



Rt Hon Michael Gove MP  
Secretary of State for Environment, Food and Rural Affairs  
Department for Environment Food & Rural Affairs  
Nobel House  
17 Smith Square  
London  
SW1P 3JR

*By email*

21 June 2017

Dear Secretary of State,

On behalf of Resources & Waste UK (R&WUK) – the partnership between the Environmental Services Association, representing the leading resource and waste management companies, and CIWM, the professional body for resource and waste managers – I would like to congratulate you on your appointment as the new Secretary of State for the Environment.

Resource efficiency has been identified as a £23 billion opportunity for the UK, and our industry's part in this has been estimated to be a potential £10 billion in private sector investment, creating 50,000 permanent jobs and contributing an additional £3 billion to GDP annually.

Whilst we face an increasingly turbulent policy environment for our industry, we remain up-beat about our future and the contributions we can and will make to UK growth through resource efficiency and future feedstock security. We are working closely with your Department on the 25 year Environment Plan and with other Departments on forward looking strategies including the National Infrastructure Assessment and the Industrial Strategy. We would like to secure an early opportunity to meet with you to explore your priorities for maximising the resource and waste management sector's contribution to sustainable growth, jobs and environmental protection.

Earlier this year, R&WUK identified six priority issues to support the sector in its contributions to UK prosperity and protection; a copy of the summary is attached and has been shared with Defra civil servants. However, for clarity we have singled out three issues as being especially important and urgent. These are:

1. **Sharing the cost of responsible resource management fairly.** We believe that the concept of Extended Producer Responsibility (EPR) has a vital role to play in driving improved product and service design and in delivering infrastructure and services to support resource productivity and security. Through an EPR approach, and in line with the polluter pays principle, the more an organisation uses and wastes resources, the more they then contribute to the systems needed to manage them, rather than free-riding on the taxpayer. We believe the time is right to consider a broader application of EPR schemes across the UK and we would be keen to discuss its potential with you and how it could be done.
2. **Investment in Infrastructure and Services.** Whilst this industry represents an important industrial opportunity through resource and feedstock conservation – which we hope will be fully recognised in the UK Industrial Strategy – we will need new and different technologies to gain the maximum value from secondary resources. The resources industry will invest provided there is clear and forward-looking policy to help it to do so. Our future relationship with EU-driven policy, including the Circular Economy Package currently under negotiation, is uncertain. This policy vacuum discourages investment at a time when we are already struggling to meet short term waste and resource management targets and we believe we are facing a growing shortfall in waste treatment capacity which could drive our performance even further backwards. While Brexit may provide an opportunity to fine-tune some EU waste laws to UK conditions, a commitment from the government that UK waste policies and laws will maintain high environmental standards when the UK leaves the EU would be helpful, especially as lead-times for changes in this sector are long.
3. **Waste crime.** All four UK Governments deserve recognition for the work that they, their environmental regulators and others have done in this area in recent years. However, waste crime persists driven by easy entry to the industry and the rapid and large financial gains to be made. We agree with the assessment of the CEO of the Environment Agency who has described waste crime as “the new narcotics” in view of its attractiveness to criminals and the type of organisation it involves. A recent study commissioned by the ESA estimates the cost of waste crime at £600 million/year – and growing. If the full costs to compliant businesses and less visible tax evasion were taken into account, the full costs could be even higher. We need to see higher standards and more rigorous checks for businesses and individuals coming into the industry. We therefore hope to see the consultation on the Defra / Welsh Government Waste Crime and Persistent Poor Performance package in the near future, and its early implementation. Against the backdrop of issues as above, the industry cannot compete with criminals.

This sector, and R&WUK UK in particular, will be willing and able partners with Government and all other stakeholders committed to maximising our value to the economy as a whole and to

environmental / health protection, and we seek an early opportunity to discuss that work with you.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Steve Lee', with a horizontal line underneath.

Steve Lee  
Director General  
Resources & Waste UK