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Your ref: WG18015

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Response to Draft Industrial and Commercial Sector Plan Consultation

General Observations

From 1st April Natural Resources Wales brought together the work of the Countryside Council for Wales, Environment Agency Wales and Forestry Commission Wales, as well as some functions of Welsh Government. Our purpose is to ensure that the natural resources of Wales are sustainably maintained, used and enhanced, now and in the future. Natural Resources Wales is supportive of the actions detailed in the Waste Prevention Programme.

There will be an ongoing need to monitor waste trends in Wales. We hold a number of different waste data sets which may potentially be used in a monitoring role. There may also be a need to periodically collect waste arisings data from the commercial and industrial sectors in Wales. Information on waste generation and management in Wales is beyond what we would normally collect as a waste regulator. We have previously conducted waste arisings surveys on behalf of Welsh Government and if the intention is for Natural Resources Wales to undertake future surveys, then early engagement with us would prove helpful.

Consultation Question 1

Do you agree with the findings and conclusions of the Sustainability Appraisal? If no, please explain your reasons.

Our comments on the sustainability appraisal have been supplied separately.

Consultation Question 2:

*The proposed waste prevention targets for the industrial and commercial waste streams are:
A general reduction of 1.4% every year to 2050 based on 2006/7 baseline for industrial waste, with specific targets for the individual priority sectors (identified in sections 3.6 and 3.7 below):*

- *Manufacture of basic metal and metal products*

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- *Manufacture of paper and paper products*
- *Manufacture of chemicals, chemical products, pharmaceuticals.*
- *Food manufacture*

A reduction of 1.2% every year to 2050 based on 2006/7 baseline for commercial waste.

An implementation plan will be developed to deliver against these targets.

Do you agree with the targets that are proposed? Please give your reasons.

What targets should be proposed for the priority industry sectors? Please give your reasons.

We agree with the proposals to implement waste reduction targets across all industrial and commercial wastes. It is difficult to provide specific targets for sectors without a detailed understanding of the potential for the individual industrial plants. This level of detail is not presented in the sector plan, so we feel general targets are adequate for the purpose of the plan. However the achievability of these targets is an area that requires further examination.

The priority sectors you have identified all have sites within them which are regulated by Natural Resources Wales, under the Environmental Permitting Regulations (EPR). The EPR transpose the requirements of the Industrial Emissions Directive into UK law. The Industrial Emissions Directive requires all listed activities to take steps to prevent the generation of waste in accordance with Directive 2008/98/EC (revised Waste Framework Directive). This requirement has been introduced via an EPR permit condition for those sites within scope.

Environment Agency Wales have undertaken some Resource Efficiency work with the permitted sector previously in 2008-2010. Whilst there were clear opportunities for preventing waste in certain sectors, some industries reported back that many of the opportunities for reducing waste had been addressed, and that their processes were as efficient as current technology allowed. It may therefore be prudent for Welsh Government to engage with the priority industries to ensure that any targets set are achievable.

We have been working with your officers to review how compliance with that permit condition is delivered. Where potential improvements have been identified, we will look to implement them as soon as possible. However, the requirements of the IED do not apply to all businesses across the priority sectors. Natural Resources Wales has limited influence on those sites operating below the IED thresholds. These may be subject to regulation by local authorities or out of scope of regulation altogether.

The focus on eco-design, resource efficient business models and green procurement and supply chains appear to be the appropriate areas, but there is no indication of how getting general take up of these principles by industry and commerce will be achieved.

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Consultation Question 3

We have described priority business sectors and areas for action.

(a) Do you agree with these priorities? Please give your reasons.

(b) Is there anything else that we should consider a priority? Why is it important?

(c) Do you agree with our proposed approach of voluntary action in the first instance, with mandatory measures under review in the longer term? Please give your reasons.

There are clearly potential benefits to be made with SME's in Wales. The 2007 Commercial and Industrial waste arisings survey in Wales, managed by Environment Agency Wales reported that 57% of industrial waste and 51% commercial waste produced by companies employing up to 20 people, was managed via landfill.

Natural Resources Wales are managing the latest arising survey for waste arisings in 2012. This is due to report in April 2014 and will provide a more up to date picture. Consideration should be given to putting waste surveys of industry and commerce on a statutory basis. This is the case in Scotland where a mandatory annual survey is undertaken through a postal survey. Currently waste arisings surveys in Wales are undertaken on a voluntary basis and are carried out using telephone surveys and site visits to ensure a representative sample is achieved. A statutory basis for these surveys would facilitate a more efficient data collection e.g. via postal survey or electronic return. Legacy bodies of NRW have had interaction with SME's on waste issues and the accommodation and food sector but only if they fall within scope of EPR. We may be able to assist Welsh Government in delivery with the sectors we regulate.

Consultation Question 4

It is proposed that the Welsh Government and retailers will build on the success of the introduction of carrier bag charge and UK wide action through the Courtauld Commitment and other initiatives, leading to retailers taking forward actions on

- Improving the environmental impact of their product portfolio by influencing growers, processors, manufacturers and distributors within Wales and internationally.*
- Reducing the waste generated through its own activities.*
- Supporting national and local initiatives such as food redistribution schemes.*
- Providing clear information to consumers about the environmental performance of their products.*
- Providing information and guidance on practical steps that consumers can take to reduce the impact of their products during use and at end of life.*

What further actions and initiatives can be taken to enhance our current programme of work, and to support the actions above?

We fully support these and any other measures which prevent waste at the point of production.

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Consultation Question 5

How can the Welsh Government encourage businesses engagement in eco-innovation?

We believe that a number of measures which can be introduced to drive eco-innovation. Welsh Government could introduce mandatory requirements to drive eco innovation and waste prevention. Article 8 of the revised Waste Framework Directive allows member states to introduce extended producer responsibility requirements, either through legislative or non-legislative routes. Other producer responsibility schemes in the UK (for Packaging, End of Life Vehicles, Waste Electronics and Electrical Equipment and Batteries) have resulted in greater recycling rates and have also driven better design to reduce waste.

The requirements of the Eco Design Directives can also be considered. Adopting eco-innovation principles as a prerequisite for any government financial support should be considered..

Consultation Question 6

A review of the UK wide and international evidence on the waste prevention barriers and measures specific to your sector can be found at:

<http://randd.defra.gov.uk/Default.aspx?Menu=Menu&Module=More&Location=None&Completed=0&ProjectID=17499>

Do you agree with this evidence for your sector in Wales? If not, why not?

What support does your business need to become more resource efficient and why?

Our work with industries regulated by us under the Environmental Permitting Regulations suggest that in many cases businesses do not understand the potential financial benefits, or that business models and the 'payback' periods for significant investment often prevent investment in new infrastructure which may reduce waste. Support to businesses to help identify potential savings could potentially stimulate waste reduction programmes within the companies.

Consultation Question 7

The Welsh Government is looking at how business attitudes and behaviours can be influenced so that businesses can become more resource efficient. We are using a competency framework approach to do this.

Do you agree that a competency approach is useful to benchmark performance and underpin any interventions? If not, why not?

Do you agree that a competency framework is a useful approach to underpin and target a potential future business support programme for SMEs in Wales? If not, why not?

Some further detail on how the competency framework will be used to help drive waste prevention across all business spectrums would be helpful. It will provide a useful tool for those companies prepared to invest time in waste prevention, but it may not reach those companies who are harder to engage with. In our experience, the initiatives which result in resource efficiency in businesses in Wales are those where a financial saving was anticipated and achieved. Often there are occasions

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where an associated financial saving is not realised, so in these cases a regulatory requirement may be needed.

The Environment Agency developed a competency based assessment tool for resource efficiency. This system was trialled in 2012 to complement the metric based Resource Efficiency Physical Index (REPI) reporting. Natural Resources Wales would be happy to share the results of this trial with Welsh Government. It should be noted however that this system was developed for use in the permitted sector to help fulfil regulatory requirements. The majority of companies within the permitted sector are bigger than SMEs, and we would expect them to have systems in place to manage waste and resources.

Consultation Question 8

Do you agree that it is feasible for businesses to keep each of these four key waste streams separate at source (please indicate 'yes or no against each waste stream)?

- a) Paper and card,*
- b) Plastics and cans*
- c) Glass*
- d) Food*

If not why not? Which types of business do you think will face the biggest challenges and why?

The introduction of separate food waste collections may present a challenge to organisations which produce significant amounts of food waste, such as the catering and hospitality sectors. The successful introduction of household food waste collections across Wales does show however, that it is possible to deliver. The separate collection of food waste will be essential to retain the value of other recyclable materials.

There is also anecdotal evidence to suggest that the introduction of such collections helps drive waste prevention, as consumers are more aware of what they are throwing away.

If requirements for businesses to segregate these wastes are introduced, then it is essential that adequate collection and treatment infrastructure is in place to receive these materials. The Collections, Infrastructure and Markets (CIMs) sector plan sets out the what treatment facilities will be needed to achieve the targets in Towards Zero Waste, and how it will be delivered. It is vital that this new treatment infrastructure is delivered as current capacity for some priority materials at existing facilities is insufficient to meet potential future demand.

Consultation Question 9

Do you agree that the types of measures proposed will facilitate further collection from businesses, particularly SMEs to meet the targets in Towards Zero Waste? If not, why not? What other measures could be considered and why?

There are clearly potential improvements to be made with waste practices and collections from SME's in Wales. The 2007 Commercial and Industrial waste arisings survey in Wales, managed by Environment Agency Wales reported that 57% of industrial waste and 51% commercial waste produced by companies employing up to 20 people, was managed via landfill. The introduction of improved collection systems from SME's will be essential if the targets in Towards Zero Waste are to be met.

However the collections systems are designed, it is essential that the quality of material is protected. With more recycled material available on the global market, poor quality material will likely be rejected by the reprocessors. In order to maintain the value of the material, effective collection and treatment systems will be needed to ensure it can be used as an effective, quality raw material.

The Green Compass scheme could be enhanced to encompass material quality assessment for those facilities that sort wastes for recycling. Some facilities will be required to do this through forthcoming legislation, but not all the facilities in Wales will fall within the definition of a materials recovery facility. Good practice would suggest that this requirement be extended through voluntary mechanisms, or through recognised standards such as Green Compass.

The suggestion that the potential for enhanced local authority trade waste recycling collection services to be introduced where the private waste management sector does not provide a sufficient service is welcomed, but the definition of what is a sufficient service is needed to enable the waste industry in Wales to play its part in addressing this requirement.

Consultation Question 10

We have asked a number of specific questions. If you would like to comment on anything else, or raise?

Natural Resources Wales is the waste regulator in Wales, and as such, we'd encourage any companies thinking of establishing new waste infrastructure to contact us at an early stage to discuss any permit requirements.

Yours sincerely

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