

**Department for Environment, Food and Rural Affairs**

# **Review of Defra’s funding for WRAP in England – Opportunity to comment**

**May 2013**

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# Introduction

1. Defra is currently undertaking a review of its funding for WRAP's activities in England in support of waste reduction and resource efficiency. We are inviting key partners and stakeholders – including businesses, local authorities, civil society organisations and individuals – to submit their views, to help inform the decisions we make.

## About WRAP

2. WRAP (Waste and Resources Action Programme) was established in 2000 as an independent not-for-profit company limited by guarantee, operating at arm's length from government. It is funded by all four UK governments and runs separate programmes in England, Scotland, Wales and Northern Ireland.
3. WRAP's work helps people recycle more and waste less, both at home and at work, and offers economic as well as environmental benefits. It works with a wide range of partners including major UK businesses, trade bodies and local authorities. Defra research suggests UK businesses could save £23bn per year via low or no cost resource efficiency measures. WRAP are helping businesses achieve some of these savings.
4. WRAP intervenes where there is a known market failure in the delivery of resource efficiency. Such market failures may be due to lack of knowledge or difficulties in accessing finance, for example. Addressing these market failures helps to grow a more circular and robust economy where products are designed, made, sold, re-used and recycled to get the maximum value from them, both in use and at the end of their life. WRAP works at all points of the circular economy by making resource use more efficient, reducing the production of waste, maximising the recycling of waste and identifying alternative business models.
5. WRAP achieves results by working with businesses, local authorities, civil society and households, mainly through:
  - acting as the channel for government support and backing for voluntary agreements or 'Responsibility Deals' to promote resource efficiency including the Courtauld Commitment, the Federation House Commitment, the Hospitality and Food Service Agreement, Halving Waste to Landfill and the Sustainable Clothing Action Plan
  - initiatives like "Recycle Now" and "Love Food Hate Waste", which help businesses, local authorities and individuals to recycle more and reduce food waste; and the Product Sustainability Forum which provides a platform for retailers and others to work together to improve the environmental performance of grocery and home improvement products.
  - providing advice and support on waste management and recycling.

6. WRAP also plays an active role in EU and international fora, where its expertise is valued and respected.
7. Between 2008-11 WRAP helped generate over £2bn of economic benefits to the UK, including £1.8 billion in cost savings. WRAP's Business Plan for 2011-15 "Working together for a world without waste" sets out the following goals:
  - 7 million tonnes less CO<sub>2</sub> equivalent emitted a year
  - 3 million tonnes less biodegradable waste going to landfill a year
  - £1.9 billion saved by consumers, businesses and the public sector a year
  - £130 million growth in the resource management sector a year
  - 3 million tonnes less primary resources used a year
  - 2 million tonnes less waste produced a year
8. Further information about WRAP and its activities is available at [www.wrap.org.uk](http://www.wrap.org.uk).

## Defra and WRAP

9. WRAP is Defra's principal delivery body for the provision of advice and technical and financial support on waste reduction and resource efficiency in England. It helps English businesses, industry, civil society organisations, local authorities and households become more efficient in the way they manage and use energy, water and materials.
10. Defra's funding to WRAP has reduced in recent years as part of the 2010 Spending Review settlement, from £56m in 2009/10 to £26m in 2013/14. WRAP has continued to deliver a broad range of activities despite this reduction in funding.
11. Defra fully acknowledges the important role that WRAP has played and continues to play in support of waste reduction and resource efficiency policy objectives, as part of a wider framework of Government interventions including regulation and the Landfill Tax. Since 2000, WRAP has funded projects that will, over their lifetimes, deliver over 350 million tonnes of waste diverted from landfill and over 110 million tonnes of CO<sub>2</sub> equivalent greenhouse gases saved.
12. For example, WRAP has been instrumental in turning the problem of plastic waste into a thriving industry turning over nearly £70 million per year by:
  - Developing solutions for recycling PET drinks bottles and overcoming the technological barriers to producing food grade recycled HDPE for milk bottles.
  - Leading the development of recycling processes for mixed plastics such as yoghurt pots and margarine containers
  - Working to change consumer behaviour and supporting LA collections, to deliver a tenfold increase in the recycling rate of plastic bottles.

- Providing financial support to develop new processing plants in England.

## Why is Defra reviewing its support for WRAP?

13. The Department has four strategic priorities:

- growing the rural economy
- improving the environment
- safeguarding animal health
- safeguarding plant health

14. We are also committed to playing our part in contributing to the Government's top priorities of reducing the deficit and delivering economic growth.

15. Like all Departments, Defra will need to continue to look for savings across all of its spend going forward if the Government is to succeed in reducing the current budget deficit. We anticipate that further reductions in Defra's funding for WRAP will be necessary as a contribution to those wider savings.

16. It is also normal practice for the Government to review its funding of arm's length bodies to consider whether the functions carried out by the body are still required and whether the delivery model is right and offers value for money.

17. This review is therefore aiming to identify whether the WRAP delivery model continues to be the most appropriate way to deliver policy interventions in support of waste reduction and resource efficiency in England; and to secure best value for public money.

## Scope of the review

18. This review is focusing only on Defra's spend via WRAP in support of waste reduction and resource efficiency in England. It does not cover any spend by the devolved administrations in Scotland, Wales or Northern Ireland.

19. Given WRAP's status as a not-for-profit company, it is for the WRAP Board to decide WRAP's future business model. However we fully recognise that Defra currently provides a substantial proportion (albeit now less than 50%) of WRAP's funding, and that any sudden withdrawal of that funding could therefore cause difficulties. As a responsible partner we are therefore keen to ensure that we fully understand the impact that any further reduction in Defra funding might have on WRAP, and with that in mind we are involving WRAP closely in this review. We are particularly keen to support WRAP in making the transition to whatever future business model it chooses.

20. We recognise that any reduction in Defra funding could result in the loss of synergies between some of WRAP's activities, which could have a knock-on effect on WRAP's activities in Scotland, Wales and Northern Ireland. We are therefore engaging the Devolved Administrations in this review.
21. We are keen that any decisions on Defra's future funding for WRAP in England are informed by the views of key stakeholders, whether they be businesses, local authorities, civil society organisations or individuals. That is why we are providing this opportunity to comment.

## Future priorities

22. For 2013/14 Defra's strategic steer to WRAP included the following priorities:

- Food waste prevention
- Waste prevention in non-food products (home improvement, energy related and clothing)
- Promoting resource efficiency in the construction sector (including water)
- Increasing food waste collection
- Sustainable procurement
- Product sustainability
- A number of activities related to water efficiency
- Helping to strengthen our evidence base

23. In thinking about how to prioritise for future years we are making a couple of key assumptions:

- that Government should only intervene where it is absolutely necessary i.e. where there is a true market failure
- that where Government does intervene we must ensure best value for taxpayers' money

24. We will also be guided by the 'waste hierarchy', which assists sustainable waste management. The hierarchy gives top priority to waste prevention, followed by reuse, recycling, other types of recovery (including energy recovery), and last of all disposal (e.g. landfill). The aim remains to move further up the waste hierarchy, with there being less waste produced and more waste minimisation through designing out of waste. As well as the carbon and other environmental benefits delivered by waste minimisation rather than waste handling, there are important economic benefits to be gained through better resource efficiency.

## Key questions

25. We are keen to ensure that the review is evidence-based and fully informed by the views of key partners and stakeholders. We would therefore welcome your views and comments in response to the following key questions:

**Q1.** Where are the most important market failures? Where is there still a need for government to fund activities to support waste reduction and resource efficiency policy in England?

**Q2.** Where are there business barriers to the take-up of cost-effective resource efficiency measures? Where is it possible to move to a private sector-funded approach?

**Q3.** What is the best way to deliver these activities on Defra's behalf? Which organisations are best placed to deliver (e.g. businesses, local authorities, civil society organisations)? And how can we ensure best value for public money?

**Q4.** Which of WRAP's current activities in England do you value most?

**Q5.** Which of WRAP's current activities in England do you think should be regarded as lower priority for Defra funding in future?

**Q6.** What role should Defra fund WRAP to play in the EU or internationally?

**Q7.** What appetite is there on the part of those who benefit from WRAP's advice and support to make a financial contribution in return?

**Q8.** If Defra were to reduce its funding for WRAP could this have any indirect effects?

## How to respond

26. Please send comments **by Friday 24 May**:

- **by email** if possible to [wrapreview@defra.gsi.gov.uk](mailto:wrapreview@defra.gsi.gov.uk)
- or **by post** to Wrap Review Team, Defra, Area 3B, Nobel House, 17 Smith Square, London, SW1P 3JR

27. Any queries should be addressed to the Wrap Review team as above.

28. Information provided in response to this Opportunity to Comment, including personal information, may be published or disclosed in accordance with the access to information regimes. These are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004.

29. If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals with, among other things, obligations of confidence. In view of this, it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding.
30. We will process your personal data in accordance with the DPA and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.
31. We may decide to publish comments we receive. If you do not consent to this, you must clearly state that you wish your comments to be treated confidentially. Any confidentiality disclaimer generated by your IT system in email responses will not be treated as such a request. Please be aware that there may be circumstances in which Defra will be required to communicate information to third parties on request, as set out above.

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[www.gov.uk/defra](http://www.gov.uk/defra)

Any enquiries regarding this document/publication should be sent to us at:

Wrap Review Team, Defra, Area 3B, Nobel House, 17 Smith Square, London, SW1P 3JR