

# Government support for a circular economy

## Westminster Hall debate briefing

25 October 2023



### Background

- The circular economy is a system where materials never become waste, with products and materials kept in circulation through processes like maintenance, reuse, refurbishment, remanufacture, recycling, and composting.
- Currently, we live in a linear economy, where we take materials from the Earth, make products from them, and eventually throw them away as waste. This is unsustainable, as many materials are finite and using them in this manner worsens global issues like biodiversity loss and pollution.
- In 2018, the government published a [Resources and Waste Strategy](#), setting out a programme of reforms to how waste is managed in England, which would have made our economy more circular. This included plans for a deposit return scheme, consistent nationwide recycling collections, and extended producer responsibility (EPR) schemes.
- However, since 2018, little progress has been made against the commitments of the strategy. Policy was developed for the packaging EPR, which was due to start this year, but on 25<sup>th</sup> July the implementation was delayed until October 2025.
- The [Environment Act 2021](#) set a legally binding target on waste, stating that per person residual waste for the municipal stream (excluding major mineral wastes) must halve by 2042 against 2019 levels. An interim target was set in the 2023 [Environmental Improvement Plan](#) for residual waste to reduce by 24 per cent by 2028. It is hard to see how these targets can be met given current delays to waste reforms.
- An announcement from Defra on “simpler recycling” is [expected imminently](#).

### How does a circular economy help cut carbon?

- Policies targeting resource efficiency offer greater carbon savings [than most other](#) climate policies. In the UK, improving material use could reduce emissions by 200 MtCO<sub>2</sub>e by 2032, and two billion tonnes by 2050.
- Reducing resource use can deliver rapid and inexpensive emissions cuts for industrial sectors such as [steel](#) and [chemicals](#), but this is not yet supported by government policy, despite the role it could play in ensuring the near term carbon budgets are met.
- However, the Climate Change Committee has highlighted that recent policy delays are putting carbon savings at risk. Their [2023 Progress Report to Parliament](#) noted that waste reforms proposed in 2018 were central to reducing emissions from both landfill and energy from waste plants – they urged government to avoid any further delays.

### A circular economy can boost the UK’s economy and save households money

- Using resources more efficiently [could boost growth and gross value added](#) for the UK economy by £82bn by 2030, yielding £10bn in additional profits for UK manufacturers.
- Supporting a circular economy through both national and local government can make cities more resilient, helping to save British high streets, [according to the High Streets Taskforce](#).

- Circular economy policies could create over 470,000 jobs in the UK by 2030, benefiting regions with the strongest labour market challenges, such as the North East and West Midlands, [according to](#) Green Alliance research.
- Reducing waste could save hard pressed UK households between [£2bn and £8bn per year](#), equivalent to up to £280 on average per household per year. Reducing food waste could save a household [over £600 per year](#), according to WRAP.
- When the government's Resources and Waste Strategy was announced, the Environmental Services Association - which represents the resource and waste management sector - said that [its members were prepared to invest £10 billion](#) over the following decade to deliver the strategy's ambitions. But delays to waste reforms and lack of clarity about future policies means this investment has not materialised.

### What can government do to support a circular economy?

- Encouraging a more circular, resource efficient economy requires a clear partnership between government and the private sector. While some public investment is needed, supportive policy frameworks and regulations will also help move the UK to change standard business behaviours and engage both companies and consumers.
- An ambitious and legally-binding target to reduce resource consumption could help to bring material use in line with planetary boundaries. The Welsh government has [led the way](#), pledging 'one planet resource use' by 2050, Northern Ireland has [set a provisional target](#) to halve its material footprint by 2050, and Scotland is [likely to set](#) statutory consumption reduction targets from 2025.
- The government can ensure the polluter pays through expanded, ambitious extended producer responsibility (EPR) policies. EPR means producers are made financially responsible for the environmental impacts of their products, rather than consumers footing the costs through their council tax bills.
- Government can make repair accessible and affordable through a genuine "right to repair". This would mean that products lasted longer, saving consumers money and reducing waste.
- Product standards can drive resource efficiency. The [2021 Environment Act](#) took broad ranging powers, allowing the government to require that products are designed to last, have easily available spare parts, and can be upgraded cheaply. These could be used to great effect, as we have seen with energy efficiency standards for energy related products.

### What do voters think?

- Ninety per cent of people strongly believe that society should be more resource efficient, [according to research](#) from the Centre for Industrial Energy, Materials and Products. This study found that 60 per cent support a drastic shift in resource use, even if it substantially changes the way they live.
- The UK public wants clear leadership from government on behaviour changes they should prioritise, with support to make adaptations fairer and easier, [as found by](#) the House of Lords Environment and Climate Change Committee.
- An omnibus poll conducted by Wrap from 23-26 June 2023 found expanding recycling services and making them easier to use, and creating jobs in recycling and repair, were the circular economy policies most likely to make voters support a particular party.
- 75 per cent of people [agree that](#) the government should make producers provide repairable and recyclable products.