much scrutiny, but despite the large amount of attention paid to it, domestic waste actually only accounts for about 9 per cent of the total waste stream in the UK. We have therefore focussed our attention on ways in which waste in the industrial, commercial and construction sectors could be reduced and the impact of consumer choice in influencing these sectors” (report, 1.3);
- “The Government must now send clear and consistent signals to industry, consumers and local authorities that waste reduction is a priority which requires a collaborative approach” (report, abstract, final sentence).

In our England waste strategy published in 2007, we have already emphasised three points in line with the Committee's view, and in particular:

- That, while not reducing the attention paid to household waste, we need to develop a much stronger focus, compared with previous strategies, on business waste;
- That we need to address waste prevention more strongly, at the top of the waste hierarchy, and where the carbon and other environmental benefits from taking action, as well as the cost savings, are likely to be greatest;
- That taking action on waste will require a collaborative approach, involving a shared responsibility among all the key players, inside and outside Government, with a multiplicity of different kinds of action being needed.

We have also emphasised the need for waste to be viewed as part of a wider approach to improving the environmental performance of products and their supply chains. Our Progress Report on Sustainable Products and Materials (July 2008) described how we are taking this forward.

We have made good progress already and our focus is now to continue to translate these priorities into practical action, in a way which makes a difference on the ground.

Policy instruments are, of course, closely interconnected in their effect, with measures aimed at one part of the waste hierarchy, or at one group of players, often having strong impacts on other areas of waste or other groups of people. For example, measures aimed at household waste may well affect consumption patterns, so influencing business decisions on the range of goods on offer to purchasers. We are also strongly aware of the impacts on waste of broader macro-economic trends, including changes in commodity prices. A key further challenge is correctly to anticipate and evaluate these wider and cross-cutting impacts.

We already have a wide array of measures and processes to address the key issues above. Measures already in place include the substantial increase in the landfill tax escalator announced in 2007, a range of voluntary agreements on waste reduction and recycling with different sectors of industry, detailed implementation of several sector-specific EU waste directives, and EU agreement on revisions to the Waste Framework Directive.

Measures to which we are giving further consideration include: the possibility of landfill bans on specific waste streams; stronger standards on public sector purchasing; using the resource of the newly-established Centre of Expertise in Sustainable Procurement within the Office of Government Commerce; new or enhanced consumer-facing campaigns on environmental behaviour including waste reduction; and new or strengthened sector-specific voluntary agreements. As noted above, we expect all these to have an impact on waste generation in addition to downstream impacts on waste disposal.

Full implementation of the measures noted above as being under active consideration will make a significant contribution, but more will be needed. In addition we are engaged in active discussions with stakeholders about the broader direction we should take in going further on commercial and industrial waste.

The responses below, as well as the remarks above, deal mainly with the issues in England. Much of the action to tackle resource efficiency and waste reduction are devolved matters; so there will not be the same mix of measures in other parts of the UK, even though the problems faced are not dissimilar.

Overall, therefore, the Committee have made a welcome contribution to raising the prominence of these issues.

## Detailed Response to Recommendations

### *Chapter 2—Waste in context*

#### *Data collection*

##### *Recommendation 1*

**We are not satisfied that the Government are giving a high enough priority to the collection of data on waste. Targets and policies to reduce waste are meaningless if they are not based upon a thorough understanding of the waste streams involved. The amalgamation of administrative data sources may cost less than comprehensive surveys, but saving money in this way is a short-sighted approach to tackling waste. We recommend that the Government arrange for comprehensive surveys to collect data on the various waste streams in the UK thus enabling the formation of an overall strategic direction and policies. (Para 2.13)**

The high priority we place on good evidence on waste is reflected in the funding allocated to the Waste Data Strategy and the Waste and Resource Evidence Programme (around £4m per annum).

Administrative data sources have several advantages over surveys. In particular, they provide timely and regular information at a lower cost to the taxpayer, and minimising the burden on businesses. In the case of waste, permitted waste facilities are required to make regular returns to the Environment Agency on the amounts of waste they manage and it makes sense to maximise the use of this

information. This provides us with some good data now, for example on the waste to landfill, and we have excellent data from local authorities on municipal waste through WasteDataFlow.

We are, however, aware that there are drawbacks with data from the current administrative systems. Defra is actively working with the Environment Agency and the waste industry to improve and extend the data that is provided through administrative returns. Since administrative data sources may not provide a single solution to all policy needs for waste data, we are also working with a range of delivery partners in the waste network to investigate and develop other sources of information. For example, on commercial and industrial waste policy, we are exploring how we can best utilise the data collected by Defra and other Departments delivery bodies, such as the National Industrial Symbiosis Programme (NISP), Envirowise, the various Knowledge Transfer Networks, and other stakeholders such as Regional Development Agencies, Regional Technical Advisory Boards and Trade Associations. In the light of this further examination, we will aim to reach a decision early in 2009 on whether these means will provide data of sufficient quality and coverage or whether, subject to the necessary resources being available, we should carry out additional survey work on business waste.

### *Chapter 3—Design, innovation and technology*

#### *Recommendation 2*

**Some businesses have begun to embrace sustainability principles as part of their product design and development processes, but large gaps in knowledge still exist. There is still confusion amongst businesses regarding their environmental design obligations and designers are often unable to provide solutions as they themselves lack a clear source of guidance to provide clarification. The Design Council and the Higher Education Funding Council for England have begun to address the teaching of sustainability principles but we are concerned that higher education institutions still lack the appropriate knowledge and resources. We recommend that the Department for Innovation, Universities and Skills and the Department for Business, Enterprise and Regulatory Reform should take the lead in working with the Design Council, the Higher Education Funding Council for England, design schools, industry and the relevant professional bodies to ensure that sustainability is embedded into the design curriculum, teachers are given the correct training and designers are educated about business requirements and the cost of waste (Para 3.36)**

The Government is taking action in all these areas, at various levels of the education system.

Efforts are being made to embed sustainability in a wide range of curricula. The new secondary curriculum has an increased focus on sustainable development. Also sustainable development is a compulsory part of the design and technology curriculum, with links to all subjects. While universities are responsible for their curricula, support is available from a range of bodies to help universities develop teaching materials on sustainable development.

The Government supports the work of the UK Design Skills Alliance, established by the Design Council and the sector skills council Creative & Cultural Skills, to coordinate delivery of the industry's skills development plan, "High-Level Skills

for Higher Value”. The aim is to embed sustainability across the design curriculum and help to improve the teaching and content of design courses in schools and Higher Education. In the case of primary and secondary schools, a new Design Mark programme will reward the teaching of sustainable design.

Designers are being educated in a number of ways about business requirements and the cost of waste. For example, the Design Council’s Designing Demand programme for business is helping to raise awareness of sustainable design practice amongst designers and the work of the UK Design Skills Alliance will help the design industry respond to changing demands from industry by improving professional practice. Both Designing Demand and the Design Skills Alliance featured in the Government’s recent Manufacturing Strategy.

### *Recommendation 3*

**At present there appears to be little to be gained from regulating the design profession but whilst regulation is not usually welcomed, this is something which the Government should keep under review in the future to ensure that designers exhibit consistent standards of competence. We recommend that the Design Council should take a stronger lead in providing the necessary guidance to designers on how to comply with the principles of eco-design legislation. Designers must also be encouraged to work beyond the minimal level of compliance and we support the use of awards issued by professional bodies to acknowledge those who push the boundaries of sustainable design (Para 3.37)**

We agree that the Design Council has an important role in providing necessary guidance, and are satisfied that the Council is providing a strong lead.

Through its business support programme, “Designing Demand”, the Council is already helping to raise awareness of sustainable design practice amongst designers. The programme’s network of design associates will undertake specific professional development in this area, which will result in improved awareness amongst designers of how to comply with eco-design legislation and best practice, as well as improved sustainable design support and improved awareness amongst SMEs of how to integrate eco-design principles and exploit subsequent business opportunities. As part of its professional development campaign for designers, the Design Council is conducting research to examine the pressures designers and clients face, to identify the support and tools they need to design more sustainably and to harness the commercial, environmental and social benefits of eco-design practice. A further example of the Design Council providing leadership in this area is work underway with the design community and partners to develop an award scheme across design disciplines to inspire and reward best sustainable design practice.

### *Recommendation 4*

**The research councils, knowledge transfer networks, technology strategy board and market transformation programme have recognised that in order to encourage true innovation and waste reduction, multi-disciplinary research is required which embraces designers, materials scientists, engineers and social scientists. Good work is now being undertaken to promote innovation and share knowledge, but we are concerned that recent cuts in ring-fenced funding will undermine some of this vital research and the transfer of existing knowledge. It is crucial that the Government continue to provide adequate funding to support the work**

**of these organisations and that it also provides clear direction, by the use of ring-fenced funding if necessary that research into resource efficiency and novel processes must remain priorities. (Para 3.46)**

The Government agrees with the need for multi-disciplinary research to encourage innovation and waste reduction. While much innovation will happen without Government involvement, markets do not function perfectly when considering the generation of ideas and the high degree of uncertainty and coordination that typifies the innovation process. Government therefore has a lead role in influencing or supporting the environment for innovation.

The Government has delivered a major increase in funding for research, such that by 2010/11 Government investment in the research base via the Science Budget (including Research Councils) will have risen to almost £4 billion per year.

The Technology Strategy Board will play an important leadership role in stimulating business research and development and innovation. The Technology Strategy Board, working with the Regional Development Agencies and the Research Councils, will jointly invest over £1 billion in the next three years.

The Technology Strategy Board's key application and technology areas provide the framework for deciding where it should invest its funding and support activities. Environmental sustainability, including resource efficiency, waste and pollution management, is one of its seven key application areas, while the key technology areas include initiatives and interventions on core technologies that are relevant to waste reduction, such as high value manufacturing and advanced materials<sup>1</sup>.

Various actions are underway to deliver the waste reduction element of the environmental sustainability priority. On 7 October, the Board launched a research and development competition into sustainable materials and products. This will build on the work that has already been funded by the Board, including various competitions previously funded by the Business Resource Efficiency and Waste (BREW) Programme. The Board will work closely with Defra and relevant Knowledge Transfer Networks to share the resulting learning from these and other waste reduction activities.

The Government considers that the current arrangements afford sufficient priority to waste reduction, and ensure that the necessary levels of funding are made available for projects in this area. As discussed at recommendation 19, the Government does not plan to reintroduce a ringfence around landfill tax revenue, since this would constrain Defra's flexibility to deliver in the most effective manner.

#### *Chapter 4—Manufacturing, Construction and the Impact of Downstream Factors*

##### *Recommendation 5*

**The ISO 14001 standard acts as a useful benchmark to recognise businesses which implement sustainable practices and we support the promotion of this standard to industry. We are concerned that once this standard has been achieved, businesses which do not recognise the costs of their waste**

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<sup>1</sup> Application areas represent fields of major societal or economic challenges, where the Technology Strategy Board has an important role to play. Technology areas highlight those it sees as vital to maintaining core expertise and leading edge technologies to underpin business growth, and maintains a pipeline of new advances to keep UK businesses at the leading edge.

**may become complacent if they no longer have any incentives to drive further improvement. We recommend that the Department for Business, Enterprise and Regulatory Reform should ensure this standard is promoted alongside business education to enable industry to recognise the benefits that can result from continual innovation and waste reduction efforts. (Para 4.18)**

Defra takes the lead, working closely with DIUS and BERR, to encourage wider take up of environmental management systems (EMS) and UKAS accredited certified standards (ISO 14001 and the EU Regulation EMAS) to help organisations reduce their environmental impacts including their waste streams. We do not consider that businesses will become complacent, since in order to achieve EMAS, organisations have to make a commitment to continuous improvement of performance and report publicly to their stakeholders on their progress on targets and objectives. Users of ISO 14001 must also be able to demonstrate that the process of continuous improvement is recurring and not a single event.

The Government is working to ensure that the standard is promoted alongside other business support, in particular the Regional Development Agency Business Link network. The Government is working in partnership with industry, businesses and other private sector bodies, including Government sponsored organisations, to help raise awareness of the business benefits of ISO 14001, and how to get the most out of independently accredited certification to the standard. Defra also works closely with the Environment Agency and supports their proposal to develop more incentives for business by extending recognition of ISO 14001 to all their regulatory regimes through the OPRA (Operator Performance and Risk Appraisal) scheme.

Practical guidance has also been published on the Business Link website on how to implement the international standard ISO 14001. Defra has published a position statement<sup>2</sup> which sets out the Department's policy recommendations to business on the use of environmental management systems. The Department has also developed a promotional strategy aimed at raising awareness of the benefits of EMS standards and the value of Government approved accreditation. The strategy is reviewed on an annual basis.

#### *Recommendation 6*

Detailed information on the lifetime impacts of products is still lacking. The development of PAS 2050 is a step in the right direction and we commend the government and industry for recognising the need for simple, yet standardised, assessment methodologies which businesses can apply. However, an assessment of embodied greenhouse gases is not synonymous with a life-cycle assessment. The Government, in conjunction with the industrial, design and materials communities, should encourage the development of simple methodologies to enable businesses to analyse the lifetime implications, including the amount of waste generated, of the materials, products or services they produce. Providing businesses of varying size and character with these key tools is vital as it will enable them to recognise the amount of waste they create and will be the first step towards implementing change. (Para 4.19)

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<sup>2</sup> <http://www.defra.gov.uk/environment/business/scp/pdf/ems.pdf>

We welcome the Committee's acknowledgement that PAS 2050 is a useful step to assessing life cycle greenhouse gases in goods and services. We are now building on this by working with partners to encourage international consistency in this area. While PAS 2050 is a single issue methodology (i.e. it focuses on greenhouse gas emissions) it is based on the full life cycle of a product or service, and is compatible with and draws upon existing ISO standards. We have also developed guidance and case studies to help implement PAS 2050, and are working with initiatives such as Carbon Calculations over the Life cycle of Industrial Activities (CCaLC) who are developing a sector specific toolkit to assist in the implementation of assessing carbon footprints of products.

There is already widespread interest in similar methodologies in other areas of environmental significance, such as water. We are considering what role Government could play in developing or encouraging uptake of such methodologies over the next 6 months to review what action may be needed.

#### *Local authorities*

##### *Recommendation 7*

Responsibility for the recycling and collection of waste has been given to local authorities, not all of whom meet the needs of businesses. Poor quality recycled material, a lack of disposal facilities and a fragmented approach between local authorities hinders the attempts of those businesses which are striving to reduce their waste. In turn, local authorities are hampered by weight-based targets and landfill allocations which discourage them from supporting industry. Targets for local authorities currently focus on decreasing the weight of domestic waste sent to landfill but a more holistic approach to waste reduction is required. We recommend that the Government should restructure the waste targets and costs imposed upon local authorities to allow them to address commercial and industrial waste by providing the necessary support, disposal facilities and high quality materials to businesses. (Para 4.34)

The Landfill Allowances Trading Scheme (LATS) was launched in 2005 as a means of providing a cost effective way of enabling England to meet its share of challenging UK weight based targets set in the EU Landfill Directive. As such, the scheme focuses local authorities on reducing the amount of biodegradable municipal waste (BMW) going to landfill by weight.

LATS is a crucial scheme to ensure compliance with the Landfill Directive targets and is working well. Local authorities have responded by delivering significant reductions in the amount of BMW entering landfill. Nevertheless, meeting the targets in 2010, 2013 and 2020 will be challenging. As also emphasised by the Audit Commission in its report "Well disposed: responding to the waste challenge" (September 2008), long term certainty and stability within LATS are important in meeting this challenge, and the Government has no plans to change the operation of the scheme.

Therefore, rather than restructuring waste targets and costs, the Government is putting in place support to encourage local authorities to address commercial and industrial waste. Defra funds the BREW Centre for Local Authorities, which is helping to improve the service provided by local authorities to businesses on trade waste recycling. The number of local authorities providing a business waste recycling service is increasing. According to the BREW Centre, there were 121 local authorities providing this service in February 2008.

The Government will continue to work in this area and through other initiatives discussed elsewhere in this response to ensure that the amount of waste generated by the commercial and industrial waste sector is reduced further.

#### *Recommendation 8*

It is extremely important that local authorities co-ordinate the services they provide. Whilst joint waste authorities will largely be concerned with the collection, treatment and disposal of waste, we hope that their creation will lead to greater collaboration between local authorities on all aspects of the waste hierarchy, so that they can provide the consistent facilities and support which businesses require in order to invest in long-term waste reduction strategies and experience the economies of scale. (Para 4.35)

The Government agrees on the increased importance of coordination between local authorities on waste services. Joint Waste Authorities (JWAs) should help to modernise and improve waste services through integration across the area, such that economies of scale allow efficiencies to be delivered. The exact nature of the waste management services to be delivered will be for local waste authorities to decide upon, to meet local waste management needs or circumstances. Integration of waste collection and disposal services has the potential to create greater efficiencies and lower burdens. JWAs should also enable waste management activities to be sustainable; will assist local waste authorities in meeting Landfill Directive obligations; and provide another partnership model for them. There are a number of groups of authorities who have formally expressed an interest in making a JWA proposal.

#### *Legislation*

#### *Recommendation 9*

Until recently, the legal framework has militated against the re-use of particular waste streams and we are glad that the need for clarification has been recognised. We welcome the revision of the Waste Framework Directive and support the inclusion of articles which specify conditions for by-products and allow the development of quality criteria to clarify when waste ceases to be waste. We hope that these will result in greater exploitation of a wide range of resources. (Para 4.44)

As the Committee reports, the European Parliament and the Council of Environment Ministers reached a Second Reading agreement on the revised Waste Framework Directive (WFD); and on 17 June 2008 the Parliament adopted amendments to give effect to that agreement. On this basis, the revised WFD will include Articles on by-products as non-waste and on end-of-waste criteria for specified waste streams. The Government shares the Committee's hope that these provisions will facilitate greater exploitation of valuable resources.

#### *Recommendation 10*

With the development of quality protocols by the Environment Agency and the Waste and Resources Action Programme, the UK is in a good position to contribute effectively to the development of end-of-waste criteria at the EU level and we urge the Government to continue to work closely with the Commission and other Member States to develop quality criteria as quickly as possible. We recommend that the Government should urgently provide clear information to UK businesses about the priority sectors and waste streams that will be considered first

and the timeframe in which quality criteria will be developed for each material. (Para 4.45)

The Government confirms its intention to continue to work closely with the European Commission and other Member States to ensure that end-of-waste criteria are developed as quickly as possible. The responsibility for developing these criteria rests with the European Commission. However, as amended by the European Parliament, the revised Waste Framework Directive (WFD) provides that end-of-waste criteria should be considered for at least waste aggregates, paper, glass, metal, tyres and textiles. The Government will continue to ensure that UK businesses and other stakeholders are informed of developments on the revised WFD, including the waste streams for which end-of-waste criteria are to be developed and the timetable for their development.

#### *Recommendation 11*

Collective producer responsibility directives have had limited success at encouraging sustainable design and often result in small technical innovations which increase recycling and comply with minimum standards, rather than fully embracing the principles of sustainability. However, we acknowledge that they do at least bring the subjects of sustainability and waste reduction to the attention of business and so their basic principles should be encouraged. We recognise that these directives must be developed on an international basis and recommend that the Government should work with the European Commission and EU Member States to review the ways in which these directives are applied so that they foster real innovation and encourage all businesses to continually reduce their waste. (Para 4.62)

The Government agrees that collective producer responsibility has had only limited success in encouraging sustainable design. The committee's comments are particularly relevant to the Waste Electrical and Electronic Equipment (WEEE) Directive—Article 4 of this instructs Member States to encourage the design and production of electrical and electronic equipment that will take into account and facilitate dismantling and recovery, in particular the reuse and recycling of WEEE, their components and materials. In response, the Government has promoted better design to facilitate the reuse, recovery and recycling of WEEE, for example, through Envirowise, the Government-funded programme of free advice and information to UK businesses. The European Commission is currently reviewing all aspects of the WEEE Directive.

The Government will continue to work closely on this issue with both the European Commission and other Member States through the review and as a means to exchange good practice. The UK is also encouraging the Commission to review the provisions of the EU Directive on Packaging and Packaging Waste, so that Member States can take more effective enforcement action against clear cases of excessive packaging.

#### *Recommendation 12*

We welcome a review of the implementation of the Directive on Waste Electrical and Electronic Equipment and support the establishment of the Waste Electrical and Electronic Equipment Advisory Board. Implementing individual producer responsibility will be a long and complex process, but will be crucial in establishing the direct responsibility necessary to encourage manufacturers to reduce their waste. We recognise that individual producer responsibility will be more appropriate for some products than others and it is important that the

Government continue to consult stakeholders on the practicalities of such a system. Nevertheless, we believe that the time has come for action and recommend that the UK Government should take the lead in implementing true individual producer responsibility and, at the very least, should introduce it for those products for which industry requests it. (Para 4.63)

The Government acknowledges the fact that the establishment of a system of individual producer responsibility (IPR) was an aim of the original Waste Electrical and Electronic Equipment (WEEE) Directive. Some parts of the industry continue to express a desire to see such a system introduced as part of the transposition of the Directive's requirements into UK legislation.

The Government supports the principles of IPR but recognises the complexities of introducing such a system. The Government welcomes the Committee's acknowledgement of some of the challenges introducing IPR will bring. The Government accepts that as historical WEEE (i.e., EEE produced before August 2005) disappears from the system, the development of an effective and cost efficient IPR system will become more important to the producer community. BERR officials are continuing to work with all parts of the industry and with the WEEE Advisory Body to explore options for introducing IPR, including examining models adopted by other Member States and other economies with a view to introducing such a system at some point in the future.

#### *Recommendation 13*

The variety of waste regulations can conflict and be difficult for businesses, hampering those attempting to implement sustainable business solutions. We recommend that the Government should continue to work with the European Commission to promote an holistic approach during the development of new legislation, to ensure that full consideration is given to the impacts of any new legislation on the variety of sectors involved. It is vital that the Government also provide adequate guidance to UK businesses about how to comply with new regulations in conjunction with existing ones. (Para 4.70)

The Government agrees with the need for continuing efforts to achieve better quality regulation, including by working closely with the European Commission. We encourage the simplification of regulation wherever possible and the provision of tailored and effective guidance. At EU level, the UK has successfully argued for more—and better—Commission impact assessments, stakeholder consultations, and proposals for reductions in administrative burdens (currently reflected in an EU-wide target to reduce such burdens by 25 per cent by 2012). The UK continues to develop and update its cross-Government framework of good practice in better regulation, including mandatory impact assessments of all policy proposals, guidance on transposing EU legislation, and codes of practice and associated guidance on consultation and regulatory guidance.

We agree that good guidance on regulation is needed because of its importance in improving compliance and reducing the burden of regulation. The Better Regulation Executive has recently published a Code of Practice on Guidance on Regulation. This provides “golden rules” for officials to follow when providing guidance on legislation to ensure that businesses can understand how to comply. Additionally, the Government has commissioned an independent review by Sarah Anderson, a successful businesswoman and founder of small businesses, to explore the potential to give small businesses greater certainty that they are compliant with the requirements of the law when they have followed guidance. The review is due to report in November 2008.

NetRegs also provides free environmental guidance for small and medium sized businesses in the UK. The guidance helps businesses to comply with environmental law and protect the environment. It can also help the businesses to save money by showing them how to use their resources more effectively.<sup>3</sup>

#### *Recommendation 14*

Whilst we acknowledge that the cost of landfill must be kept under constant review, we support the use of the landfill tax escalator as a blunt instrument to divert waste from landfill and hope that over time it will encourage businesses to embrace true waste reduction strategies. (Para 4.71)

Landfill tax forms an important part of the Government's waste strategy. By increasing the cost of landfill, the landfill tax makes investments in alternative non-landfill treatments such as recycling more economically viable.

The tax escalator has been successful, with the quantities of active waste going to landfill reducing by 26 per cent between 1997–98 and 2006–07 while the economy grew by 32 per cent. We fully expect that success to continue. Projections are that by 2010 the escalator will be reducing the climate change impact of landfill by the equivalent of 800,000 tonnes of CO<sub>2</sub> emissions per year. There will be further benefits through resources saved by increased levels of recycling.

In Budget 2008, the Chancellor announced that the Government expects the standard rate for active waste to continue to increase beyond 2010–11. This announcement sends a signal to the waste management sector, and waste producers to seek environmentally friendly alternatives to landfill.

More investment in non-landfill treatments will lead to fewer methane emissions from landfill and reductions in carbon dioxide emissions as more recycled materials are used in production. Further CO<sub>2</sub> emissions should be saved as a result of the incentive provided by higher landfill prices to reduce the amount of waste produced by society.

### *Chapter 5—The Consumer Perspective*

#### *Consumption*

#### *Recommendation 15*

There is widespread support for waste reduction and the development of a more sustainable society. A strong campaign to increase recycling has meant that the waste reduction message has been overlooked and consumers are often ill-informed about the environmental impacts of their products and the way they use them. We recommend that the Government should continue to work with the European Commission to examine the types of information that should be included on eco-labels and promote the development of ecolabels which are clear and easy for consumers to understand, but we are not convinced that the use of eco-labels alone will be enough to change consumer behaviour. (Para 5.21)

The Government agrees that environmental labelling can be helpful in guiding consumer behaviour, but that on its own it is insufficient to change behaviour. We believe that a necessary first step is helping businesses to assess the impacts of their products and to allow the benchmarking of products'

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<sup>3</sup> [www.netregs.gov.uk](http://www.netregs.gov.uk)

environmental performance. This can be achieved through the development of standards and methodological tools, supported by Government. This approach enables the supply chain to improve the management of the products offered to consumers.

Labels and other marketing can then be used to promote consumer awareness and interest in the better-performing products. This is the approach that Defra is taking. Therefore, in addition to developing standards and methodologies, Defra is seeking opportunities to raise the quality of environmental labelling and other consumer information placed on the market. For example, Defra is involved in the reform of the EU ecolabel and is reviewing the national code of practice on “green claims” to ensure it is relevant to new developments in the market.

### *Recommendation 16*

Following the successful drive to improve the energy efficiency of products, we believe that a similar strategy should be employed to encourage the purchase of more sustainable products which produce less waste. We recommend that the Government should encourage change by continuing to work with retailers to promote choice editing on the grounds of waste reduction. The use of voluntary sectoral agreements will be a useful strategy to encourage retailers to adopt this concept initially but, once established, we believe that consumer demand for the most sustainable products should drive businesses to stock products which achieve ever greater sustainability. (Para 5.22)

The Progress Report on Sustainable Products and Materials, published on 10 July 2008<sup>4</sup>, sets out our overall approach to improving product sustainability. This report:

- gives a summary of progress by Defra’s Sustainable Products and Materials Unit since it was set up in 2007, as well as progress by many others in Government and business;
- sets out a vision for future work on making products more sustainable; and
- encourages further debate and discussion on how this can be achieved.

A range of actions need to be taken by Government, business and consumers to drive changes across product lifecycles.

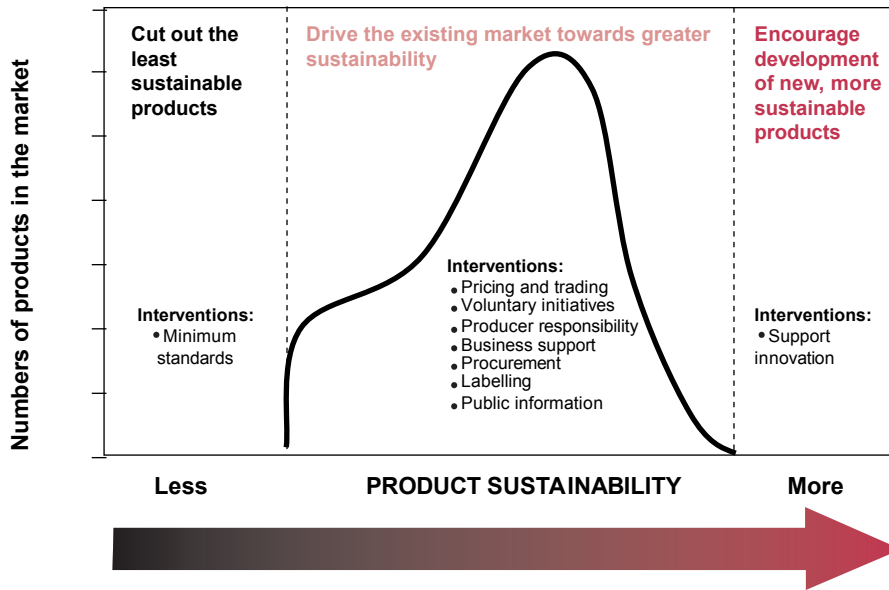
Our overall approach to product interventions is summarised in the chart below. Within any product group, and at any point in time, there is likely to be a range of products on the market with varying degrees of sustainability. Most products are somewhere in the middle of the range, with a few more sustainable than average and a few less sustainable than average. The range of product interventions has to include action across the whole sustainability range to:

- Drive the development of new products that are more sustainable than all of the current options;
- Move the market average towards the most sustainable of what is available; and
- Cut out the least sustainable products.

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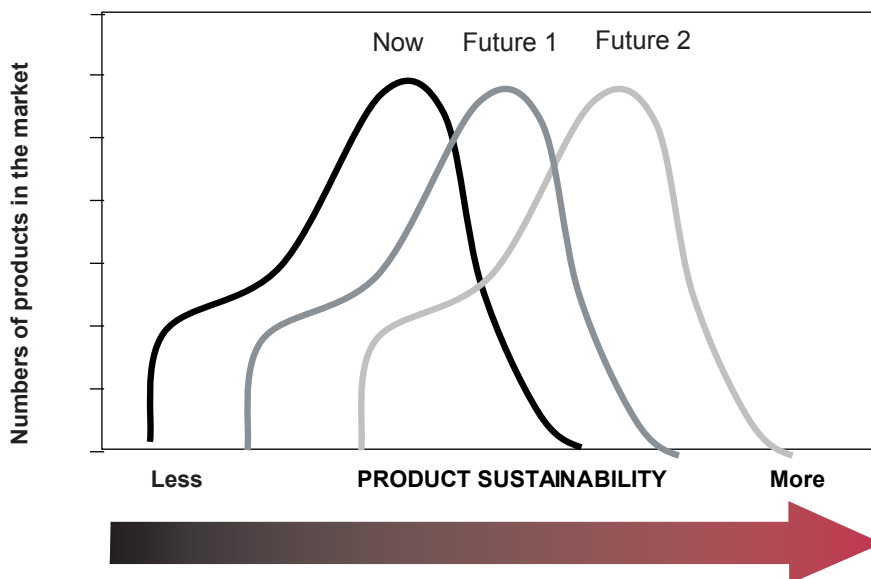
<sup>4</sup> <http://www.defra.gov.uk/environment/consumerprod/pdf/prod-materials-report0708.pdf>

## PRODUCT INTERVENTIONS – Overall approach



The aim of the whole range of product interventions is to encourage the whole market to become more sustainable over time—i.e., to move the product distribution curve towards the right-hand end of the chart below.

## PRODUCT INTERVENTIONS – Market change over time



Within this range of interventions, voluntary action by businesses, and action to influence consumer demand (including public information and labelling), can help drive the existing market towards greater sustainability.

We agree that consumer pressure for improvement helps to drive product development and manufacture, and influence procurement by retailers, but at present it is far from sufficient on its own. Certainly the aim for product policy is to encourage a cycle of consumer interest and support which rewards improvements in the supply chain and drives competition for continuous improvement. But we envisage needing a wider range of product related interventions alongside consumer pressure for some time to come.

*Recommendation 17*

We recognise that addressing the multitude of practical and psychological issues which influence consumer behaviour is a complex and difficult task, but businesses are well placed to implement measures which encourage consumers to adopt more sustainable behaviours. Waste could be reduced if consumers were encouraged to retain products for longer and repair them when necessary, but this is usually an uncompetitive strategy and businesses cannot be expected to promote something which leads to a reduction in profits. Business models must therefore be developed which are both sustainable and profitable. Such strategies might include the production of modular products which can be continually added to and upgraded, or schemes that reward customers for recycling but which also foster brand loyalty. If repair work is to be encouraged, changes to the Value Added Tax regime may be required. We therefore recommend that the Department for Business, Enterprise and Regulatory Reform should work with retailers and academia to promote the use of sustainable business models and must review the range of policies and incentives required to accelerate their implementation. (Para 5.30)

The Government is committed to building a low carbon economy and recognises the important role of new and innovative business models in achieving that end.

The Government has a particular role in creating the conditions that allow innovation to flourish by removing barriers and other disincentives. BERR, jointly with DIUS, published “Supporting innovation in Services”<sup>5</sup> on 28 August 2008, a report into what is driving innovation in service sectors, the barriers to innovation and the role of Government in improving the environment for innovation in services. This work confirmed growing recognition that sustainability and the environment are drivers of change impacting upon a wide range of service sectors and offer new opportunities. The report includes an action plan for follow up by Government in a number of areas. BERR will work more closely with Defra and the Technology Strategy Board to pull together more strongly policy delivery in the sphere of waste and resource management, including, where appropriate, promoting new sustainable business models. An action plan for this is being devised this autumn. As part of this follow up, it is envisaged that the Knowledge Transfer Networks of the Technology Strategy Board should work much more closely on this agenda with existing delivery agencies such as the Waste Resource Action Programme (WRAP) and with other business networks to promote this agenda. There may also be the opportunity to link this more strongly with the front-line business support mechanisms of the Manufacturing Advisory Service and the Business Link network and to enhance their capabilities to deliver practical advice and tools for businesses to use in relation to their waste and resource efficiency.

On repairs, the Principal VAT Directive (2006/112/EC) does not currently permit the UK to apply a reduced VAT rate to repairs of household items. However, the European Commission proposed some changes to the Directive in July 2008, which, if agreed by Member States, could open up this possibility for Member States. If this proposed change is agreed, the Government will consider whether there is a policy case to introduce any new reduced rates in the UK. Where reduced VAT rates are currently available, the Government has, to date, only applied them where they provide the best-targeted and most cost-effective support for our social objectives when compared to other policy instruments.

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<sup>5</sup> <http://www.berr.gov.uk/files/file47440.pdf>

### *Recommendation 18*

We endorse the message of the Sustainable Consumption Roundtable's report, *I will if you will*, that in order to reduce consumption, a joint effort from government, businesses and consumers is required. Whilst the Government's *Framework for Pro-Environmental Behaviours* outlines a good approach to address consumer behaviour we urge the Government to follow this up by using its approach to reduce the wastage of a wider range of products, rather than just food. (Para 5.35)

In order to reduce the environmental impacts of consumption, a wide range of actions will be needed across a variety of stakeholders. The Behaviours Framework and its supporting evidence base are addressing a wide range of products. In our Waste Strategy 2007, and in subsequent action, we are clear that waste prevention by consumers must go much wider than just food. For that reason, the Waste Strategy introduced a national target for residual household reduction embracing all kinds of household waste. This approach has subsequently been followed, with strong Government encouragement, by all those local authorities who have included a residual waste reduction target in Local Area Agreements. The Government will be closely monitoring the performance of all local authorities on household residual waste reduction.

Local authorities have a range of measures available to them to promote household waste reduction especially through their collection policies; and the Government is expanding that available range through the new powers being introduced in the Climate Change Bill, which will allow for pilots of household waste incentive schemes and for subsequent roll out if the pilots are successful.

In relation to specific product areas, we are also looking to reduce the amount of household waste generated through voluntary measures by producers and retailers. For example, our clothing roadmap (published in January 2008) includes key areas for collaboration with stakeholders of maximising reuse, recycling and end-of-life waste management. An important aim is to improve on the current rate of reuse and recycling of end-of-life clothing, which currently stands at around 13%. An increasing number of high street retailers are operating clothing take back schemes, and we are studying further opportunities for action. A study that we have commissioned, which is due to report in March 2009, should help us decide on next steps.

## *Chapter 6—Waste reduction as a business opportunity*

### *Business support*

### *Recommendation 19*

Businesses which implement new and innovative solutions to reduce waste tend to experience significant cost savings and awareness of such strategies is beginning to increase. However, many businesses still fail to recognise the financial costs of their waste and even where waste reduction strategies are known, an understanding of how to implement them is lacking. It is vital that business support bodies should continue to provide direct, tailored guidance to businesses, especially to help small- and medium-sized enterprises overcome the challenges they face. We are therefore extremely disappointed by the decision to reduce funding for some of the major business support bodies, including Envirowise, the Market Transformation Programme, the National Industrial Symbiosis Programme and the Waste and Resources Action Programme, and we are at a loss

to understand the Government's reasoning. Discontinuation of the Business Resource Efficiency and Waste programme and funding cuts will only serve to reduce the services that business support bodies and local authorities can offer. Hitherto, hypothecation of a proportion of the landfill tax has sent a strong signal to industry that waste must be reduced, and ending this arrangement will undermine the Government's pledge to tackle commercial, industrial and construction waste. We recommend that the Government should once again ring-fence a proportion of the landfill tax revenue to fund waste reduction initiatives, thus providing businesses with both the carrot, and justification for the stick, in order to encourage change. (Para 6.35)

The Government agrees with the Committee that awareness of waste reduction strategies is increasing amongst businesses. We judge that this reflects a growing understanding amongst the business community of the economic and environmental case for waste reduction.

Defra's delivery bodies have delivered major environmental benefits and substantial cost savings for businesses. However, given the change in business attitudes referred to above, we have decided to refocus the support that we provide through our delivery bodies. From the current financial year onwards, support will concentrate on providing the necessary evidence to encourage businesses to change their behaviour, rather than supporting individual businesses for projects where the benefits come quickly through to the company bottom line. This move—to concentrate on developing the evidence base for improving businesses' resource efficiency—is in line with Defra's wider strategy towards catalysing behaviour change for a low carbon Britain.

This more selective approach to funding has inevitably led to a lowering of receipts for the delivery bodies to which the Committee refers. However, Defra is continuing to provide significant levels of funding in this area, and we are as committed as ever to tackling commercial, industrial and construction waste. We are convinced that we are taking the right approach: continuing as before would have meant that we would have only been able to target a small proportion of businesses. As we change our focus, we are seeking that our delivery bodies apply their wealth of knowledge experience to develop even more effective means of engaging businesses.

The Government does not agree that removing hypothecation of a proportion of the landfill tax undermines our commitment to tackling commercial, industrial and construction waste. Funding ringfences are being loosened across Government Departments, in order to provide maximum flexibility to prioritise and deliver value for money. Ringfences are always re-examined through the spending review process, with a general presumption against their retention. We do not plan to reinstate a ringfence around landfill tax revenue, since this would limit Defra's ability to deliver the range of its objectives.

Decisions on taxation and spending should also be viewed in the context of wider Government policies introduced to benefit business, including the business tax reform and deregulation agendas, and the Business Support Simplification Programme.

#### *Recommendation 20*

We recognise that the vast range of business support bodies is confusing for businesses and support the Government's Business Support Simplification Programme. Nevertheless, we are not satisfied that Business Link advisers are

appropriately qualified to advise on resource efficiency. We recommend that the Government urgently provide further training for these advisers, especially in the field of waste reduction, and a system should be developed to monitor the quality of advice provided. As many businesses approach local authorities for assistance, local authorities must also ensure that their advisers recognise the need to refer businesses to Business Link for more detailed advice. (Para 6.36)

The Government recognises the need to build the capacity and capability of Business Link (including information, tools, customer services and advisers). Defra is working with Regional Development Agencies (RDAs) to enhance the knowledge and understanding of all Business Link customer facing staff working on waste and resource efficiency. This will include helping advisers to identify and deal with issues in these areas, and how best to broker business customers to appropriate advice and support.

Defra, BERR and the RDAs are also working together to ensure the proactive development of core national content on the national Business Link website, including the development of specific information and interactive tools.

Systems already exist to monitor the quality of Business Link advice. A customer satisfaction survey which provides the primary means of assessing quality of interaction with the customer. In time, it will enable the identification of businesses that receive resource efficiency support. This is complemented by regional monitoring and evaluation arrangements of the Business Link service. Periodic national research and evaluation arrangements will also be carried out as required.

Wider efforts on Business Support Simplification include activity to ensure that local authority advisers recognise the need to refer businesses to Business Link for more detailed advice. BERR will work closely with Defra, the RDAs and local authorities to ensure appropriate cross referrals are made.

#### *Recommendation 21*

There is scope for waste prevention to be integrated into sustainable business models but the implementation of such strategies will take time. The success of sustainable business models depends upon the size and structure of the business, the take-back and recycling infrastructure, the current market value of products and consumer perceptions. Evidence supporting these strategies is scant but growing so we recommend that the Department for Business, Enterprise and Regulatory Reform, along with business support agencies and industry, should continue to monitor such business models, assessing the barriers which inhibit their adoption and reviewing the range of policies and incentives that might be required to encourage their implementation. (Para 6.47)

BERR looks to keep abreast of the development of new sustainable business models. The Department recently undertook a project on innovation in the service economy, which analysed key innovations in five diverse service sectors (retail, logistics, internet delivered content services, construction and environmental services). As discussed at recommendation 17, the project identified, with the help of business participants, key service innovations in these sectors; the drivers of these; the barriers faced; and considered the roles Government might play in tackling those barriers. Its final report includes an action plan for follow up. The project's synthesis report, "Supporting innovation in Services"<sup>6</sup>, together with its supporting sectoral research, was published

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<sup>6</sup> [www.berr.gov.uk/files/file47440.pdf](http://www.berr.gov.uk/files/file47440.pdf)

on 28 August 2008. The project identified considerations of sustainability as an important driver of change across business, and it reflected the part that innovative services can play in transition towards a more resource efficient economy. The project considered innovation in sustainable business models, for example, in recycling services and in remanufacture, where there are growing opportunities for business, both in services and otherwise, and new business models being developed<sup>7</sup>.

The project's discussions with businesses active in providing waste and resource management services showed recognition that a number of Government support bodies are already active in supporting waste minimisation and resource efficiency, including the development of waste reduction business models. There was also a call for Government to coordinate these initiatives more strongly in support of the policy objective of bringing about transformational change in the way that businesses manage their resource use.

Therefore BERR will work more closely with Defra and the Technology Strategy Board to pull together stronger policy delivery in the sphere of waste and resource management. An action plan for this is being devised this autumn. This will advance the implementation of the Government response to the Commission on Environmental Markets and Economic Performance (CEMEP) and reflect the recognition in the recent BERR/DIUS Manufacturing Strategy Review of the importance of resource efficiency to the broad range of manufacturers in the light of rises in global resource prices and likely future constraints on their availability.

As part of this follow up, it is envisaged that the Knowledge Transfer Networks of the Technology Strategy Board should work much more closely on this agenda with existing delivery agencies such as the Waste Resource Action Programme (WRAP).

For example, the Environmental Knowledge Transfer Network (KTN) has recently produced a report giving recommendations for conserving 60 scarce strategic natural resources<sup>8</sup>, and has reported on the potential for recovering more energy from the waste resources that cannot be effectively recycled<sup>9</sup>. Meanwhile WRAP is supporting work in a number of areas including working directly with industry to promote closed-loop recycling for packaging.<sup>10</sup> There is also the opportunity to support dissemination of good practice for example with case studies and diagnostic tools for businesses, through stronger integration of these and other business networks. There may also be the chance to strengthen further the capabilities of the front-line business support mechanisms of the Manufacturing Advisory Service and the Business Link Networks to deliver practical advice and tools for businesses to use in relation to their waste and resource efficiency. These options are being investigated.

## *Chapter 7—Taking the lead*

### *Sustainability In Government*

#### *Recommendation 22*

It is vital that government departments lead by example in reducing their own waste. Although pan-governmental performance on waste reduction has been

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<sup>7</sup> The Government funded Centre for Remanufacturing & Re-use monitors businesses whose business models are based around take-back and remanufacturing and publishes case-studies to publicise the benefits of remanufacturing in a sustainable business model.

<sup>8</sup> ( Material Security—Ensuring Resource Availability for the UK Economy )

<sup>9</sup> ( Energy from Waste Business Case )

<sup>10</sup> [www.closedlooprecycling.co.uk/page.asp?pageid=99&nid=241](http://www.closedlooprecycling.co.uk/page.asp?pageid=99&nid=241)

good, some departments still lag behind and we are concerned that targets are not challenging enough. Departmental performance on sustainable procurement has been disappointing and procurement staff often fail to recognise the lifetime cost of products. We welcome the establishment of the Centre of Expertise for Sustainable Procurement and recommend that it should urgently review the knowledge of procurement staff, providing training where necessary, to ensure that staff recognise the true costs of the products they buy and understand how the principles of waste reduction fit into the larger aims of sustainability. (Para 7.10)

The Government recognises the importance of showing leadership in sustainable operations, including in the area of waste reduction. The Sustainable Operations on the Government Estate (SOGE) framework established targets for Government, including to reduce waste arisings by 5 per cent by 2010 and 25 per cent by 2020, relative to 2004–05 levels. The framework also established targets for recycling, to be 40 per cent of waste arisings by 2010 and 75 per cent by 2020.

The Government published a Delivery Plan for sustainable operations and procurement in August 2008, and included delivery trajectories for each department against each of the SOGE targets. These trajectories show that Government is expected to exceed both the waste and recycling targets.

The Centre of Expertise in Sustainable Procurement (CESP) will work with departments to ensure the implementation of the Delivery Plan.

We share the Committee's concern that we need to have robust targets and a key commitment of the delivery plan was to review the SOGE framework of targets, which contains the commitment to reduce waste arisings by 5 per cent by 2010. A programme of work to deliver this commitment has been established by CESP and Defra. This review is expected to report by the end of this year.

The Delivery Plan also included a commitment for the CESP to work with departments to assess current capabilities in sustainable procurement and operations, including issues of whole life costing in procurement, and to develop a capability and training strategy. This work is expected to be completed during 2008–09, and will take account of the need to consider all aspects of procurement, including reducing waste and considering end of life disposal.

### *Recommendation 23*

We support the Government's attempts to increase opportunities for small businesses to compete for procurement contracts and hope that their work will lead to a greater understanding and removal of the barriers which currently prevent this. (Para 7.11)

Budget 2008 announced that the Government would set up an advisory committee, chaired by Anne Glover (Chief Executive of Amadeus Capital Partners Limited). The committee will provide advice for the 2008 pre-budget report (PBR) on necessary Government action to reduce the barriers to SMEs competing for public sector contracts, within the scope of EU law and the policy objective of value for money, and advise on the practicality of setting a goal for SMEs to win 30% of all public sector business in the next five years.

Government policy is to encourage and support SMEs to compete for public sector contracts where this is consistent with the obligations on public procurers to seek value for money and to comply with EU Treaty principles and the EU procurement directives. OGC's newly launched Procurement Policy and Standards Framework (PPSF) provides further information and is accessible

through the OGC website. In collaboration with the Small Business Service, OGC has published a guide, “Smaller Supplier...Better Value?”, to raise awareness amongst public procurement officials on the value for money which SMEs can offer.

Following a recommendation in the Better Regulation Task Force/Small Business Council report, “Government: Supporter and Customer?” in 2003, the Government undertook work on opening up the supply chain and identifying how SMEs could access sub-contracting opportunities. Detailed research into what constitutes good supply chain management practice formed the basis for a guide to Supply Chain Management in Public Sector Procurement and a further supporting tool, the Supply Chain Wizard. The OGC has also worked with a sample of central Government’s larger suppliers to identify how SMEs could access subcontracting opportunities. The issues are addressed in the OGC publication, “Working Through Larger Suppliers”.

### *Working with industry*

#### *Recommendation 24*

We welcome the fact that waste prevention has been recognised as an important strand within the Government’s Waste Strategy, but this approach must be backed up with the appropriate policies. Progress is being made in tackling domestic waste, but this accounts for a relatively small proportion of all waste in the UK and more attention must now be paid to other waste streams. The Government should continue to work with stakeholders to ensure that policies are set appropriately, but the Government should now also take the lead in developing a strategy to reduce industrial and commercial waste. We welcome the revision of the Waste Framework Directive which we hope will contribute towards a more efficient use of resources and reiterate the importance of Government working with other EU Member States to ensure that the directive’s provisions are implemented as quickly as possible. (Para 7.39)

The Government agrees with this recommendation and on the importance of reducing the amount of waste generated by the commercial and industrial waste sector. Waste Strategy 2007 has already made it clear that this is a priority; and the decision in 2007 substantially to increase the landfill tax escalator was aimed at reducing all kinds of waste, especially waste that would otherwise be likely to go to landfill, as well as encouraging its diversion.

Since Waste Strategy 2007 was published, we have also been engaging with key waste stakeholders on priorities for commercial and industrial waste reduction. Following further consultation with stakeholders, we are aiming to publish a further statement of our strategic aims on commercial and industrial waste, including waste reduction, in the New Year.

The Government’s Sustainable Construction Strategy published in June 2008 established a shared Government-industry target to halve the tonnage of construction, demolition and excavation (CD&E) waste going to landfill by 2012. The Strategy included a range of actions which will contribute to meeting this target. The introduction from April 2008 of a requirement for all construction projects in England costing over £300,000 to have a Site Waste Management Plan will encourage the minimisation and better management of CD&E waste. Our strategic review of packaging policy, called for by the Prime Minister’s Strategy

Unit's July 2008 Food Matters report,<sup>11</sup> will embrace the need to reduce packaging in the commercial and industrial as well as domestic sectors. The Government confirms its intention to continue to work closely with the European Commission and other Member States to ensure that end-of-waste criteria are developed as quickly as possible.

We are also working closely with the food manufacturing sector and retailers to achieve reductions in food waste during production, and have also begun discussions with the Food Processing Knowledge Transfer Network.

The Waste and Resources Action Programme (WRAP), the National Industrial Symbiosis Programme (NISP) and other delivery bodies are also aiming to achieve significant amounts of commercial waste reduction through work in specific sectors. For example, in 2008/9 NISP is looking to achieve cost savings to business of £5m and increase sales for businesses of £5m per year. NISP aims to deliver 750 ktonnes of diversion from landfill, carbon savings of 750 ktonnes, raw material savings of 750 ktonnes and hazardous waste savings of 5 ktonnes. WRAP has a target to divert 8 million tonnes of material from municipal, industrial and commercial waste streams by 2011. WRAP plans to achieve this by working with business sectors, notably food and retail to reduce and recycle packaging and food waste. For example, with WRAP's involvement, over 30 major retailers, brands and suppliers have joined the Courtauld Commitment to reduce packaging waste.

#### *Recommendation 25*

Following their campaign to promote re-use and recycling, the Government must now provide clear and consistent signals that waste reduction is a priority. Businesses will not invest in sustainable practices unless they are confident of the Government's long-term policies, and consumers will not change behaviours without education or incentives. In order to engage, enable and encourage businesses and consumers to embrace waste reduction, it is crucial that work is undertaken on a whole supply chain basis, examining the impacts of products throughout their lifetime. We endorse the use of the product roadmap approach which tackles particular products or waste streams by working with all the relevant players, including manufacturers, retailers and consumers. We hope that the Government will use these roadmaps to provide industry and the general public with clear guidance on the direction they are taking. (Para 7.40)

The Government has emphasised that waste prevention is a priority through its place at the top of the waste hierarchy in Waste Strategy 2007. We are increasingly focusing on waste prevention in the further development of policies, for example through the new national target for residual household waste reduction included in our Waste Strategy, in our current review of packaging policies and in public campaigning activities. The "Love Food Hate Waste" campaign has led to an annual reduction in food waste of 110,000 tonnes since its launch last year. In the household sector the annual rate of waste growth has already reduced in recent years; and we are undertaking further research to establish more clearly the underlying reasons for this.

We agree with the Committee about the importance of examining impacts of products throughout their lifetime, and are grateful for the Committee's endorsement of the product roadmap approach. As discussed at recommendations

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<sup>11</sup> [http://www.cabinetoffice.gov.uk/strategy/work\\_areas/food\\_policy.aspx](http://www.cabinetoffice.gov.uk/strategy/work_areas/food_policy.aspx)

6 and 15, the role of lifecycle assessments of products and the use of labelling are also central to our approach.

We plan to publicise, and build on, lessons learned from the 10 pilot product roadmaps which Defra is co-ordinating (looking at milk, fish and shellfish, clothing, TVs, domestic lighting, commercial electric motors, plasterboard, window systems, WCs and passenger cars) – with a view to developing and improving the roadmap approach. We are encouraging businesses, NGOs and others not just to participate in Government co-ordinated roadmaps but also to kick start and lead their own product roadmapping activities.

Actions from the roadmaps will make it easier for consumers to act more sustainably, and, while they are unlikely to be directly involved, publicity surrounding the roadmaps will help to inform and influence consumer behaviours.

#### *Recommendation 26*

We support the use of voluntary sectoral agreements to bring stakeholders together in tackling specific waste streams, enabling businesses to recognise the costs of their waste and giving them the opportunity and guidance to minimise it. The Government must be prepared to monitor these agreements and review policies when necessary. (Para 7.41)

We agree about the value of voluntary sectoral agreements and on the importance of monitoring and reviewing their progress.

The Courtauld Commitment is a voluntary agreement between the Waste and Resources Action Programme (WRAP), Defra, the Scottish and Welsh Governments and the UK grocery sector to achieve significant reductions in household packaging and food waste. WRAP announced on 28 July that the grocery sector has achieved the first objective—to end packaging growth in the UK—despite various challenges including 1.8 per cent growth in the grocery sector and population growth of 0.5 per cent per annum. The Commitment is due to run until 2010. Discussions are ongoing around agreeing an ambitious successor agreement.

The UK retail sector agreed to take action and set itself a shared objective with the Government and WRAP to reduce the overall environmental impact of all carrier bags by 25 per cent by the end of 2008. A review of the work done after the first year (2007) suggested that the signatories were on track to hit the target. The agreement covers all types of carrier bags, not just plastic, to send a consistent message to consumers on reducing the usage and impact of carrier bags. It was conceived as a first stage, and as announced in this year's Budget, we are now looking beyond the direct environmental impacts of carrier bags, towards achieving a substantial reduction in the number of single-use carrier bags distributed by retailers.

The Government has also secured voluntary agreements with other sectors, notably the paper industry, where there are agreements with newspaper publishers on recycled content, with periodical publishers on recycling rates, and with the direct marketing sector on both waste prevention and recycling rates. The Government keeps these agreements under regular review and will look to improve their effectiveness wherever possible, acting in consultation with the sectors concerned.

Part of the response to recommendation 18 describes another example of the use of voluntary sectoral agreements (with regard to sustainable clothing).

*Recommendation 27*

The Government must engage with industry and provide the assurances and certainty required to enable businesses to invest in waste reduction strategies. In order to encourage innovation, we recommend that the Government adopt the “top runner” approach wherever possible. This strategy should involve the use of standards and choice editing, pre-selecting the most sustainable products, to drive continued improvements in sustainability. (Para 7.42)

As a general principle we are looking for greater use of progressively updated or dynamic standards to drive environmental innovations. This was a key recommendation of the report of the Commission on Environmental Markets and Economic Performance (CEMEP), which the UK Government accepted in its response in May 2008. The UK is already seeking to secure the use of dynamic standards in our negotiations in Europe on energy using products. By establishing clear levels of expected energy efficiency, manufacturers of products are able to plan their products with greater certainty. For example the recently agreed Eco-Design of Energy Using Products Directive (EuP) Implementing Measure on Stand-by establishes 1 watt as the standard for 1 year after the measure comes into force and 0.5 watts for 3 years later. EuP implementing measures could, in principle, cover other environmental impacts such as waste. However, in the products studied so far, energy in use has been identified as by far the largest impact to be addressed.

A similar approach is being taken in the setting of standards for products procured by Government. Buy Sustainable Quick Wins are aimed at Central Government and its agencies. They comprise best practice specifications and a set of mandatory minimum standards at the market average level. These best practice specifications are more stretching than the mandatory minimum. They are voluntary for those procurers that wish to purchase the “best in class” products in certain areas. These may become the minimum standards over different time periods depending on the product or product group. Standards are reviewed regularly through cross departmental expert groups involving CESP and Defra. New standards were published in July. We are also taking account of international specifications and toolkits, including European Green Public Procurement.

*Recommendation 28*

We were disappointed by the unwillingness of the Department for Environment, Food and Rural Affairs to discuss fiscal incentives and recommend that the Department should work with the Treasury to review the case for implementing variable Value Added Tax to promote the development of sustainable products. (Para 7.43)

The VAT framework has been agreed and implemented at EU level, and this limits the Government’s flexibility in making significant changes to the domestic VAT system. VAT is a broad based tax on consumer expenditure from which reliefs have always been strictly limited and there is no prospect of a fundamental redesign of the EU VAT system to be based upon the environmental sustainability of a good or service. Nonetheless, the Government believes that the need to tackle climate change is the most pressing example of where specific changes should be introduced to EU VAT rate agreements to be more consistent with broader Community objectives. The Government has been engaging constructively at EU level to secure agreement on the application of reduced VAT rates to energy-saving and energy efficient products.

*Recommendation 29*

It is important that the Government address areas of public concern in order to engage with members of the public and encourage behavioural changes. Nevertheless, the Government's focus must now widen to include other waste streams apart from the obvious options of domestic waste and packaging. We welcome the identification of key materials from the commercial, industrial and construction sectors, but recommend that the Government should provide greater clarity about who will be taking the lead in addressing production and consumption in each of these areas and who will be responsible for promoting and monitoring the over-arching aim of waste reduction. (Para 7.44)

The Government is already focussing on a wide range of waste streams, taking as the starting point the seven priority material streams identified in Waste Strategy 2007. Work on each of these (plastics, non-ferrous metals, textiles, food, wood, paper and glass) is at different stages of development. This is over and above approaches focussing on waste in major sectors, especially retail and construction. Workplans have been developed or are being further developed in all these areas, with leads identified for the relevant activities.

Following the recent Machinery of Government changes, Defra will continue to lead on overarching responsibilities for sustainable consumption and production, and waste, including waste prevention. Defra will work closely on this agenda with other relevant Government departments, especially the Departments for Energy and Climate Change, Business and Regulatory Reform, Innovation Universities and Skills, Communities and Local Government and Treasury.



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- 3rd Report Renewable Energy: Practicalities and Energy Efficiency: Government Responses
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- 2nd Report    Radioactive Waste Management Update: Government Response
- 3rd Report    Air Travel and Health Update: Government Response
- 4th Report    Personal Internet Security: Follow-up
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- 6th Report    Waste Reduction