

PRIME MINISTER

Select Committee Report on "The Wealth of Waste"

David Trippier's minute seeks your approval for the draft Government response (Flag A) to this Trade and Industry Select Committee Report. The draft response sets out each of the specific recommendations in the Committee's Report.

Mr. Trippier's draft response rejects the Committee's proposal for a single Minister with responsibility for Waste, and suggests instead that he should take on a coordinating role for dealing with these issues, while individual Ministerial responsibilities remain unchanged. Sir Robert Armstrong is content with this.

On the remaining nine recommendations, the draft adopts a low key response, sympathising with the Committee's concern, but noting that the market mechanism - undistorted by special tax reliefs - is the best approach to use. The draft response also sets on one side those proposals which sought extra Government expenditure. The Policy Unit think the response is rather mealy-mouthed, but they do not disagree it. (Flag C).

The Government reply to the Report should be submitted as early as possible next week. Content that it should go as drafted?

Man Adair

22 March, 1985.



MR ADDISON22 March 1985THE WEALTH OF WASTE

There is no virtue endeavouring to reclaim more waste than is economically viable, or in changing the situation through grants or tax concessions so as to distort the true economics. Any proposal that requires Government money to support uneconomic waste recycling projects, is throwing good money after bad, and should be scotched (eg proposal 3).

David Trippier's anodyne response to the Select Committee Report is sensible, but failed to address this matter squarely.

*Peter Warry*  
PETER WARRY

*Hartley Booth*  
HARTLEY BOOTH





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*From the Parliamentary  
Under Secretary of State  
for Industry*

Rt Hon Peter Rees QC MP  
Chief Secretary to the Treasury  
Treasury Chambers  
Parliament Street  
LONDON SW1P 3AG

*NBPM*

*16* April 1985

*Dear Peter,*

**TRADE AND INDUSTRY COMMITTEE REPORT:  
'WEALTH OF WASTE'**

Thank you for your letter of ~~26~~ March about the financial implications of the Government's response to this Report.

I am indeed mindful that the cost of implementation has to be contained within existing public expenditure programmes.

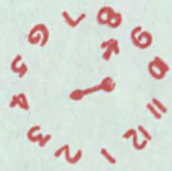
Copies of this letter go to the recipients of yours.

*Yours ever*  
*David*

DAVID TRIPPIER



PARLIAMENT; Procedure: Act 6.



17 APR 1985





*W B M*

Treasury Chambers, Parliament Street, SW1P 3AG

David Trippier Esq MP  
 Parliamentary Under Secretary of State  
 Department of Trade and Industry  
 1 Victoria Street  
 LONDON  
 SW1

26 March 1985

*Dear Minister*

**TRADE AND INDUSTRY COMMITTEE REPORT: 'WEALTH OF WASTE'**

You copied to me your minute and enclosure of 20 March to the Prime Minister.

I am content with the terms of the Government response. I hope that where the Report's recommendations are still under consideration it will be kept firmly in mind that the cost of any proposals which do finally emerge will have to be contained within existing public expenditure programmes.

Copies of this letter go to the Prime Minister, William Waldegrave, David Hunt, and to Sir Robert Armstrong.

*Yours sincerely*

*Peter Rees*

**PETER REES**

*[Approved by the Chief Secretary]*



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PRIME MINISTER

TRADE AND INDUSTRY COMMITTEE REPORT ON "THE WEALTH OF WASTE"

This Select Committee Report, published on 19 December last, contains ten recommendations. The first is that a single Minister should be given overall responsibility across Departments for recycling policy and should be empowered to take decisions involving economic, environmental and energy issues. This calls for a change in Ministerial responsibilities. I am writing to seek your approval for the Government's response to this recommendation in particular.

2 Following the advice of officials, including those in the Cabinet Office, I have agreed with William Waldegrave and David Hunt that a single Minister with overall responsibility, as recommended by the committee, is not the appropriate answer. Each Department's current involvement in the recycling of waste stems from its wider responsibilities and is integral with them. However, we believe there is scope for improved co-ordination and direction of Government policies in this increasingly important area. The Committee's Report has focussed attention on the need for the Government to demonstrate that its policies on waste





recycling will be better co-ordinated and directed in the future. We therefore recommend tht you designate a DTI Minister as having special co-ordinating responsibility for waste recycling issues and that I should assume the role.

3 The intention is that I would not have decision-making powers in areas which are properly the responsibility of other Ministers, but I would have a particular responsibility for identifying any inconsistencies or omissions in Government policy. Such inconsistencies would then be dealt with through the normal inter-Departmental processes. I would also have responsibility for handling Parliamentary debates and Questions on general recycling matters which extend beyond the responsibilities of individual Ministers.

... 4 I attach a copy of our proposed Government response to the Select Committee Report as a whole. You will see that for the other nine recommendations, we have adopted a modest or low key response in line with current Government policies.

5 The deadline for the reply was officially 19 March but we have been given a few days grace until the end of this week.





6 I am copying this letter to Peter Rees, William  
Waldegrave, David Hunt, and Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to be 'D.T.', with a horizontal line underneath.

D T

March 1985

Encl

Department of Trade and Industry





**TRADE AND INDUSTRY COMMITTEE : REPORT ON 'THE WEALTH OF WASTE'**

Memorandum by the Department of Trade and Industry

1. In their Fourth Report, published on 19 December 1984, the Select Committee made ten recommendations, all of them addressed to the Government in whole or in part.

2. The Government welcomes the report of the Committee as an important contribution to the determination of public policies in a field of increasing economic and environmental interest. It believes that the report will in itself stimulate reappraisal of policies and practices whenever decisions have to be taken on recycling possibilities, including recycling in the form of energy. The Government's broad approach, as set out in its original memorandum to the Committee, is to favour recycling where this makes economic and commercial sense. The assessment of this is, of course, influenced by the impact of environmental policies. In addition, a constructive view needs to be taken of what may prove, in the long term, to be economic options following appropriate research and development. The Government adopts this view in determining its own research and development programmes in this field and looks to industry and other public authorities to do the same.

3. The following, in the light of this broad approach, are the Government's comments on the Committee's specific recommendations:-

**Recommendation 1:** A Minister should be given overall responsibility across departments for recycling policy, and empowered to take decisions which in this area inevitably involve economic, environmental and also energy issues.

Responsibility for waste recycling policy is at present divided between the Departments of Trade and Industry (DTI), Environment (DOE) and Energy (DEn). Each Department's involvement stems from its wider responsibilities (DTI's industrial sponsorship, DOE's local government and environmental protection responsibilities, and DEn's overall energy role) and is integral with them. A transfer to a single Minister of responsibility for all aspects of recycling policy is not, therefore, considered appropriate.





Nevertheless, the Government recognises the importance of reclamation and recycling of waste and the need for proper coordination and direction of its policies in this area. The Parliamentary Under Secretary of State in the Department of Trade and Industry will therefore have a special coordinating responsibility for waste recycling issues. He will not have decision making powers in areas which are properly the responsibility of other Ministers but he will have a particular responsibility for identifying any inconsistencies or omissions in Government policy, which would then be dealt with through the normal inter-departmental processes, and for handling Parliamentary debates and Questions on general recycling matters which extend beyond the responsibilities of individual Ministers.

**Recommendation 2:** The Government should give the UK Reclamation Council the necessary financial support to publicise and promote recycling schemes.

The Government is very willing to discuss with the United Kingdom Reclamation Council specific recycling schemes which, in the Council's opinion, need publicity and promotion. In view of the current constraints on public expenditure, however, the Government cannot guarantee to provide financial support.

**Recommendation 3:** The Government should make capital grants available to the appropriate tier of local authority - on perhaps a 50:50 basis - for specific approved recycling schemes.

The Government's general policy is to grant-aid local authority relevant expenditure primarily through the block grant system, and not to seek to control local authority priorities through specific allocation of funds for particular purposes. There are exceptions to this rule but these are limited in number.

The Government do not at present intend to introduce specific capital grants for recycling schemes. Such an arrangement would, in any event, do little to assist local authorities in undertaking capital projects. Under the capital control system, capital grants from Central Government are not treated as capital receipts for the purposes of supplementing prescribed expenditure allocations - they are simply financing - and authorities would be required to find the necessary resource cover from within their existing allocation. Furthermore, the amount of borrowing for capital purposes an authority could undertake in a given year would be reduced by the amount of any such grant received. To be effective, therefore, a grant would require to be accompanied by a specific allocation of an equal amount, as is the practice with Urban Aid projects such as derelict land. However, this would have to be accommodated within the overall PESC provision, with a consequent reduction in resources for other services.





**Recommendation 4:** The Government should encourage more Waste Disposal Authorities to follow the commendable example set by the GLC and others, whereby financial rebates are paid to Collection Authorities for glass which is recycled through the Bottle Bank Scheme.

This is already Government policy and the Government will consider what steps it might now take to further encourage this practice, including the possibility of issuing a Circular to local authorities on this and related matters.

**Recommendation 5:** The Government should give urgent consideration to the implementation of section 12-14 of the Control of Pollution Act 1974.

The Government is currently considering whether or not to bring into operation the provisions of sections 12 - 14 of the 1974 Act. It is accepted that there would be considerable advantages in so doing, not least the clarification and codification of the powers and duties of local authorities in relation to various categories of waste, but the implications for public expenditure have to be carefully assessed in the light of the present financial constraints; both the Department of the Environment and the Local Authority Associations would be strongly opposed to a move to implement these sections if there was an expenditure increase. The DoE has now placed in the Library a summary of the results of a review of the costs of implementation.

It is, however, not necessary to bring these provisions into operation for waste collection authorities to levy appropriate charges for collection of trade waste. General powers to collect and duties to charge are already available for this under the Public Health Act 1936 (Sections 73(1) and (2)). The levying of appropriate charges is considered critically important to securing progress.

By the same token, it is important that those disposing of their waste, other than through waste disposal authorities, should be required to do so to adequate environmental standards, and thus bear the true economic costs of the option chosen. DoE is considering reaffirmation of these points in a Circular.

**Recommendation 6:** The Design Promotion Scheme should be extended to include recycling and reclamation.

The main purpose of the Government's design policy is to encourage a greater awareness amongst senior management in industry and commerce of the benefits companies can derive from good design. There is no specific reference to reclamation and recycling at present, but the Government agree that the message will be broadened to include a reference, where appropriate, to design for good resource management including the reclamation and recycling of materials.





**Recommendation 7:** The government should give incentives to industry, through use of section 8 of the Industry Act 1972, for companies involved in recycling.

The current position is that waste recycling projects are not excluded from support under the general facility criteria which were introduced under Section 8 of the Industry Act 1972 (now superseded by the Industrial Development Act 1982). However, to obtain support under these arrangements, projects would have to meet the very tight criteria which limit assistance to those which would not otherwise go ahead in the form or timescale proposed and for which exceptional national benefit can be demonstrated. A new scheme, specifically designed for waste reclamation activities, could be developed but the Government doubts the need for one.

**Recommendation 8:** The commendable Research and Development work at Warren Spring should be enhanced and greater collaboration with industry encouraged.

Research and development at Warren Spring Laboratory into waste reclamation and recycling has been strongly supported by the Department of Trade and Industry for many years and significant R&D projects are also supported by the Departments of Environment and Energy. The Government expect this support to continue although any enhancement must be judged against R&D priorities in other fields. Close collaboration with industry has been a main objective of this work and the Laboratory would welcome approaches or initiatives from industry, either from individual companies or organisations such as the UK Reclamation Council, aimed at identifying gaps in knowledge, increasing technical collaboration and technology transfer.

**Recommendation 9:** The Government should examine closely the possibility of taxation policy being used to encourage the greater use of recycled materials.

The present tax system does not discriminate against the use of recycled materials. A special tax relief to promote the greater use of recycled material would run counter to the Government's general policy of reducing or eliminating special tax reliefs which distort business decisions. The Government doubts that making an exception in this case would be either practicable or of benefit to the national economy.





**Recommendation 10:** Public purchasing policy as a whole should be directed towards the greater use of recycled materials whenever economically sensible, and Government Departments, local authorities and other public bodies should seriously examine the possibility of specifying percentages of recycled material to be used in the goods which they purchase, in all appropriate cases.

Public purchasing policy is aimed at ensuring the best value for tax-payer's money and the Government favours greater use of recycled materials whenever this is the more cost effective option. So far as paper is concerned, it is already HMSO policy to encourage the use of recycled fibre in the products it purchases subject to considerations of performance and value for money. DOE Ministers announced in March 1984 their decision to use recycled paper for that Department's requirements for letter head stationery as soon as existing stocks are exhausted. The bulk of stationery used in DTI already has a recycled content. The Government hopes that public sector bodies generally will also examine the economics of using products containing recycled fibre. On the other hand, the Government is not in favour of specifying in advance percentages of recycled materials to be used in goods which it purchases as such an approach would pre-empt the judgement of best value for money which public purchasing policy requires.