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Des Lough

Thank you for your letter of 16 May about the CBI's position on the government's Resources and Waste Strategy (RWS).

Firstly, I am pleased to see your clear alignment with the goals of the RWS and enthusiasm to engage with the government. As you have rightly stated, the Strategy's ambition presents an opportunity for the UK to become a world leader in sustainability. I am keen for us to continue to work closely moving forward, which the RWS Stakeholder Advisory Group will help facilitate.

You have raised many important points through your recommendations; thank you for sharing these. We want to take into account the views shared with us by stakeholders, and ultimately for these policies to help to improve the environment. We will consider these recommendations, along with the responses we have received to our consultations, as we develop more detailed proposals.

Our approach is always to support and collaborate with businesses. This may be done through improving data quality and accessibility to help businesses make better investment decisions, or by working with businesses to adopt more resource efficient business models. Through the Industrial Strategy Challenge Fund (ISCF), the government is investing in strategic innovation challenges that will create transformative opportunities for businesses and sectors across the UK. The ISCF brings together the UK's world-leading research base with highly-innovative businesses to develop the technologies and industries of the future. In doing so, the ISCF aims to help solve the major industrial and societal challenges of our time. So far £1.7 billion has been allocated to ISCF challenges over two waves of investment. These challenges have been developed to align with the four Grand Challenges set out in the government's Industrial Strategy White paper: clean growth, AI and data, ageing society and the future of mobility.

It is only fair that money raised from business should be invested back in to the system. We have proposed that businesses will bear the full net cost of managing the packaging they handle or place on the market at end of life. We have made it clear that fees raised from obligated businesses will be used to support the management of packaging waste and the achievement of agreed targets and outcomes. This is to include the collection of a common set of packaging materials for recycling across the UK. Local authorities will be expected to meet any minimum service standards (in place in each nation) for the household collection service they provide.

With regards to consistency in resources and waste policy across the UK, we will continue to work with the devolved administrations to coordinate policy, ensuring that approaches are aligned and impacts on the UK Internal Market are minimised. With regards to DRS, our preference is to adopt a UK-wide approach if it is introduced.

As you have signalled, business action should be supported by changes in consumer behaviour. In developing the Strategy, we have explored a range of ways government can incentivise action including the application of behavioural insights to complement conventional economic thinking. We have previously promoted behavioural measures such as providing rewards or recognising householders' efforts to recycle. Such incentives and nudges, when they accompany good services and communications, can make a real difference to people's engagement in recycling.

Thank you again for your letter and I look forward to hearing from your office.

With every good wish,

✓
12-13,
M.G.

Michael Gove