

FAO: Climate Change, Environment, and Infrastructure Committee | Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith

One-day inquiry on waste and delivery of the Beyond Recycling strategy: Evidence submission by Resource Futures

29 May 2024

Summary

Wales' progress on household recycling is commendable, as is the recent introduction of mandatory separated recycling collections for business premises. It has also gone further than the rest of the UK to improve its waste data, recently commissioning the UK's most comprehensive waste composition study to understand how to improve further.

Our key message is that at this stage, rather than focusing on increasingly marginal gains in household recycling, the greatest environmental and societal benefits are to be gained by:

a) Looking further up the waste hierarchy, providing greater support for circular businesses, repair and reuse; and

b) Looking beyond municipal waste and individual behaviours, to tackle the sectors, materials and institutions with the greatest potential for environmental benefits, considering Wales' *overall* resource use and waste generation.

By moving the focus more firmly beyond recycling to building a circular economy, individuals and businesses can be empowered to make more sustainable, resource-efficient choices for how to meet their needs, and Wales can reap economic, social and environmental benefits, including increased resilience against volatile global supply chains. With circular economy policy progressing faster in the EU than in the UK since Brexit, Wales also has an opportunity to demonstrate what is possible within the UK and therefore have an impact beyond its own borders.

Detail

1. Progress on municipal recycling rates is commendable but in top-performing local authorities, gains from here on will become increasingly marginal with more limited returns on investment.

Wales demonstrates best practice for recycling and its efforts to improve waste data, such as through Resource Futures' most comprehensive municipal waste composition study to date in 2022,¹ are commendable. Our study found that [there is more to be done in incentivising households to make use of food waste collections](#); based on our decades of experience supporting waste management, the most important measure in this respect is to limit the frequency of residual waste collections.

However, our study showed that the gains to be achieved in municipal recycling rates will become increasingly marginal. With more niche waste streams requiring specialist recycling facilities, it may become harder to achieve good returns on investment in infrastructure, given reduced economies of scale.

As Wales is so advanced at recycling packaging materials such as glass, metals, paper, cardboard and plastics, [there is a relatively high proportion of non-packaging materials such as nappies and sanitary products and textiles](#) in municipal residual waste. One conclusion is that the country should support investment in facilities capable of recycling these materials. This has already started happening, with the Ammanford-based NappiCycle receiving Welsh Government funding from the SMART innovation programme.² This is part of the solution, and may become more economically viable to scale up in future, for example if extended producer responsibility (EPR) schemes are introduced for the materials in question to help fund recycling services. This is being called for by the Textiles Recycling Association, which recently reported that the UK's used textiles processing facilities are already at capacity.³

However, there are currently significant challenges to scaling up recycling of these materials. Products are not designed with recycling in mind, and can be made of complex mixes of materials. This increases the likelihood that they are 'downcycled' into single-use items such as bin bags, which are not subsequently recycled. Secondary materials being sold for downcycling are also typically low value, which limits the economic benefits of such activities.

[To maximise the environmental, economic and social benefits to Wales, we recommend focusing further up the waste hierarchy, with a national conversation about the impact of our consumption and more support for circular businesses, repair and reuse.](#)

[We also recommend looking beyond municipal waste and recycling, to tackle the sectors, materials and institutions with the greatest potential for environmental benefits, and more systemic opportunities for impact.](#)

¹ Resource Futures and WRAP Cymru (2023) [National local authority waste composition in Wales](#)

² Welsh Government (2024) [Wales paves road to zero waste with recycled nappies in A487 resurface](#)

³ Resource (2024) [Textile recycling sector faces unprecedented financial crisis amid global market pressure](#)

2. Reuse and repair should be further incentivised to scale up, and data captured on their impact.

When products are reused for a similar purpose to their original function, they are kept at their highest value. This prevents the upstream environmental impacts of new products being made (raw material extraction, manufacturing, transportation, etc) and the downstream environmental impacts of waste management (as even the best forms of recycling involve use of energy and materials for transportation and reprocessing).

Resource Futures has carried out multiple projects looking at the carbon and other environmental impacts of different models of reuse and recycling. [While using materials/products with recycled content is preferable to using virgin materials, substantially greater carbon savings can be achieved through reuse.](#)

[Reuse and repair can also bring local economic and social benefits.](#) For instance, the Fixy van, which we supported Somerset Council to set up and run, supplied reusable electronic items to Donate IT, who delivered items to people who needed them in the local community.⁴ This helps to address digital exclusion. Other initiatives help to tackle furniture poverty.⁵ Reuse and repair hubs such as those we support in Southwest England also create jobs and skilled volunteering opportunities; provide affordable access to repair services; and provide affordable access to expensive tools through 'libraries of things'. Well-located reuse and repair hubs can help to regenerate town centres.

[There is strong support among the Welsh public for reuse, repair and rental,](#) according to research published by WRAP Cymru in late 2023:⁶

- 60% are open to purchasing pre-loved items.
- 58% are open to short-term leasing.
- 73% are open to repairing items and 44% would consider using a repair café.

[Reuse and repair can be implemented and supported:](#)

- [At an individual level](#), e.g. with reusable cups, bags, period products, nappies, etc; and choosing to repair, buy second hand and lease items.
- [By local reuse and repair organisations](#), e.g. charities, social businesses, community groups, which in the Welsh context are often supported in networks through umbrella community interest companies.⁷
- [By circular businesses](#), e.g. offering rental/leasing/subscription models for clothing, vehicles, appliances, etc (both in Business2Business and Business2Customer contexts).
- [By local authorities \(LAs\) and waste management companies](#), e.g. capturing reusable products separately at kerbside collections (e.g. furniture, household appliances) and household waste and recycling centres (HWRCs), and diverting them to local reuse and repair organisations.
- [By public bodies responsible for planning and procurement](#), e.g. requiring a minimum proportion of reused items or submission of circularity statements, incentivising lifetime extension of assets and supporting leasing models.
- [Through national-level policies.](#)

⁴ Resource Futures (2023) [Fixy Impact Report 2022-23](#)

⁵ End Furniture Poverty (n.d.) [Get help with furniture](#)

⁶ WRAP Cymru (2023) [Citizen insights: Re-use, repair and rental in Wales – Spring 2023](#)

⁷ Bryson Recycling (2023) Bryson Reuse Park: Outline of business case, prepared by Resource Futures.

Resource Futures works with governments to develop and assess policy incentives, with companies to develop and scale up circular business models, with LA waste services, and with local reuse and repair organisations. In our experience, there is a strong appetite on the part of all of these actors to do more to support reuse and repair, but they need the right incentives and support at UK, Welsh and local level.

[Some areas of support need to happen at UK level](#), and the Welsh Government can advocate for these, for example:

- [The right to repair and 'ecodesign' policies](#). This policy area is moving faster at EU level and particularly in certain countries such as France. For instance, the EU is introducing ecodesign rules to make smartphones and tablets more durable and easier to repair and upgrade from June 2025; building on France's pioneering repairability index, these products will also have to display a repairability score.⁸
- [The use of EPR schemes to incentivise and financially support reuse and repair](#), notably in the forthcoming EPR regulations for waste electrical and electronic equipment (WEEE). Other countries such as France already use EPR to incentivise design for repairability and to fund reuse initiatives. It would be a serious missed opportunity if the UK's updated WEEE EPR scheme did not explicitly and proactively address reuse and repair, for instance with separate targets for reuse and recycling, eco-modulation of producer fees, and use of the fees to fund reuse and repair schemes.
- [Fiscal policy levers to support a circular economy, such as reducing VAT on repair and second-hand goods](#).⁹

Note: In addition to the rules of devolution, the [UK Internal Market Act](#) places some limitations on the actions Wales can take, particularly with regard to products placed on the market. For example, this could make it difficult to introduce further restrictions on single-use products, or ecodesign requirements, without UK-wide policy coordination.

Until UK legislation makes it economically advantageous for businesses and individuals to choose repair and reuse over non-circular consumption behaviours, initiatives and start-ups will need support to operate on an equal footing with the linear businesses not paying for the environmental impacts of their products. [Wales therefore should, and can, also take action independently of the rest of the UK](#), for example:

- [Long-term support for local reuse and repair initiatives](#): From our work with community reuse and repair groups, we see a need for more sustainable, long-term funding and support in kind (such as subsidised premises and transportation, and support for networking, training and advice) to help such initiatives to scale up and support local behaviour change. The research we conducted to inform the Fixy van project found that barriers to scaling up reuse and repair included limited networking among initiatives; skills shortages; and a lack of transportation and space, with many operating at maximum capacity.¹⁰

⁸ European Commission (n.d.) [Smartphones and tablets](#)

⁹ Resource Futures (2024) Assessment of resource and waste policy in England, for the Office for Environmental Protection (unpublished)

¹⁰ Resource Futures (2023) [Fixy Impact Report 2022-23](#)

- **Improving accessibility of reuse and repair:** We have observed the benefits of making initiatives as accessible to the public as possible. Our Fixy van which travels around rural locations has been successful in raising awareness of how to access repairs and encouraging people to buy reused items.¹¹ These initiatives should be accompanied by networks of donation points and re-use hubs at HWRCs.¹² Town centres can also benefit from centrally located “destination” hubs where people go to buy locally-sourced food, drink coffee in community-run cafes, learn new skills in repairs, purchase, or rent refurbished items from formalwear to household appliances.¹³
- **Incentives for repair, such as voucher schemes,** examples of which exist at national and subnational level.¹⁴ A bicycle repair voucher scheme (issued via repair service providers) was temporarily run by the Department for Transport in England during the Covid lockdowns.¹⁵ The evaluation of this scheme found that the majority of repairs conducted through the voucher scheme were over and above what would have been done without it, suggesting it had a significant impact.¹⁶
- **Looking beyond consumer goods:** Support for reuse initiatives should go beyond consumer products to support material-intensive industries, notably construction (see point 3). For example, Scotland is proposing to develop regional hubs and networks for the reuse of construction materials and assets.¹⁷
- **Reuse data and targets:** The waste sector and LAs should be required to record reuse data separately from recycling data, and LAs should be assigned ambitious reuse targets in addition to recycling targets. At present, recycling targets cover both recycling and reuse. A target could apply across all municipal waste or target specific items, e.g. furniture.¹⁸
- **Scaling up circular business support:** Business support for circular models needs to be scaled up to empower them to innovate and make data-driven decisions. For example, at Resource Futures, we support many businesses through carbon footprint metrics and modelling to improve circularity. For Newlife, a charity that provides equipment to disabled and terminally ill children, we found that their reuse initiative has led to substantial carbon savings – the equivalent of more than 21 million miles driven by cars. From analysing different product categories (e.g. textiles, hardware, and footwear), we also helped Newlife focus reuse actions on materials with the biggest potential impact. Many smaller organisations struggle to access support for circular business decisions and could benefit from both general and tailored advice; with LAs indirectly benefiting from the reduction in waste generated.
- **Digital tools and skills:** Research has indicated a public preference for online shopping, so reuse initiatives need to compete with linear retail models in the online marketplace.¹⁹ This will require technology that connects businesses and consumers and promotes efficient services delivered

¹¹ Resource Futures (2023) [Fixy Impact Report 2022-23](#)

¹² WRAP Cymru (2018) [Preparing for re-use: a roadmap for a paradigm shift in Wales](#), prepared by Resource Futures

¹³ Sparks Bristol (n.d.) [About](#)

¹⁴ Meyer, K and Molnár, M (2024) [A comprehensive overview of the current repair incentive systems: repair funds and vouchers](#)

¹⁵ Department for Transport (2020) [Fix Your Bike Voucher Scheme: register as a bike repairer](#)

¹⁶ Cairns S, Cohen T, Hiblin B & Fevyer D (2023) [Fix Your Bike Voucher Scheme evaluation report for the Department for Transport](#)

¹⁷ Scottish Government (2024) [Scotland’s Circular Economy and Waste Route Map to 2030: Consultation](#)

¹⁸ WRAP Cymru (2018) [Preparing for re-use: a roadmap for a paradigm shift in Wales](#), prepared by Resource Futures

¹⁹ Bryson Recycling (2023) Bryson Reuse Park: Outline of business case, prepared by Resource Futures.

locally. For example, online shopping websites, stock-sharing and transportations platforms, helplines, hubs to share best practice, campaigns promoting reuse, and digital skills training for reuse organisations.²⁰

By moving ahead of the rest of the UK on support for reuse, repair and the circular economy, Wales can help to develop the evidence base and influence stronger policy development right across the UK. [It is critical that data is captured on the extent of reuse and its environmental, economic and social benefits](#). Reuse data needs to be analysed alongside recycling and other waste data, in order to build a comprehensive picture of how Wales is managing its resources and to support continued policy improvements as well as private-sector investment.

3. Wales should focus on the sectors, materials and institutions where the greatest impacts on cutting resource use can be achieved.

Our work as circular economy and waste consultants often focuses on packaging materials. It is important to remember that this is just one of many material and waste streams which need to be tackled, in order to achieve 'one planet' resource use and net zero.

For example, research by Green Alliance and the Centre for Industrial Energy, Materials and Products (CIE-MAP) in 2018, comparing five sectors, found that [the greatest carbon savings from circular economy and resource efficiency measures were to be made in the construction sector](#), for example through increased reuse of construction materials.²¹ However, policy measures in support of circular construction are very limited.

[Sub-national policy measures can have an important impact on changing sector practices. Wales has devolved powers to make policy on planning and building regulations, which are key to developing a circular economy](#). In London, large developments under the London Plan must submit circular economy statements and whole life carbon assessments. For re-developments and demolitions, audits must be carried out in advance to identify materials that can be reused and recycled.²² Building on the commitment in Beyond Recycling to ask public bodies to follow a sustainable materials hierarchy and report recycled content in buildings procured, Wales could introduce additional incentives for circular construction in decision-making processes for planning and public procurement. It could also gradually ramp up circularity requirements for construction through its building regulations—this would ideally be accompanied by support for relevant skills development.

As well as industry-specific measures, [Wales can make use of the fact that the public sector makes up a larger share of its economy](#) than is the case for the rest of the UK. It was responsible for over 10% of employment in 2023.²³ [Public procurement](#) is an important lever for circularity that is under-utilised. It involves changes in how value for money and return on investment is assessed, for example to support product-as-a-service

²⁰ WRAP Cymru (2018) [Preparing for re-use: a roadmap for a paradigm shift in Wales](#), prepared by Resource Futures

²¹ Green Alliance and the Centre for Industrial Energy, Materials and Products (2018) [Less in, more out: using resource efficiency to cut carbon and benefit the economy](#)

²² Greater London Authority (2022) [London Plan guidance: Circular economy statements](#)

²³ Statistics for Wales (2023) [Labour market overview, June 2023](#)

models. In addition, measures in support of circularity could be introduced in large institutions, such as the NHS and universities.

4. Infrastructure is needed for a circular economy, not just waste management.

We welcome the recognition in Beyond Recycling that infrastructure for a circular economy needs to go beyond recycling facilities. Adequate recycling infrastructure is essential but [greater investment in reuse and repair facilities, both for communities and for key industries such as construction, will help to limit demand for all types of waste management facilities.](#)

As discussed under point 1, while we support the aim of investing in single-stream recycling facilities for products such as nappies and sanitary products, textiles and bulky goods (e.g. mattresses), there is always an opportunity cost and there are therefore valid questions to be raised around the relative benefits of this approach, as compared to investing in circular economy and reuse infrastructure. To take the example of nappies, we recommend comparing the return on investment, environmental benefit and social value to be gained through a) co-investing in specialist recycling facilities and b) supporting community nappy reuse projects (for example, with pooled collections and laundry services, and outreach activities).

To understand what investment is optimal in terms of circular economy and waste management infrastructure, we would like to see [comprehensive modelling of infrastructure needs under different policy scenarios](#). These should explore the potential impacts of ambitious circular economy, reuse and repair policies (such as, but not limited to, those outlined under point 2). This is necessary to avoid 'lock-in' of infrastructure and contracts which undermine the transition to a circular economy. This risk relates not only to energy from waste (EfW) plants, but also for example to higher-impact forms of recycling, such as chemical recycling of plastics. Such technologies will play an important role, but should not be viewed as an acceptable alternative to eliminating hard-to-recycle plastics wherever possible.

Conclusion

We strongly support Wales' commitment to world-leading recycling rates and practices. The reputation Wales has established in this area will help attract circular economy innovation and funding to the country, which can be leveraged to move it further beyond recycling.

In the next stage of progress, we believe a national conversation is needed around reducing primary resource use. Wales needs to go further in addressing the circular economy beyond municipal waste and individual consumption, to promote progress in key sectors of the economy and to create opportunities for large institutions to have an impact. It should deploy a wider range of domestic policy levers while continuing to advocate for more ambitious UK-wide policies.

Yours sincerely

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