

Briefing note: UKGBC Circular Economy policy roundtable

The UKGBC circular economy programme is now up and running and is primarily focused on developing practical solutions to enable clients to specify circular outcomes. However, there is also a role for Government to put in place a strong regulatory and legislative framework to help drive the outcomes that leading industry players want to see. We will be joined by officials from Defra and BEIS to hear suggestions from industry first hand.

Overview of the current policy landscape relating to the circular economy

A report, '[From waste to resource productivity](#)', from the Government Chief Scientific Adviser was issued in 2016 and sets the tone for a renewed approach to waste and presenting an opportunity to increase resource productivity. The Government's Chief Scientific Adviser's key messages relating to excavation, construction and demolition were:

1. *Continue to use integrated process models ie DFMA, Soft Landings, BIM*
2. *Government and industry should work together to promote better social, economic, environmental outcomes*
3. *Focus on the lifetime of developments including resource management during the lifetime*
4. *Consideration of data and technological advances in modelling, artificial intelligence, sensor technology and robotics can optimise resource efficiency.*

He also recommended '*a review of innovative circular economy practice throughout the economy to develop an understanding of best practice, identify opportunities to share learning across sectors and explore specific opportunities to boost competitiveness through increasing allocative efficiency and reducing waste*'.

The [Industrial Strategy](#) in 2017 set out a national strategy for bringing government and industry together to create a stronger, more resilient industry for the future. In particular it states: '*We are committed to moving towards a more circular economy – to raising productivity by using resources more efficiently, to increasing resilience by contributing to a healthier environment, and to supporting long-term growth by regenerating our natural capital.*'

Out of this Strategy came the [Construction Sector Deal](#) which sets a joint vision between government and industry around how construction can provide affordable, energy efficient buildings, high employment and better investment for all. It recognises '*More efficient processes will also help to minimise waste, reducing the current volume of approximately 120 million tonnes a year produced by construction, demolition and excavation, which accounts for nearly 60 per cent of all UK waste.*'

In early 2018 government committed to doubling resource productivity over the [25 Year Environment Plan's](#) lifetime and to making the UK a world leader in resource efficiency. A new national Resources & Waste Strategy was promised setting out how these targets would be achieved. It is due out imminently and is expected to have 5 pillars:

1. Approach to a zero avoidable waste economy by 2050
2. Phase out avoidable plastic waste by 2042

3. New targets for waste and recycling
4. Stop food waste going to landfill by 2030
5. Reforming the packaging recovery note (PRN)

The [EU's Circular Economy Package \(CEP\)](#) was ratified into law in July 2018 and member states are now working towards putting it into national legislation. Despite Brexit, the UK Government has ratified the new proposals and will work towards the targets set within it. The Package includes measures that will help stimulate Europe's transition towards a circular economy, boost global competitiveness, foster sustainable economic growth and generate new jobs. Within the Package is an Action Plan that establishes a concrete and ambitious programme of action, with measures covering the whole cycle: from production and consumption to waste management and the market for secondary raw materials and a revised legislative proposal on waste.

The proposed actions will contribute to "closing the loop" of product lifecycles through greater recycling and re-use, and bring benefits for both the environment and the economy. Of particular interest is this requirement for Member States:

“Member States shall take measures to promote selective demolition in order to enable removal and safe handling of hazardous substances and facilitate re-use and high-quality recycling by selective removal of materials, and to ensure the establishment of sorting systems for construction and demolition waste at least for wood, mineral fractions (concrete, bricks, tiles and ceramics, stones), metal, glass, plastic and plaster.”

The revised legislative proposals on waste set clear targets for reduction of waste and establish an ambitious and credible long-term path for waste management and recycling. Key elements of the revised waste proposal include:

- A common EU target for recycling 65% of municipal waste by 2030;
- A common EU target for recycling 75% of packaging waste by 2030;
- A binding landfill target to reduce landfill to maximum of 10% of municipal waste by 2030;
- A ban on landfilling of separately collected waste;
- Promotion of economic instruments to discourage landfilling ;
- Simplified and improved definitions and harmonised calculation methods for recycling rates throughout the EU;
- Concrete measures to promote re-use and stimulate industrial symbiosis - turning one industry's by-product into another industry's raw material;
- Economic incentives for producers to put greener products on the market and support recovery and recycling schemes (eg for packaging, batteries, electric and electronic equipment, vehicles).

There are a wide range of regulations and standards that exist to enable the harmonization of measurement and reporting of products' performance. The [Construction Product Regulation](#) came into effect in 2013 and requires products to have CE markings and to be accompanied by a declaration of performance (DoP) and other information if it is to be placed on the market in the

European Economic Area. The type of information it will share includes safety, fire, sustainability of resources, maintenance and more.

Industry activity

For the built environment sector UKGBC has begun its Circular Economy Programme to address several identified barriers to the widespread deployment of circular economy principles and practice. Industry must play its own part in overcoming some of these barriers, but there is also scope for Government intervention to drive greater resource productivity. Some of the barriers identified include lack of support from government, maintaining product quality with alternative materials, finding routes for product reuse at end of life, lack of time and space for disassembly within standard (de)construction practices.

Proposed policy interventions

Possible interventions, on which we invite members' views, fall into a number of different categories:

1. Data

Where targets are being set it is important to fully understand the material flows and therefore have a clear and transparent grasp of how resources are being used, reused and disposed of.

Question: In what ways can industry and Government work together to gather and analyse data on product content and the amount, type and quality of waste? Where should this information be held?

2. Fiscal

The Landfill Tax mechanism and the Aggregates Levy are existing examples of successful incentives in this space. There are currently insufficient incentives to promote greater resource productivity. There is a potential role for incentives – e.g. an all-encompassing carbon incentive. There could also be a role for adjusting VAT rates for products with higher levels of recycled material.

Question: What kinds of incentives are needed to encourage greater resource productivity in the built environment?

3. Regulation and Standards

The current regulations and standards could be clarified to ensure there are greater opportunities for of materials wherever possible. Brexit could provide an opportunity for the UK to review its product standards to ensure that they do this – as long as the resulting standards are at least equal to those set in the EU, including those being developed as part of the Circular Economy Package. There may also be scope for extending producer responsibility requirements to reduce material use and enhance reusability and recyclability.

Question: How can the current regulatory framework be modified or enhanced to drive resource efficiency and product lifetimes?

4. Public Procurement

The public sector potentially has a key role to play in speeding up progress towards the achievement of Government's resource efficiency goals by driving demand for products and services with higher resource efficiency standards.

Question: What can Government – both national, regional and local – do to accelerate progress towards resource efficiency goals?

Further questions being posed:

- 1) To what extent is increasing the uptake of digital and offsite manufacturing technology in the sector going to help facilitate improvements in resource efficiency and what are the potential pitfalls that we need to be considering now?
- 2) In 2007, [WRAP published a report](#), looking at the environmental impact of higher recycled and reused content in construction projects. 11 years on, what are the product types where there is still a large scope to improve environmental outcomes through increased reuse and recycling? Where are the potential 'wins?' And where might there be negative unintended consequences or pitfalls in trying to promote recycled content?
- 3) What are the potential barriers to improved environmental outcomes for specific materials/products? Are there regulatory, commercial or economic barriers which are preventing resource efficiency or circularity? These barriers may exist at the end-of-life stage, or at the manufacture/design stage (e.g. barriers which limit production of easy-to-recycle products, or products with high recycled content.)
- 4) Where could policy intervention help encourage producers of construction products/materials to take a 'circular economy approach?'
- 5) Where could policy intervention encourage building contractors to incorporate the principles of resource efficiency and the circular economy in every project?
- 6) Designing out waste: we need to design out and reduce the usage problematic material so seeking to use less carbon intensive material and less material that cannot be reused or recycled.
- 7) Can this be factored into building standards? How effective is BREEAM in addressing this?
- 8) Reducing demolition: planning guidance as a possible policy option?
- 9) Recycling of construction waste: problematic materials, the barriers and solutions.
- 10) How far has the virgin aggregates tax worked?

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