



Environmental Audit Committee

Oral evidence: [Growing a circular economy](#), HC 214

Wednesday 2 July 2014

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Written evidence from witnesses:

- [The Government](#)

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Members present: Joan Walley (Chair), Zac Goldsmith, Mike Kane, Mark Lazarowicz, Caroline Lucas, Caroline Nokes, Dr Matthew Offord, Mrs Caroline Spelman, Dr Alan Whitehead, Simon Wright.

Questions 217–302]

Witnesses: **Dan Rogerson MP**, Parliamentary Under-Secretary of State for water, forestry, rural affairs and resource management, Department for Environment, Food and Rural Affairs, **Jonathan Tillson**, Head of Sustainable Business, Department for Environment, Food and Rural Affairs, **Stuart Edwards**, Deputy Director for Materials and Resources Industries, Department for Business, Innovation and Skills, and **Rosie Seymour**, Acting Director of Local Government Policy, Department for Communities and Local Government, gave evidence.

Q217 Chair: Minister, may I welcome you and your colleagues to our hearing on the circular economy? I was in the audience a couple of weeks ago when you were addressing the CIWM conference and it is good to have you before us this afternoon. We have had a lot of interesting evidence and a lot of issues that we wish to explore with all four of our witnesses. The Government has made a commitment, it has set an ambition if you like, to move towards a circular economy. How are you going to define what that is and define the success that you might have in achieving that?

Dan Rogerson: That is an excellent question to start off with. Thank you very much for inviting me, Madam Chairman. Would you like us to introduce ourselves?

Q218 Chair: Why not, and then we all know who everybody is.

Dan Rogerson: I am the Parliamentary Under-Secretary for resource management with this hat on, among a number of responsibilities at DEFRA.

Stuart Edwards: My name is Stuart Edwards and I am a deputy director in the advanced manufacturing and services directorate in BIS. I cover broadly materials and resources industries, including sponsorship of industrial strategy in areas like materials, chemicals, oil and gas. My team has also taken on responsibility for co-ordinating the implementation of the recent House of Lords report on waste in the bioeconomy. My teams include responsibilities on regulation on producer responsibility in certain areas.

Jonathan Tillson: Jonathan Tillson. I am head of sustainable business at DEFRA.

Rosie Seymour: Rosie Seymour, acting director, local government policy at DCLG.

Q219 Chair: Thank you. I would say two things. It is always helpful to have someone who has served on a Select Committee before as I am sure that helps with the way in which we take the evidence. It is interesting in terms of the BIS commitment as well because the cross-cutting relationships between Government Departments on this issue in particular is really important. So, with preliminaries out of the way, back to you, Minister, on how you will measure the success of this.

Dan Rogerson: You quite rightly introduced the topic as an ambition. I think that is very much the right spirit in which we approach it. It is a challenge for Government but it is very much, in terms of delivery, something for the whole of society, the business sector, civil society, the wider public sector, in how we move towards making the best use of the resources that we have at our disposal. We have classically had a linear approach: you make something, you use it and then you dispose of it at the end. Following that we moved to trying to retain some of what was there or to reuse things. What we are talking about now is a bigger shift across the board to an approach where we make better use of resources to reuse them so we are not wasting them.

We think that there are real benefits to doing that and there have been a number of studies that have explored it. The Environmental Services Association which, as you know, represents what we would have called waste companies, resource management companies, has estimated that we can increase UK GDP by £3 billion. The 2011 study undertaken for Government estimated that there was £23 billion worth of no or low cost financial resource efficiency improvements that were available to UK business. That would include improving their use of resources that we are talking about here but also of energy and water as well, with around £10 billion attributable to small and medium enterprises, so real gains for people there in terms of their efficiency. The Ellen MacArthur Foundation commissioned some work that estimated that in the UK materials savings of between £30 billion and £60 billion were available that we could get by adopting a more circular approach so that we are making much better use of resources.

We have said that we want to move towards a circular economy because there is a point at which you are chasing diminishing returns, so that you are putting more energy into chasing a principle and you are not getting much back. We need to have a view as to what is best in terms of resources.

Q220 Chair: Is this a holy grail?

Dan Rogerson: It is an approach that clearly would offer us a lot financially but also in environmental terms as well in a world where there is a lot more competition for resources. There is a lot more development in other countries in the world that hitherto have not been as economically active in the same way and there will be huge demand for resources. We think we can be very competitive in the UK by making sure that we use resources far more efficiently as well as the environmental benefits on that. That is why we think this is the approach to pursue.

Q221 Chair: So fast forward five years, looking back to where we are now, how would you say, “Yes, we were successful in what we were looking to do”? What would be the three things that you would want to tick on that tick-box?

Dan Rogerson: I think we would have seen a lot of innovation about how resources can be used. It would become mainstream practice for everybody that—

Q222 Chair: We will go into the detail later but just looking at it broadly.

Dan Rogerson: Rather than setting indicators and targets, we are looking at that this being an ambition and that is how you introduced it. The way the business sector in particular would view it is making the best use of the resources that are out there so we are not seeing things wasted. We know that we have reduced landfill a great deal but there is more to do on that. Stuart mentioned the bioeconomy as something that BIS are engaged with more and have a named Minister on. I suppose from DEFRA’s point of view in particular it would be making sure that we are pushing the materials up the hierarchy and the amount that goes to landfill is down to some very hazardous wastes and so on. That is an indication of the limits of where it will be useful to go. For example, if we look at asbestos that is reclaimed from things, we would not want to be putting that back into use because that is a material we want to take out of use. There are limits to the circular economy with materials that already are out there. Stuart, do you want to add anything from BIS’s point of view on what you think the potential gains are?

Stuart Edwards: I think there is something about an industry that is on the leading edge in innovation, both in terms of what that can do domestically and what that can offer in terms of exports. I would say that competition through innovation is an important factor in this as well.

Q223 Chair: Fine. Moving on then, I think we were expecting the European Commission document yesterday. I realise it has only been published this morning. Have you or your officials had a chance to peruse it, just to give us a broad initial response to what is in it?

Dan Rogerson: We want to reserve the right to do a proper analysis of that rather than giving an off the cuff response to it.

Q224 Chair: You do not have any reaction to it at all yet, given that it has not really changed very much from drafts?

Dan Rogerson: You have heard from the Commissioner already. We welcome the fact that at the European Union level there is this emphasis on a circular economy as well, for all the reasons I have just given. We have tended to take the approach that we are not

hugely in favour of targets because if I talk to my colleagues in other member states, as I have been doing recently—I met the Minister from Portugal on Monday—they are all in different places. You have to look at where the benchmarks are taken from about how you make progress. As an approach, I clearly welcome the fact that Commissioner Potočník is very keen on this and has sought to make progress before he hands over to whoever is taking over from him. We will do a response to it once we have had a chance to have a look at what has actually come out.

Q225 Chair: How will that response be compiled? When will it be ready?

Dan Rogerson: We have to do an explanatory memorandum within, I think, about 10 days. We will look to do an explanatory memorandum so that we can start the discussion here in Parliament and so on about what the Commission is suggesting.

Q226 Chair: You mentioned targets. Given that the European Commission is looking at a 70% target by 2030, how do you expect that that will be reflected in your response, given that the average is 43%? I know in my own local authority area it is almost half that, so we obviously have long ways to travel. How are you dealing with this 70% intent?

Dan Rogerson: As I said, across a number of member states it will be very variable as well. There is very little point in setting a target that is not achievable, because that demotivates people, and I think we need to focus on what is achievable. We already have an ambitious target of 50% of household waste that we are moving towards meeting.

Q227 Chair: Have you any idea of what might be achievable?

Dan Rogerson: In our discussions in terms of the negotiating position we would take about what shape this should form, we would not be seeking to have binding targets for member states. It would be a discussion about how we can move towards a circular economy in this way. As I have set out, I think there would be a danger of setting a target that is just unachievable for a lot of places. Even if we would be more likely to achieve it than some other member states and closer to it, I do not think that would necessarily be helpful.

Q228 Chair: Do you think you will be going towards the 70% target?

Dan Rogerson: As you have set out, that would be very challenging but there are local authorities around the country that already exceed the 50% target. There are all sorts of other resources that are outside that household waste, other sectors that have achieved a very high level of reuse and recycling of resources. I think it would depend on baselining, where you take the baseline from, and also what resources and materials we are talking about. I think we have a lot of discussion to do and that will be part of how we look at the communication and discuss what the position of the UK Government will be.

Q229 Chair: Moving on slightly, I think the phrase in your evidence to us is “where the Government is uniquely placed to act”. That is a bit of a strange phrase. Does that mean the Government are washing their hands of ways of incentivising or regulating? What do you mean by “uniquely placed to act”? Other countries do not appear to have the same constraints on how they are going forward with their ambitions.

Dan Rogerson: I would not say it is a constraint. There are clearly asks that come from the materials recycling sector and the resource management sector about things we can do to help, discussions that have gone on, which we may discuss later, I don't know, about packaging recycling notes, PRNs and so on. If there are things where they feel the regulators, the Environment Agency and Government need to step in to help, there are obstacles to moving in the way we want to, then of course that is a role for us to deal with. A lot of this will happen out in the wider economy and so it will be up to us to work alongside and with business and through the investment we put in through WRAP and others to offer guidance. Ultimately a lot of this will be down to business to accept that challenge and move on. We think there are very clearly economic drivers for doing that as well as the environmental drivers.

Q230 Chair: I can't help but get the sense that you are talking about this being something that will be driven at the end of the day by business and economic factors, but that in itself surely requires there to be regulation and incentivisation. What initiatives are other countries taking, countries who might well have much higher rates of recycling? What things are they doing that the UK Government would rule out because of this emphasis more on a market economy way of dealing with it?

Dan Rogerson: I will be interested to hear your conclusions and your contribution to the debate as a Committee about where you think Government could do more or things that you think we are not doing. There are a number of things such as food waste where we are ahead of many other countries in the European Union on the amount that is recycled or energy is recovered from it. I do think there are things where we are ahead of other places. What we do not want to do is get in the way of good things that are already happening. As you will know, Chairman, we are seeking to change regulation and we probably have to consult on that and that takes time. There are a number of things where we can set the framework and the ambition and people across the economy can get on and do it without waiting for us to put things in place. When it comes to incentives, perhaps we will explore that a little bit more later if you have specific questions on some ideas that you might have. I think the approach is that we want this to become the norm. We want to move away from that linear approach to dealing with resources and much of that will happen in the wider economy. There are things we can do through Government buying standards and so on that are very much inhouse, but other things will have to be delivered and will be delivered, increasingly, by companies that have an eye on a far more efficient use of the resources that are at their disposal.

Q231 Chair: Just finally from me, looking at what has been said recently about this and the fact that Michael Fallon has recently appointed a bioeconomy champion to BIS, I cannot help but get the feeling that there is a shift within Government. In terms of the evidence that we have had from DEFRA, I wonder whether you would see the DEFRA Minister as being the overall champion for this area in two or three years and how much DEFRA is actually championing it or how much it is now a role for BIS to champion. Where does the responsibility rest within Government?

Dan Rogerson: I would see DEFRA as still having a very key role in this, but when it comes to innovation and getting new products and new services to market, clearly BIS has a role in doing that. That is why I very much welcome the fact that the Department has appointed Michael Fallon as a Minister looking at that because they have at their disposal

a lot of support for businesses that are seeking to expand the services in the sector and to innovate. If we are serious about this then it has to be mainstream, to use a horrible word, across all of Government.

Q232 Chair: What cross-Government machinery is there where, if there are differences between, say, DEFRA and BIS or between BIS and Treasury, they get ironed out?

Dan Rogerson: At the ministerial level and the official level there are constant discussions about how we can do all of this, in the same way that on sustainability and where the Government wants to be on being more sustainable DEFRA has offered tools and advice to other departments on how we can do that. We work with the support of the Cabinet Office to help get that out across Government as well. As you have said, it is a shift at this stage and where do we want to be in a number of years' time. We want all departments to be taking account of it, but I still think in terms of resource management it will be DEFRA.

Q233 Chair: So it is staying with DEFRA at the moment?

Dan Rogerson: Yes.

Q234 Caroline Lucas: I have to say, just in listening to the responses you have given to the Chair so far, that it does not feel as if there is that much ambition. You just said that one of the things you want to do is make sure you do not get in the way of positive things that are happening, which is a pretty low bar. I know trying not to do harm is a good starting point but it did not fill me with enthusiasm for thinking that there is real vision here. Do you think that rising commodity prices and rising population on their own are going to inevitably lead to a more circular economy or do you really think there is a role for Government to step in and make sure it happens sooner rather than later? If the latter, could you give us a bit more confidence that there is a real zeal so to do?

Dan Rogerson: Yes. I can give you some examples of work that we are doing to help take things forward. WRAP are our key partner that we fund to do a lot of this work. There has been work to develop a sustainable electricals action plan to look at action and to share evidence around the product lifecycle with electrical goods. We are developing a practical tool, including a postcode locator, through WRAP to enable householders to find their local reuse and repair services, because there are things people can do at a very local level to keep products in use for longer. We have launched an £800,000 two-year community partnership fund to take forward innovative products on waste prevention as part of the Waste Prevention Programme for England, which we launched back in December, and those projects that we want to see coming forward to that, and WRAP is implementing it for us. We will be looking at waste prevention, reuse and repair in the local communities and that is starting this year. We are supporting resource efficient business models through research and pilot projects.

There is also the Government's action based research programme, which is working with businesses, NGOs and charities to develop further evidence for change and to find innovative ways of breaking down barriers to progress. I do come back to barriers there but if people who are trying to implement this come to us with problems that are holding them back then that is clearly something that we need to work with them on addressing. We are funding work and that involves Government, research, business and civil society

groups. In driving a lot of this change in local areas, social enterprises, for example, can do good work in their local communities and are at that very local level.

Q235 Caroline Lucas: Can I pick up on one thing there? Is there anything practical that you can do, for example, with the tax system to make repairing a more attractive proposition? It is one thing to give people evidence and it is very handy to have an app to tell you where to go and get it done, but if it is going to cost you an arm and a leg and it is going to be cheaper to buy another one, most people are not going to do it.

Dan Rogerson: I have talked about wanting DEFRA to maintain the lead on doing this. However, taxation policy is very much a matter for the Treasury so I am afraid I could not jump in and start making commitments.

Q236 Caroline Lucas: But are you urging them?

Dan Rogerson: We will look again at what the Commission is saying now, looking at what industry tells us are the problems. If they tell us there are problems then of course we can talk to Treasury.

Q237 Caroline Lucas: But we know there are problems. If I want to get my toaster mended, I know perfectly well that it is going to be much cheaper for me to go and buy a new toaster than it is, even with my app, to go and find someone to repair it. We do not need masses of evidence to tell us that. What we need are some practical policies to change the incentives so there is more of an incentive to get it repaired.

Dan Rogerson: What you are essentially saying there is that we should perhaps tax imports more to make products more expensive to drive people towards repair. I do not think that is necessarily the approach that we would want to take. If we look at—

Q238 Chair: It is not a question of imports. It is about the whole concept of repair, surely.

Dan Rogerson: But if at the moment a product is for sale that is quite cheap, as you have pointed out, and there are a number of things that historically you might have bought a part to repair—we do have projects that we are encouraging to look at buying the use of a product. There is the REBUS project that we are funding, which is looking at baby equipment. As your needs change with buggies and things and what you need the buggy to do, depending on how many children you have and so on, you buy that service rather than just a product that you have to get shot of and buy a new one as your child gets older or you have two children or whatever. You are part of a scheme where you can add bits, take bits away or return that and it can be refurbished and used again. So there are some business models that we are working on that go further, and REBUS is an example of that. I apologise if I misunderstood the way you were framing the question but it seemed to me that if you were saying that there is a certain cost to repairing something and an item is available cheaper, there are two things you can do. You can make it easier to get the repair done or you can make it more expensive to buy a replacement product.

Q239 Caroline Lucas: Not just easier to get the repair done but cheaper to get the repair done, advocating different changes to the VAT systems in Europe or whatever it might be. It seems to me we need something more of a step change. To go on to a second question, we have had some evidence that the Government cancelled a planned study looking at resource

issues and the dependency of the UK economy on resources. Could you tell us if that is the case?

Chair: Would you like to answer that, Mr Tillson?

Jonathan Tillson: I will do, certainly. The work did not proceed, I can confirm that. What was your precise question? The work did not proceed.

Q240 Caroline Lucas: Why did it not proceed and what was it going to do and how else will the same thing be done?

Jonathan Tillson: This was a potential study on resource risks and departmental priorities, focusing in particular on the position of DECC. The decision was taken by DECC not to carry on with that proposed piece of work, simply because other areas were seen as higher priority.

Q241 Caroline Lucas: We have had some bits of evidence that are fairly strong saying just how critical they believe that piece of work is, looking at the dependency of the UK economy on resources. Looking at it from the outside, it does look like that would be a fairly important piece of work to do.

Jonathan Tillson: If I may, that is not to suggest that we are not looking at such issues in various other ways.

Q242 Caroline Lucas: If you are not doing it via that planned piece of work, if that has now been cancelled, how else are you going to do it?

Jonathan Tillson: There is quite a lot of work being undertaken at the centre of Government looking at resource risks, for example around availability of critical materials and horizon scanning for potential threats.

Q243 Caroline Lucas: Who is doing that?

Jonathan Tillson: That is being led by the Cabinet Office. Jeremy Heywood is leading one particular group at a director level.

Q244 Chair: Is the one that is being led by Jeremy Heywood the one that DEFRA was wanting to get going with the Treasury or is that a separate one?

Jonathan Tillson: This is a separate issue. I am responding to the question that if that work was not proceeded with what else are we doing.

Dan Rogerson: The project was not a DEFRA one. The one that they decided not to go ahead with was DECC-led.

Q245 Chair: Just going back to Caroline Lucas' question, my understanding was that there was a particular project that DEFRA wanted to do jointly with the Treasury. Professor Tim Jackson referred to it in his evidence to us. Surely you have some idea of what the importance of that was and why you were promoting it and championing it.

Dan Rogerson: It was a decision within DECC. That was a piece of work for them so it was presumably focused on energy issues rather than the resource efficiency stuff that we do in DEFRA. It was a DECC project that they decided did not meet their forward plan.

Q246 Caroline Lucas: I was going to say maybe if there is a piece of work that Jeremy Heywood is leading on, the Committee should talk to him at some point. The final point is what work has the Government done to identify which are the most important natural resources for the UK economy and are there steps to prioritise resource productivity in those specific areas?

Dan Rogerson: The European Union did some work on this first of all and it links into the project that Jonathan was just talking about that the Cabinet Office is leading on. There is a list of 20 materials that are particularly of interest. I can read it out to or we can give you that subsequently in writing if you would like it, but I have it here. The original list was 14 and it has now been expanded to 20 and, of course, as work goes on there may be others that are identified as being of concern.

Q247 Caroline Lucas: As well as the actual list, are there measures, either written down there or somewhere else, that you can give us that would tell us what particular steps are being taken to maximise resource productivity?

Dan Rogerson: This is a piece of work that is just beginning, so that will lead to actions to make sure that our industry has access to the resources they need.

Q248 Caroline Lucas: Sorry, I am getting a bit muddled. There is a list of 20 key resources or whatever and then is it the Jeremy Heywood process that will flesh that out?

Dan Rogerson: Yes, that is right.

Chair: We will move on to Caroline Nokes. It may be that the vote will come in the middle of this questioning but we will move on for now.

Q249 Caroline Nokes: We have heard from businesses that it is very hard for them to obtain data on secondary resource flows, so waste materials, and they find the data is virtually non-existent. In your evidence you have highlighted the value of the eDoc programme to improve data. How do you intend to ensure its long-term success?

Dan Rogerson: One of the key things there is that industry have welcomed it. You said, Madam Chairman, that I was speaking at the joint conference of the Chartered Institute of Waste Management and the ESA and it was noted that they were very much welcoming eDoc and what it offers. There are so far 1,446 businesses registered on eDoc. That is the figure I have here but I am sure it is going up as we speak. There are over 12,000 waste transfer records created on eDoc. So, first of all, the system makes it easier for companies that are dealing with materials to track them, doing it on an electronic basis, but it also gives us this very valuable resource of being able to track materials flows. Obviously there are confidentiality issues. You cannot just publish which company has what and where it is going, but it does allow us to build up a picture of what the flow of various materials across the UK economy is so that we can offer more advice and have more statistics at our disposal and we can share a lot of that information that will be more along the lines about where it is coming from.

Q250 Caroline Nokes: Do you regard it as the job of the Chartered Institute of Waste Management to drive that forward?

Dan Rogerson: I think it is the job of us as Government to champion it, so I am mentioning it and making sure people know it is available when I am talking to industry. The leading waste companies are very keen to take this forward and so they will be doing that through organisations such as ESA. This is not something that is coming as a surprise to people who are dealing with waste. It is an approach that they welcome, one that they have been asking for, and the system will give us a way of making their day-to-day life more efficient in the business they are conducting but also give us the chance to capture that information.

Q251 Caroline Nokes: The EU have suggested that member states should aim to improve resource productivity by 30% by 2030. Who is going to monitor that and do you think that is an achievable target?

Dan Rogerson: I think we come back to what I was saying earlier on about baselining: are we doing that from now or are we doing it from some time ago? There are a number of questions across member states about where they are at the moment, about how good they are at securing resource flows of different resources. So that will feed into our analysis of the communication and what we are going to do. We will obviously respond to what the Commission is setting out as an ambition.

Q252 Simon Wright: The submission we have received from the Government refers to the work that took place in 2011 that calculated that there are £23 billion of resource efficiency benefits available to UK businesses for little or no cost. Have you been able to assess since 2011 how much of that benefit has been realised and how are you monitoring that?

Jonathan Tillson: I think we are very conscious that an important issue requiring further attention is this very one around metrics. We spoke in the last question, I think, about the potential to move towards the proposed Commission aspiration on resource efficiency. There is a wide recognition that there is quite a lot of work still to do to develop the metrics and a better understanding of exactly what the current position is before we can then move on to a clearer idea of how it would be possible and how we would achieve it in the future.

Chair: Sorry, could you use the microphone a bit more closely?

Jonathan Tillson: I had finished. Do you want me to repeat it?

Chair: Yes, please.

Jonathan Tillson: I am sorry about that. I was just saying that I think it is characteristic of this area that it is recognised there is quite a lot of work still to be done to clarify the metrics and establish ways in which we can have a common understanding of where we are now and what the potential is and how we go about it. That will be important. Going back to the last question, to inform our position on the Commission's proposal for an aspirational target generally, I think that applies also to this area. I think we would recognise some progress in that direction but I could not give you a precise figure as to exactly how we are doing.

Dan Rogerson: That £23 billion figure that you referred to and I referred to earlier, Mr Wright, is covering all the resources that we deal with, so the materials that we have been talking about a little bit in various questions, but also water is a very key resource and energy as well.

Q253 Simon Wright: In the absence of those metrics, it is very difficult at this time to establish whether any progress is being made towards realising that £23 billion. Is that right?

Jonathan Tillson: I think we see signs of some progress but to put a precise number would be difficult.

Sitting suspended for a Division in the House.

On resuming-

Q254 Chair: We are quorate, even though not every single member has been able to return at this stage. We were about to hear from Mr Wright.

Simon Wright: We have heard in previous sessions that WRAP's funding from DEFRA has been cut quite substantially over the last couple of years. I think it has been 40% cuts two years running. In light of that, how confident are you that the Government has the tools that it needs to support business to secure the benefits that are there to be gained?

Dan Rogerson: You are right to point to the great work that WRAP has done and is doing on the evidence base and bringing people in various sectors together. They continue to work on that and I highlighted some work they are doing for us leading on from the waste prevention programme. What I might do now is bring in my colleague from BIS to talk about how that department is working with the business sector on taking forward this whole thing of business efficiency and looking for the gains that could be made.

Q255 Chair: Just before we do that, it is quite a substantial cut, isn't it, from £56 million down to £15.3 million? That must have had some implication, some effect on the work that WRAP was doing. It might be useful for the Committee to hear what is now not being done and what effect that is having.

Dan Rogerson: Some of the work that WRAP did in its earlier days is completed. It is all about delivery and getting on with putting that into practice. As you say, we are still putting millions of pounds into their work on new areas. Even within DEFRA, within our own department, we have had to complete some areas of work and scale back some of what we are doing, but that is in line with Government spending across the whole piece. We have to be careful to make sure we are looking at the resources we have and using those as effectively as we can. Having said that, as I have been saying all the way through, a lot of what will happen to deliver this will be right across the economy. That is where all the materials are. They are not under Government control, so it is about working with the business sector to make sure that they get the best out of those benefits and move towards a more circular economy.

We have not been able to offer the same funding to WRAP that we have in the past but we are still offering significant funding to them and they are continuing to deliver a lot of work for us. We are very grateful for that and all the expertise they have. When I met the

Portuguese Minister on Monday, he was quite keen to hear about the work we are doing now and to look at what was being achieved.

Stuart Edwards: Broadly we recognise that this is part of the competitiveness agenda, part of supporting sustainable economic growth so that it links within industrial strategy in that sense where we have a number of focuses on sectors as well as cross-cutting themes and technologies, specific areas where we have been trying to contribute. There is an element of raising awareness and championing. BIS had involvement when the Government Office for Science published the report on the future of manufacturing, which put very clearly the importance of resource efficiency and these kinds of issues about the circular economy in terms of the future direction of manufacturing as a whole and where one would need to get competitive advantage.

Recently there was a manufacturing summit that was held at New Brighton in Liverpool where we had something like 250 leaders of key industrial sectors in the manufacturing area. Working closely with DEFRA, we had a workshop there on resource and energy efficiency where we had Toyota giving examples of what could be done on a low-cost basis—and they have been extremely effective in doing that—as well as some academic expertise from Cambridge University. Michael Fallon was there in his role as Industry Minister supporting this, so there were discussions there. I think clearly that is an element of what one could call thought leadership and influencing.

We do have generic services that are supporting businesses. For example, there is something called the Manufacturing Advisory Service that works largely with small businesses across a number of areas, not only on resource efficiency. In a sense, the agenda comes from discussion with the business but resource efficiency is one of the areas that they can give advice to and support in terms of businesses looking at what they can do to become more competitive. MAS runs surveys on taking the temperature of business and recently it ran a survey that was asking some questions about resource efficiency, another way of highlighting the issue.

The other area I would like to highlight is innovation where there are important issues, both enabling the generality of businesses to transform what they do and obviously those that are kind of specialist, if I can put it, within the waste industry. We have a number of vehicles that are linked to that. I would highlight that BIS works closely with the Technology Strategy Board and they have run a number of competitions in this area that try to generate ideas. One of those, which links back to industrial strategies, the automotive strategy, is a competition that I think is just closing, which is £75 million linked to the advanced propulsion centre on low carbon propulsion technology. That is a competition enabling people to develop ideas there.

We also have something called a catapult network that is looking at the transition between first principle research and commercialisation and what is sometimes called the valley of death in between. There is something called the High Value Manufacturing Catapult and one of the key competence areas it is looking at is securing UK manufacturing technologies against scarcity of energy and other resources, and there are a number of themes that come out of that. For example, the work I do with the chemical industry at the Centre for Process Innovation, which is located in the north-east, is an important part of that High Value Manufacturing Catapult network in terms of supporting businesses with concepts to move them from the laboratory to commercial scale development.

Dan Rogerson: Alongside the work that WRAP does, I referred earlier on to some of the projects taken forward by the action based research programme. I gave the example of the baby equipment project REBUS, but there is also another piece of work that is being done that involves the Environment and Sustainability Partnership in partnership with EEF the manufacturers' organisation, Bangor University and Rolls-Royce where they are looking at the Rolls-Royce supply chain. One of the issues for SMEs is that they quite often do not have the spare resource to be able to step away from the day-to-day business and think about this. So it is partnering up for 15 months with a cluster of small businesses in the Rolls-Royce supply chain to look at what they can do on resource efficiency as a partnership. I think that approach will help and that gives an example of successfully altering how the whole supply chain works in partnership with Rolls-Royce who are very much at the top of that supply chain.

Q256 Chair: This is all very well and good, an individual thing here or a piece of work there, but I think the point of Mr Wright's question was how is all of this strategically embodied? What tools are there across Government to make sure that we are now moving towards this circular economy, not in a one-off way but how is it being absorbed, how is it being embedded? I think that was what we wanted to try to get to the bottom of.

Dan Rogerson: I was responding to that question about the resources we are putting in to helping people. A lot of the work that WRAP has done in the past has been seeing a problem and commissioning work to come up with solutions to it. We are still very much taking that approach but there are number of bits of work, whether it is the Technology Strategy Board, the action based research programme or WRAP still carrying on the work that they are doing.

Q257 Simon Wright: Could I pick up Mr Edwards? You mentioned the TSB and I think you mentioned it was a £75 million competition in low carbon propulsion, but my understanding is that projects from the TSB explicitly on the circular economy total more like £13 million. Is that a sufficient scale of funding to get the step change that is needed across the whole economy?

Stuart Edwards: I don't have the precise figure for those that are on the circular economy, but I think you are right that the amount is more than say the £75 million. Having said that, I think there are a number of ways you can have projects that are specifically about the circular economy or you can be supporting projects in particular industries that are linked to broader industrial strategy, which is a long-term almost partnership between Government and industry saying, "What are the needs in this industry in terms of our competitiveness?" I think there is probably quite a lot that is not labelled "circular economy" that will have a significant helping effect within individual industries.

Q258 Simon Wright: Could I ask a final question about the role of the Local Enterprise Partnerships, particularly whether a Government sees a role for the LEPs in promoting a circular economy and, if so, whether the Government is taking any active steps to encourage LEPs to focus on this agenda?

Dan Rogerson: The approach from LEPs is very much a bottom-up approach. They are looking for opportunities, as you know, to deliver growth in their areas.

Q259 Chair: With no emphasis or incentivisation on the circular economy growth?

Dan Rogerson: I think the circular economy and green growth is something that a lot of LEPs are looking at. If their industry can be more efficient then they can safeguard the jobs in their area and create new jobs. That is something that we are seeing coming forward.

Q260 Chair: So if LEPs don't do it it does not matter?

Dan Rogerson: Clearly it does matter to us. That is why we are here talking about it and that is why we are talking about the circular economy across Government. The specific question was about what LEPs are doing. A number of them are looking at opportunities for getting into emerging sectors and many of those will be around making better use of the resources that are available. In terms of DEFRA's interaction with LEPs, we also have the rural development programme and part of that money, particularly from the common agricultural policy, is around ensuring we get growth in the rural economy, and so there are opportunities there as well for us to be part of that.

Q261 Chair: It leaves me thinking that DEFRA's emphasis is with the rural economy programme as far as the LEPs are concerned and BIS is the lead department for LEPs but there seems to be a disconnect allowing them a bottom-up approach, which does not necessarily incentivise them or even require them to show that when they are bidding for funding for whatever it may be that they are justifying or reaching criteria that would perhaps embed the circular economy. I do not get the sense that that is there. I might be wrong.

Dan Rogerson: I understand what you are saying but it does come down to the fundamental approach of what LEPs are there to do: are they there to deliver central government policy?

Q262 Chair: Not economic growth?

Dan Rogerson: Absolutely to deliver growth and then it is up to local enterprise partnerships to determine what the best options are for them in their areas. What we can do is provide that evidence base that we are talking about now, giving some examples of projects that are working so that we are encouraging the businesses to come forward and work with their LEPs, talking about what will work in their area. I do not think the approach of local enterprise partnerships is for us to say, "That LEP over there, you must do something here on the circular economy". That is not the approach that LEPs are set up to deliver.

Q263 Chair: So it does not matter if LEPs do not come forward with embedding the concept of the circular economy into their bidding process? Do you wish to comment, Mr Edwards, because you are representing the BIS Department who oversee the LEPs?

Stuart Edwards: I think overall from what I have seen there is a lot of interest in LEPs in this agenda. There has been a process of putting in strategic plans for local growth deals and there has been quite a lot discussion across Government involving DCLG, DEFRA and BIS about that process.

Q264 Chair: Is there guidance that would encourage this? Are there any further notes that might help clarify this?

Dan Rogerson: The whole purpose of the local growth deal is about them coming forward looking for work in their area. Where LEPs are engaging with the possibility of bringing new jobs to areas, whether it is on sustainable energy or new products and innovation that are coming forward, that will come from the businesses and the local growth deals in their areas not us saying, “You will do top down.”

Chair: Okay, so it is their responsibility. We will move on.

Dan Rogerson: It is not their responsibility, but in terms of the local growth deals it is a bidding approach. It is not about us telling them what we want the bid to say.

Q265 Mike Kane: I don’t feel the energy. We had evidence from business here and they were really energetic about this. They really were up for this agenda. I do not get the same level of energy in the room today. Minister, what was the highlight for you of the New Brighton conference that was mentioned?

Dan Rogerson: That was a BIS-led initiative; it was not DEFRA. It was my colleague Michael Fallon who was there.

Q266 Mike Kane: The circular economy is really good because you have to spend a lot of time going round the south-west as a Liberal Democrat MP looking at floods. This circular economy helps get us to fewer floods, makes the economy more efficient, so I think it is quite an important agenda and I think the Committee have grasped that with both hands. Let me go into some questioning around it. The industry were telling us that it is not a level playing field, that the reuse of materials are held back because there are not common standards or qualities. What emphasis is the Department getting towards creating a level playing field and maybe introducing kitemarks?

Dan Rogerson: There is work that is going on in resource efficiency, right the way across. I was at the Bathroom Manufacturers Association recently talking to them about—

Q267 Mike Kane: You know how to live it up, Minister.

Dan Rogerson: I do. But in all seriousness, there were a lot of people there who are producing and selling goods and are looking at water efficiency. The water label that they have taken forward, which has been stuff done in this country, looking at how water efficient products are, has now been taken up by some businesses in Germany as well. That is the UK leading and others following on that, and I think that is very good. If you want me to get more excited about that, I am very excited about the opportunity to save resources and I will try to portray that and do it justice if I am not.

There is the Ecolabel at the European level. It is an EU-wide voluntary scheme for products that meet really tough environmental criteria and manufacturers who can demonstrate that their products meet those criteria can apply to the body nationally to use the scheme’s logo. I have mentioned the water label. We are familiar with energy saving on items as well. I think there is a lot more awareness among consumers about purchasing things that are more efficient. Energy has led the way on energy-efficient white goods but there are opportunities for us to do a lot more around water and so on.

In terms of incentives or barriers to businesses that are exporting things for using components perhaps that have been reconditioned—and Caterpillar, for instance, might be

what you are hinting at there—what we want to see is that if there is evidence that that is a problem that is holding people back then it has to be part of our negotiations at the EU level and also with our partners in other markets around the world about what is acceptable and what is not.

Q268 Mike Kane: I suppose that is about subsidiarity and how rules are interpreted in other countries.

Dan Rogerson: Yes. Where there is the EU, as we talked about, there is a structure, so we have a single market where we can agree these things. Where you are looking at markets that are outside that, there are different rules in different jurisdictions. That is perhaps tricky for manufacturers because they have to aim their products at the markets and make sure that the market is not demanding that 100% of the product will be completely brand new. I think it is a shame if they are. If there are opportunities for us to reuse components and be more interchangeable, coming back to the sorts of things that Caroline Lucas was talking about earlier on, then we would welcome more discussion about how we can make that market work across the world so that manufacturers who are selling products across the world can have more confidence that they can do that and use more reusable components. It is not something we can do just on our own here in the UK. We have to be part of that.

Q269 Mark Lazarowicz: There is something that has been running through my mind over a couple of the comments made today. We are talking about initiatives to encourage recycle, reuse and manufacturing changes, all of which are very good and there are massive networks, international activities, millions of pounds and all the rest of it. But I was also struck by the reference made earlier in your evidence, Dan, to children's buggies. About 10 years ago, we had to repair one of my children's buggies and we eventually tracked down a local guy in a workshop who was basically a blacksmith who repaired it. He had lots of other little things in his workshop, but he has retired since then. In the whole economy of reuse and recycling, in many parts of the country there would have been workshops that could have done that kind of basic repair. Most of those are disappearing now. If you need to get the stuff repaired you have to send it off 10,000 miles away to where it was made in the beginning, and of course you cannot reverse the trends in the world economy, we know that. Is it not important to make this work, to have some localised facility for encouraging repair and reuse in some way, developing a network of community repair? You have a whole world that has been working against reusing, recycling and repairing locally and we are talking about a massive network to try to repair that.

Dan Rogerson: There are a lot of people out there who can still do that. I think you are probably right. We are maybe at a point where it is important we encourage people to make use of what is there so they then have a bit of longevity and perhaps take on apprentices and pass on those skills. Of course the Government is very keen on apprenticeships and has hugely increased their number, so if there are opportunities among some of these businesses to take on new people that would be a great thing for the local economy too. I was talking earlier about the tool that WRAP is providing for people to find who is out there in their local area and that is important. It is a postcode locator so that you can put in your postcode and find out who is near you. If we get the business to those repair businesses then that will hopefully safeguard them for the future and make sure that they are passing on their skills to other people. The point about the REBUS

project and the buggies and so on is that you are not actually buying a product. You are buying the use of that service, so it is not the actual bit of metal and plastic that you are buying. If that item meets your needs that is fine but if not then it goes back and you replace it with something else.

Q270 Mark Lazarowicz: I know time is pressing, but it is not just a question of telling people what is there and giving them an app to find out. It is also ensuring that goods are produced in such a way that they can be repaired in a simple way rather than having to be part of a massive multinational process that only one manufacturer or one outlet can do. It is something more than just telling people how to open an app.

Jonathan Tillson: Briefly just to endorse that point, I was at an event last week at Nottingham Trent University about extending product lifetimes in this sort of territory with all sorts of interested people, academics but also a number of representatives of leading manufacturing companies. I am very conscious that this is an area that will be getting more attention and there will have to be adjustments along the lines you have made if we are going to move in that direction.

Q271 Mike Kane: We heard from Caterpillar that they were prevented from entering certain markets because of their remanufactured products. When are we going to introduce a reuse standard? When is that happening?

Dan Rogerson: We have the first standard for the reuse of discarded electrical equipment. That is PAS 141 that was developed by BSI and supported by BIS. That was launched in February last year so that is an indication that it can be done and we can get there, but we have a lot more work to do on various sectors to make sure that we get it right. There is an example of where we are doing that.

Q272 Chair: Is there going to be a general reuse standard?

Dan Rogerson: You have to be product-specific if you are getting something right. I think you have to look at it sector by sector.

Chair: We may need to follow this up in a bit more detail. Can I just check, Minister, that you need to be out by 3 pm. Is that right?

Dan Rogerson: Yes.

Q273 Dr Offord: The Government's waste production plan talks about influencing the EU to bring about waste prevention requirements into product standards. What role do you see for eco-design standards to promote the circular economy?

Dan Rogerson: As I was saying to Mr Kane, I think there is a real potential for doing that in terms of encouraging better design and also giving consumers more information about which products are better in terms of resource efficiency so that they can make those choices. I mentioned the example of energy, which people are a lot more familiar with now but the water label I think will help with that as well. You might be buying a product just on price or you might be buying a product based on price across the time you are using it; so just what you are paying for that item but also if it is far more efficient, then it is going to be much more beneficial to you in the long term. I think there is a big role to play in that. We work with the British Standards Institute, as I have said, to understand the

best practice and to identify areas where we think standards will be helpful and to develop them so we will be helping organisations to work better. We are participating in many of the work programmes and the committees that BSI have and commenting on the output from those. We also participate in a cross-Government network for taking standards forward that supports those projects that are selected for standard development. That is as well as what is happening at the European level.

Q274 Dr Offord: In the evidence that was submitted by the Government to this inquiry, they spoke about a number of areas, particularly furniture and mobile phones, where the Government is seeking to make changes to procurement in order to encourage reuse. Do you know what kind of impact that has had across Government departments or even your own, and if possible do you know what the financial savings have been?

Dan Rogerson: We are starting to make more progress in this. We issued some new guidance on furniture last month and we think that that revised guideline on the Government buying standard for furniture that focuses on reuse and refurbishment, coming back to what Mr Lazarowicz was saying, will make a real difference. We think that there will be a net benefit of £45.2 million for the UK over and above the benefits of the existing buying standard, so we think that will make a real difference. The impact assessment that was carried out on the 2010 buying standard for a range of furniture by central government identified costs of £13.7 million and benefits of £54.4 million, so a net benefit of £40.7 million over a 10-year period. So we think that there are significant gains that can be made.

Q275 Mrs Spelman: At this inquiry, we have heard a constant refrain from business and other organisations that the current systems for household waste collection are suboptimal and subscale. Household names, retailers—you can look at the evidence—Marks & Spencer, Kingfisher, Coca-Cola, complained bitterly about this confused picture that makes it very hard for them to reach their own aspirations to be sustainable businesses. As Liz Goodwin from WRAP put it, if we were starting from here we wouldn't have the system we have today. Do you acknowledge that nationally this approach does come across as disjointed?

Dan Rogerson: Bearing in mind the comments that you have heard from others, I think what we can say is that we have made a huge amount of progress. There is an awful lot of material now that is recycled, 40%. There is a lot that has happened and it is not all terrible. If you talk to manufacturers, PET bottles would be an example where there is still a lot more that we could do but there is an awful lot of that material that is recycled. I was talking to Coca-Cola briefly yesterday at an event and they are very proud of what they have achieved there. First of all, to say that we have made a lot of progress. Some local authorities are doing better than others on dealing with that, but we do think it is up to local authorities, bearing in mind the circumstances they face, whether they are rural or urban, to come up with the systems that really work for them, that fit in with their way of doing things. That is not to say that perhaps we could not offer a little bit more guidance and we could do some work on best practice and so on, so officials in DCLG and DEFRA will continue to discuss this and look at ways that we can make progress. Also I have these discussions with my colleagues at DCLG at ministerial level. We are very keen that we continue to make progress on that trajectory to achieve the 50% target and to go beyond that.

Q276 Mrs Spelman: That is quite encouraging to hear, but WRAP has explained to us that often it has to resort to the least worst option, which is just a simple label to stop the confusion among householders that says “Check local recycling”. I certainly think anecdotally consumers are confused. When they visit different local areas they discover that it is done differently in different areas and the lack of standardisation and common approach is not user friendly. Are there any efforts by Government to seek some unification, to get some economies of scale and to help these companies that want to do the right thing, they want to make products in a way that we can recycle more but are frustrated by the lack of common approach?

Dan Rogerson: I think the companies will look at the materials where there is now an established loop for recycling, and I gave PET as an example but paper and lots of other products as well that are fairly straightforward. There is an issue around different types of plastic and information for householders about which ones are recyclable, which is what you are referring to, I think, with that label. As I say, we continue to discuss with our colleagues at CLG how we can spread best practice, but a lot of these local authorities are tied into contracts that they have made with collection companies or with resource management companies that take longer, so I do not think it is something where we could press a button and change overnight, nor would we necessarily want to have the approach that we are dictating from the centre exactly how they do it.

But what we can do is help through things like the regulations on materials recovery facilities that we have taken forward in negotiation with those companies but also the Resource Association that represents the companies that are making use of that material and the LGA so that we can help broker those discussions along that chain. I suppose we should think of it as a loop rather than a chain now with the circular economy. I do not foresee a point at which we are going to dictate to all councils that they must do it in a particular way and using a particular system. I think we would be quite arrogant to say that we have the absolute perfect system and so everyone must do it that way. What we need to do is look at places where it is working well and encourage local authorities, through the LGA and through the advice that we can offer, to share that best practice.

Q277 Mrs Spelman: In places where it is working well as defined by high rates of recycling and consumers who understand what they should be doing with it—and I put this to DCLG—the evidence is very clear that reducing the frequency of collections improves the rate of recycling. Isn’t the guidance from DCLG likely to confuse consumers by insisting on weekly residual waste collection?

¹ **Note by witness:** The Department for Communities and Local Government does not hold or monitor information on waste collection patterns. We are aware of discussion taking place in a number of local authorities in response to the publication of the guidance.

The configuration of waste collection methods is also complex, as there are multiple types of collection frequency – this is explained in the recent response by Brandon Lewis MP to a Parliamentary Question relating to the number of households with weekly collections:

http://www.publications.parliament.uk/pa/cm201314/cmhansrd/cm140514/text/140514w0003.htm#140514w0003.htm_wqn13

Rosie Seymour: I think the DCLG's position is very clear that it is not mutually exclusive to have weekly collections and high recycling rates. There is nothing that means that you have to have that being mutually exclusive. There are many local authorities who carry on collecting weekly residual waste and have high recycling rates and are innovative in terms of the sorts of things that they are doing. I do not think in the least that the guidance that we published was going to muddy that. This is not guidance just for those who collect weekly. It has good practice and best practice in there for all sorts of recycling and it is clear that you can do weekly collections and have high recycling rates.

Q278 Mrs Spelman: What percentage of councils went back to weekly collections?

Rosie Seymour: I do not have the exact percentages. What I would say is that—¹

Chair: It would be helpful if you could provide the Committee with that information.

Rosie Seymour: That is fine. I think it was not about necessarily reversing but stopping the decline and we do feel that we have done that. I think the other key point to make would be that through the weekly collection support scheme there are many local authorities that have had investment to improve their recycling and they are significantly starting to improve their recycling as a result of that investment.

Q279 Dr Whitehead: As I recall, there was a DCLG fund that was set up to encourage people to take up weekly collections.

Rosie Seymour: Yes, the weekly collection support scheme.

Dr Whitehead: How many people took up weekly collections as a result of accessing that fund?

Rosie Seymour: It was as much about reversing the decline and so a number of local authorities were funded through the scheme to maintain weekly collections when they were perhaps considering moving away from that. There were some local authorities that reintroduced weekly collections in parts of their authority and, as I say, much of the investment has gone to weekly collection authorities to help them drive up and innovate in terms of recycling.

Q280 Dr Whitehead: Did the Department take evidence that authorities were thinking of moving away from weekly collections before handing out money to keep them collecting weekly?

Rosie Seymour: The bids were assessed against the criteria that we set out and that were approved by the Treasury in terms of representing good use of taxpayers' money. That included local authorities having to make a long-term commitment to weekly collection into the future.

Q281 Dr Whitehead: Had they shown any inclination to move away from weekly collections?

Rosie Seymour: Some of them had and some of them had not. Where the money went into those that were maintaining weekly collections and committed to that, the money would go into recycling, helping them to drive up their recycling rates, to help them to make their

overall waste collection service more effective and efficient. Through higher recycling rates, they could maintain the weekly collections.

Q282 Chair: Who in Government is monitoring and auditing the effects on recycling and collection of waste as a result of the change to weekly collections?

Rosie Seymour: Where it has been money invested through the weekly collection support scheme, we are working with those local authorities to understand how that has been used. We already have evidence from them on recycling rates that are improving and going up.

Dan Rogerson: The message I am concerned about is that we are not prescriptive, as I was saying to Mrs Spelman, about what system people should use locally.

Chair: Recycling rates went down considerably, and do you have the evidence?

Dan Rogerson: If you look at those recycling rates, I think it is fair to say that the progress we are making towards the 50% target has slowed down so we need to keep that under review and that is why we are saying we need to continue discussions with DCLG on their relationship with local authorities and the LGA as well and the ESA members, all the companies as well, about how we can continue to make progress. From my perspective, there are authorities with weekly collections that do well but equally there are those authorities that have fortnightly collections of residual waste that have strong recycling and their local communities are very happy with that. I think it is up to those local authorities about what is best in their areas.

Q283 Chair: I am really conscious of time. We have three more quick questions. Just very quickly, the capital funds that went with the incentive to encourage local councils to move back to weekly collections, where did that pot of money come from? Was it moved from some other departmental budget?

Rosie Seymour: The DCLG £250 million?

Chair: Yes.

Rosie Seymour: It came from DCLG resources.

Q284 Dr Whitehead: In your evidence you have highlighted how successful landfill tax has been in bringing secondary raw materials back into productive use. Are there other fiscal measures, in your view, that might have the same or additional effects in terms of moving more towards a circular economy, perhaps switching taxation from labour to primary raw materials or similar to encourage that circularity?

Dan Rogerson: In the evidence you had from Commissioner Potočník he was talking about some of those approaches. As I said earlier, taxation is very much a matter for the Treasury and imposing any additional taxes is not something we are discussing at the moment, but in the budget we have talked about where landfill tax should be going to make sure it keeps pace and that we keep that pressure on making the best use of those resources.

Q285 Dr Whitehead: Is landfill tax under your purview because it is a tax forgone and not a tax?

Dan Rogerson: The rate of landfill tax and so on is a matter for Treasury.

Q286 Dr Whitehead: If there were something that was not a tax but it were a tax forgone could you discuss it?

Dan Rogerson: We are constantly discussing what the drivers are for being more resource efficient and what we could do. What I am saying is that at the moment we have not seen the case made for any additional taxes or the sorts of things that you are describing there.

Q287 Dr Whitehead: VAT changes, for example?

Dan Rogerson: There is some flexibility under EU rules for looking at VAT but that is not something that we are proposing to do at the moment. I think it is important that we continue to make sure the landfill tax is doing the job it has done quite successfully to make sure that the cost of landfill remains higher than the far more constructive uses of those materials.

Q288 Dr Whitehead: If there were a discussion on the possibility of variations in VAT being a potential driver for greater circularity, greater recycling and less VAT on secondary materials or materials with a secondary source, finished products with a secondary source in them, for example, would that take place in the first instance in your department and you might then communicate that to Treasury or would it have to come the other way round?

Dan Rogerson: As you are demonstrating here, it might happen externally to start off and then Government would take account of that, so there are always discussions. I am here to speak as a Minister of the Government about what the Government policy is now rather than speculating on what it might be in the future. But, yes, absolutely, officials can set up a whole range of policy options and those are the things that can be presented to DEFRA Ministers but also to Treasury Ministers. We have had more money in the budget for tackling waste crime, for example, and that comes from the discussions we have had with the Treasury, but also the contribution that industry has made about what is being lost to the Treasury through waste crime. Therefore, we very much welcome what the Treasury has offered us to help the agency and industry tackle and bear down on waste crime. It is up to us to make the case. We use that £5 million well and show that it makes a difference to the economy.

Q289 Dr Whitehead: But are you saying that there are no discussions in the Department about these sort of measures and that therefore, because there are no discussions, nothing is being communicated to the Treasury?

Dan Rogerson: I think it is important in Government we have the chance to talk about all these options without setting that out here in front of the Committee. If it were at the point where we were consulting on a change, then it becomes external and we talk about it. I would be happy to share that with you if we reach that point, Dr Whitehead.

Q290 Dr Whitehead: Presumably you have to think about it in order to consult on it.

Dan Rogerson: Yes, of course, and there is scope for Ministers to think about these things, but that is probably not something that we then discuss in this forum.

Q291 Dr Whitehead: I am not asking where you discuss it. I am asking whether the Department is thinking about it.

Chair: Yes or no.

Dan Rogerson: There is a whole range of policy options we talk about on a regular basis. I can go in and say to officials, “Give me a whole spectrum of things so that I can talk about it and start to get a feel for things that we could do”, and of course I have those sorts of discussions, but in terms of the relevance of today’s discussion about where we are going with Government policy, there are no proposals to change the tax regime.

Q292 Mark Lazarowicz: I will be as brief as I can but I will probably get a longer answer from you, Minister. Your waste prevention plan talks about exploring how individual producer responsibility can be implemented. Can you tell us what steps you have taken to take that commitment further forward and in particular give us some specific examples of industries or products where something has been redesigned or changed in some way and that the producers are now taking on that responsibility? Not just packaging; it can be in other areas.

Dan Rogerson: Yes, I understand. An example would be in relation to electrical and electronic equipment. BIS has done some work on that. I do not know if you are able to talk a little bit about the waste electrical and electronic equipment system. In terms of individual producer responsibility, BIS takes the lead in relation to that equipment and encourage an increase in recycling and recovery at the end of life of products, so discussions with industry about how they can do that. There is an electrical sustainability action plan that is there to provide a mechanism for industry to share the evidence and to develop sector-wide actions to tackle resource efficiency and waste prevention in relation to electrical items, and WRAP are involved in that as well.

Q293 Mark Lazarowicz: I am interested in what has resulted in a practical outcome so far.

Stuart Edwards: The current position is that something like 500,000 tons of the waste electrical equipment is being reused or recycled annually, which is financed by the producers in terms of producer responsibility. That is currently something like twice what is required by the 2007 directive under which we are acting. At the moment, the target is due to move up to 45% in 2016 and we are confident that that will be met. In a sense it works as the people who are putting the product on the market are paying into schemes that then do the reuse and recycling.

Q294 Mark Lazarowicz: Anything else?

Dan Rogerson: That is the key area there. We have been looking at end of use with that sector. Packaging is another example, but you have asked us not to talk about packaging.

Q295 Chair: I am conscious that we need to have you out of the room by 3 pm, Minister. Can I ask two questions about the plastic bags consultation, which was one part of the Government strategy on waste. In the Government’s response to our Committee report, you say that some SME representative bodies are in favour of being included in the charge. As you are aware, there is some controversy or disagreement about whether or not there should be exemptions. It would be really helpful to know who is lobbying to be included?

Dan Rogerson: I have had a number of meetings with different organisations who want to be in.

Q296 Chair: Could you name them, please?

Dan Rogerson: We have heard from the Association of Convenience Stores, as I understand it, that they—

Chair: Just let me be quite clear. I perhaps might be using a double negative here. I want to know who it is who supports the exemption, if I have got that right.

Dan Rogerson: That support the exemption, so who do not want to be included?

Chair: Yes, the exemption that the Government has given.

Dan Rogerson: The evidence that we had from the Federation of Small Businesses and the Charity Retail Association was that they did not want to be in. However, the Federation of Small Businesses now seem to be moderating their position. We obviously gave our response to you on the basis that across Government the exemption that we had set up for smaller retailers was there. That did not prevent them opting in on a voluntary basis, of course, as some already have their own sort of scheme, so it is still possible to do that. We are keen that we do not want to place additional burdens on small businesses.

Q297 Chair: Sure, but rather than the rationale for doing what you done, my question is, given that your response states, “Some SME representative bodies are in favour of being included in the charge while others are opposed”, we would just like to know which ones specifically are in favour?

Dan Rogerson: I will have to remember the name of the organisation. The federation that represents newsagents was interested in being included.

Q298 Chair: Perhaps Mr Tillson has the information.

Jonathan Tillson: I do not, I am afraid.

Dan Rogerson: I am trying to remember the name of the organisation, but I will write to you. I know I have met with them.²

Chair: We would like to know who specifically.

² **Note by witness:** A range of organisations provided views on the SME exemption to the Government in various formats, either in response to our Call for Evidence (which did not specifically ask about the SME exemption), through press releases, or through our proactive engagement. Those organisations in favour of the SME exemption included the Federation of Small Businesses and the Charity Retail Association. Since our response to your Committee, we are aware that the Federation of Small Businesses has refined its position. The Government remains keen to avoid placing additional administrative burdens/costs on small businesses.

We will introduce secondary legislation under the Climate Change Act 2008. The legislation will be laid before Parliament by the end of this year and is subject to the affirmative resolution process. The legislation will come into force in October 2015.

Dan Rogerson: The Federation of Small Businesses were concerned about being included on behalf of their members. I think their position may be moderated now, but I will provide you that information in writing.

Q299 Chair: When are we going to expect the draft regulations to be made public? What is your timetable?

Dan Rogerson: That is a good question. I do not have that in front of me. We will have to write to you about when we think we are in a position to do that.

Q300 Chair: So you don't know? It was originally going to be September 2014, wasn't it?

Dan Rogerson: It was in the autumn and that is what we are aiming to do.

Q301 Chair: Has that slipped?

Dan Rogerson: It may be a little later than that, yes.

Q302 Chair: So how long may it slip? May it slip to after May 2015?

Dan Rogerson: It should not slip beyond May 2015. I am keen to see the policy implemented so I think we will get things done in this calendar year to get out and consult on that, but I can update you on the position.

Chair: Unless any of my colleagues have any further questions, I would like to thank all four of you for coming along this afternoon. Thank you for your time and for your work on the subject. Thank you very much indeed.