

Dear Sirs,

## CONSULTATION ON THE OBJECTIVES OF THE SUSTAINABILITY FUND UNDER THE AGGREGATES LEVY PACKAGE

Thank you for the opportunity to comment on this new proposal. The comments below come on behalf of the Local Authority Recycling Advisory Committee (LARAC) for whom I am Waste Policy Officer. LARAC is an association of 300+ local authority professionals who co-ordinate and operate waste management services for their respective authorities. Membership is drawn from all types of authority including statutory Waste Collection, Waste Disposal and Unitary Authorities.

The membership of LARAC whilst not involved directly in the extraction and processing of aggregates, have a keen interest in the operation of the proposed Sustainability Fund. Local authorities are involved in the production and use of secondary aggregate which we hope will be further supported through the introduction of the Aggregates Levy. Local authorities are also involved either directly or through contract in the landfilling of waste. It is this that provides the closest link between local authority waste operations and the aggregates industry and will be the focus of our comments.

The first impression of the consultation is one of disappointment at the limited scope of the comments sought. Is it intended to set out any future consultation on the extent and nature of funding allocation? Or has such a consultation already been conducted? Local Government has had nearly four years first hand experience of the operation of the Landfill Tax Credits Scheme. This scheme has revealed many lessons about how private/public/ngo funding schemes do and do not operate. LARAC hopes that, failing further consultation input, the experience of the Landfill Tax Credits Scheme is taken into account when determining the financial arrangements for this new fund.

There still remains outside of the direct funding arrangements many issues about the operation of the fund that are not covered by this consultation. Experience from the Landfill Tax Credits Scheme has shown that these issues are crucial if the Sustainability Fund is to be operational and effective from day one and not subject to constant revision.

LARAC welcomes the name of the fund; the Sustainability Fund as it draws attention to the issue of resource use as an essential part of sustainable development. That said it is disappointing to see the lack of true sustainability principles within the six options outlined. If sustainability is ever to be achieved as an end goal then the issue of virgin aggregate use has to be tackled seriously. The Sustainability Fund has the unique opportunity to highlight the changes needed to current unsustainable practices and promote new more sustainable ones. Government has achieved the first part of this process by establishing the principle of the Aggregates Levy which, we are sure will be subject to future upward revision. Establishing the direction of more sustainable use of aggregates is something within the gift of the proposed new fund though not well laid out in the current consultation.

LARAC proposes that the six options set out in the consultation document should be reviewed against sustainability principles and implemented accordingly. This thinking is set out below as each option is individually discussed:

### Option One

This has long been a problem for local authorities that have struggled to find and develop alternative markets for household-derived secondary materials such as glass and paper. All proposals set out under Option One are welcomed. The suggested support of the Aggregates Advisory Service(AAS) is endorsed as evidence suggests that the AAS has proven a useful source of advice to industry.

LARAC proposes that such an approach could also be linked together with the emerging concept of a National Waste Exchange Programme as proposed by the Environment Agency. LARAC also suggests that funding under the Sustainability Fund could be used to support the recently announced Waste and Resources Action Programme (WRAP) set up by Government as a result of the Waste Strategy 2000. Such a linkage would be welcome to explore any synergies between the two wastestreams.

#### **Option Two**

This is the proposal most favoured by LARAC as it goes right to the heart of the issue. Rather than dealing with the consequences of aggregate extraction and subsequent waste arisings, research in to more sustainable construction affords the opportunity to minimise resource use and design in reuse and recyclability from the outset. This would have multiple benefits beyond resource use and would contribute towards more sustainable aggregates and construction industries in the longer-term.

#### **Option Three**

This is a laudable proposal that contributes towards an element of sustainability (securing current and future biodiversity). However, the proposal strays very close to what one would naturally expect of a socially and environmentally responsible aggregates operator. As such it is not as favoured as the previous two options. The consultation makes mention of the fact that this proposal approaches what might already be required of an operator which it had earlier determined as a pre-requisite for avoiding. If such guarantees and a clear distinction can be made between the predetermined responsibility of the operators and funding under this mechanism, then funding through this option could help to restore habitats where biodiversity has previously been damaged.

#### **Option Four**

Similar comments apply to this proposed option as to that of Option Three. The proposed option could be seen to making up for the deficiencies in the planning system and obviating the operator of their environmental stewardship responsibilities.

#### **Option Five**

Again LARAC feels that this is less appealing in sustainability terms than Options One and Two and is within the remit of what we hope would be considered a socially and environmentally responsible operator. The output suggested 'environmentally friendly quarrying practices' could be more easily achieved by operators adopting a formal environmental management system such as ISO14001. However, the proposed funding option does highlight the social consequences in terms of disturbance to local people caused by quarrying operations. As such funding to improve this aspect of quarrying would be welcomed to afford local people a better quality of life. The proposal could be enhanced if such funding could also be directed to support the promotion of environmentally friendly secondary aggregate production. This could build on recent research work conducted by Land Use Consultants Ltd. for the DETR.

#### **Option Six**

LARAC views this as the least sustainable proposal within the consultation paper and can draw many parallels with the Landfill Tax Credit Scheme. Under this scheme the largest proportion of funding has been spent on local amenity projects which are understandably well received by the local community. LARAC understands the reasons why the waste industry in the case of the Landfill Tax Credit Scheme and the aggregate industry in the case of the Sustainability Fund would adopt such an approach. However, besides this pragmatic understanding LARAC takes the view that whilst of a short-term benefit to the local community such funding does nothing to change the focus of the industry in question from a currently unsustainable one to a direction more in tune with the principles of sustainable development.

In terms of ranking LARAC would like to offer the following support for the Options discussed:

**Option Two:** Funding research into more sustainable construction and demolition practices;

**Option One:** Overcoming market barriers and promoting increased use of alternative materials as aggregates;

**Option Five:** Promoting environmentally friendly quarrying practices;

**Option Three:** Promoting conservation and increased biodiversity;

**Option Four:** Restoring the natural landscape; and

**Option Six:** Local community projects.

If funding is to be allocated through only one of the options discussed then it is LARAC's view that this should be Option Two. However, if funding is likely to be distributed through a variety of the proposed options then LARAC would like to see funding allocated in proportion to the ranking proposed above such that Option Six for example receives the least of the available funding.

LARAC would also like to support the proposal within the consultation (para 34) to develop industry-wide sustainability indicators and would suggest that these could be incorporated within a strategic sustainability plan for the industry, actions from which could in part be funded by the proposed Sustainability Fund. Evidence from the Landfill Tax Credits Scheme has suggested that considerable funding has been squandered as no strategic direction has been applied to the use of the funds. It is hoped that similar mistakes are not made within the aggregates industry.

Thank you for the opportunity to comment. Do not hesitate to contact me should you need further clarification on any points raised in this correspondence.

Yours sincerely

Andy Doran

Group Manager, Waste Policy, Surrey County Council

For and on behalf of the Local Authority Recycling Advisory Committee