

INSIDE TRACK

“green alliance...”



“ten major companies ask the government to help them forge *A pathway to greener products*”
page 3

“we need to accurately define the real impact of everyday products”
page 6

“improved resource use should equate to competitive market advantage”
page 8

“most products’ environmental impact is determined at the design stage, so this is where we should be making changes”
page 10

“is it possible to have stuff without waste?”
page 11



HOW DO WE GET GREENER PRODUCTS?

COMMENT

A pathway to greener products, our recent report, which features throughout much of this *Inside Track*, is the culmination of two years' hard work for Green Alliance's Designing Out Waste consortium, a group of ten major businesses and organisations involved in different stages of the product supply chain.

Through debate, analysis and negotiation with the consortium partners, we determined four areas where the new government can make real change to the way we use resources. Members of the consortium write in this *Inside Track*. **Andrew Jenkins** of Boots and **Adrian Hawkes** of Valpak explain the importance of understanding a product's life cycle, the need for simpler policies and how better resource use can provide competitive advantage. **Patrick Mahon** and **Ariadna Janariz Rodrigo** of the government's Waste and Resources Action Programme (WRAP) highlight the rewards to be gained by focusing on commercial and industrial waste and construction waste. Above all, this report sends a powerful, collective message to government from leading businesses that they want help to produce greener products. It's a relevant message in difficult economic times. Acting on it would bring greater economic efficiencies and competitive advantage as well as environmental benefits. And it would help the Coalition move a step nearer its aspiration to be 'the greenest government ever'.

In many ways, *A pathway to greener products* is a starting point. Green Alliance has ambitions that extend beyond the first steps it outlines. Over the next two years we will be looking for bigger and bolder ways to accelerate the shift to a resource recovery economy. These include a strategic focus on material security and its role in the low-carbon economy, and developing new concepts of producer responsibility.

Of course, every player in the economy is responsible for reducing waste, from manufacturers to consumers. But the most important player at this stage is government, at both UK and EU level. A smart policy framework would ensure that all companies operate on a level playing field, that environmental efficiencies are rewarded, not penalised, and that the creative use of incentives starts to transform the marketplace... and our future.



Hannah Hislop, senior policy adviser

THE QUARTERLY MAGAZINE
OF GREEN ALLIANCE

- 2 COMMENT
- 3 WASTE BANNED
- 6 MATERIAL CHANGE
- 8 A REALISTIC APPROACH
- 10 A CURE FOR CONSUMPTION
- 11 THE SECRET LIFE OF STUFF
- 12 FUTURE POSITIVE: GREEN ALLIANCE'S PLANS 2010-11
- 14 TAX BENEFITS
- 14 A WORKING SOLUTION
- 15 GREEN ALLIANCE NEWS

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WASTE

BANNED

Hannah Hislop outlines the thinking behind *A pathway to greener products* in which our Designing Out Waste consortium recently set out four priorities for the government

What do three leading retailers, two global brands, two waste management companies, a recycling and compliance business, the industry council for packaging and the environment and the national postal service have in common?

They all want to design waste out of the products and services they offer, and argue that, for this to happen, government needs to play a leading role.

Green Alliance's Designing Out Waste theme has a central premise: that if we want to get rid of climate-damaging, resource-depleting waste in all its forms, then we should be changing products and the ways in which they are made.

This is easier said than done. It requires first that we understand products: the raw materials they are made of, how those materials were extracted, how they are transported to businesses and consumers, how they are used and what happens to them at the end of their lives. These impacts can be described as a 'product shadow', a long tail of energy, water and materials, as well as the biodiversity and landscape impacts of getting materials such as timber and minerals. As consumers, we only see a tiny part of this product

shadow, not least because a significant chunk of the impacts occur abroad.

Rethinking, not just recycling

Waste policy has traditionally tended to only address a product's end of life. As a result we have seen an impressive increase in recycling rates, but the rest of the product shadow has remained untouched by the policy-making process. This is hampering attempts by some progressive companies to redesign their products and processes so that they have lower environmental impacts across their life cycle. It is also dampening the commercial drivers for sustainability for others, and letting others completely off the hook.

Part of the problem is that, while product supply chains are far removed from consumers, they are also far removed from governments. Companies know their supply chains better than anyone else, so are best placed to identify the most significant environmental impacts and the opportunities and challenges of tackling them. They are also increasingly mindful of consumer demand for greener products, even though this demand is expressed inconsistently: what we say we want is generally not reflected in the way we shop, not least because identifying a genuinely green product is difficult. Companies are also

aware that resources will be harder to come by in future, so whole business strategies rest on being able to access sustainable supplies of raw materials. So businesses can act, but making a step change is expensive, not to mention very risky, if competitors do not see the imperative to also step up to the mark.

This is where Green Alliance and our partners see a role for government. Not to presume they know business supply chains better than the companies themselves, but to encourage co-operation and co-ordination across product supply and waste management chains, to deliver a common approach and provide the right incentives.

Ultimately, reducing the environmental impacts of the stuff we buy will be shared between government, businesses and consumers, not least because products do not exist in a vacuum but in a complex system of production and consumption. Designing out waste will mean not just changing products, but changing these systems, and no one sector can do that alone. This is why consortium members come from across the supply chain, and why we are working to develop proposals to government that address some of the complex technical, economic and political challenges that must be overcome to reach our goal.

Help us to provide greener products

The four requests to government from our **Designing Out Waste** business consortium, as outlined in our report *A pathway to greener products*.

1.

Evaluate product impacts: meaningful and practical measurement, comparisons and judgements

A vastly improved understanding of product impacts will be needed to start to tackle them effectively. But there is currently a piecemeal approach, which is in danger of leading to non-comparable data and duplication of effort, both of which will add unnecessarily to business costs. The Designing Out Waste consortium also strongly believes that carbon is not the only significant impact that should be measured. Whilst it is a reasonable proxy for resource efficiency, it leaves out important factors including water, the use of scarce or insecure materials, and the biodiversity impacts of winning resources. Many of these other impacts cannot easily be expressed in a single figure in the way that carbon can. Water abstraction, for example, is a much bigger issue in water-stressed regions than in those with above average rainfall.

So we are calling for the government to work with businesses and EU institutions to develop a practical, low cost and widely adopted way of evaluating product impacts and identifying the most significant. This would encompass what type of data should be collected and how, and how to strike a balance between accuracy and simplicity.

Such standardisation will then make it easier to share data between companies. Government has a role to play in ensuring that this can be done whilst retaining legitimate commercial confidences. Sharing data will reduce costs for business, and help consumers to be confident that published information on environmental performance is not only robust, but that like is being compared with like.

2.

Tackling the product shadow: commercial and industrial waste

To date, the overwhelming focus of political attention has been on household waste, which is subject to a raft of regulations and targets. But what is collected from household bins is a minor proportion of the waste associated with a product's full life cycle.

The Designing Out Waste consortium identified the generation of commercial and industrial waste in the UK (much is produced outside the UK) as making up a significant element of the product shadow, but one that has only a limited set of policy drivers bearing on it.

The consortium believes that much more attention is needed to reduce waste from commerce and industry, both to make environmental improvements and to save money in a tough economic climate. The government should explore measures such as requirements to measure material input and output, as well as voluntary and mandatory targets.

3.

Towards improved product standards: sustainable choices, or every product the sustainable choice?

Consumers claim that they want to purchase greener products, but opportunities to do this are currently limited. Some consumers will respond to labels and/or to issues raised in the media, but not all products carry labels and not all impacts enter mainstream debate. There is little evidence to suggest that consumer choice is driving an underlying shift in all products towards lower life cycle impacts.

This is why the Designing Out Waste consortium has recommended that the government should work with businesses and EU institutions to develop a broad set of life cycle-based sustainability performance standards for products. Businesses would then set their own baselines for products and use these to develop strategies for meeting the standards. An expanded Ecodesign Directive, which currently has a narrow focus on in-use energy efficiency, could be one way to ensure that these standards apply to all EU member states.

Future standards could cover durability, so products would require minimum warranty periods and the ability to be upgraded, repaired or have components replaced. Also recyclability, to ensure design for recovery and recycling; recycled content (appropriate to the state of development of different technologies and markets) and the avoidance of insecure materials or those with an unacceptable environmental impact.

4.

Upstream incentives to design out waste

At the moment, we only price wasted resources at one point: the point of disposal. This can be effective at driving materials away from the most damaging forms of disposal, but it does not work strongly enough to influence the design of products.

So we are calling for the government to explore the potential for upstream incentives to encourage businesses to design out waste. This could be a mix of fiscal and regulatory measures that could be deployed in combination with more downstream measures. These would have to be deployed in a way that would not introduce barriers to trade, so many may only be suitable for implementation at EU level.

A number of other constituencies are starting to look at green taxation in more detail. The Green Fiscal Commission had cross-party support, and the new coalition government has committed to increasing the proportion of revenues from environmental taxes. But to date, the focus of the green taxation debate has been on carbon emissions, and there has been relatively little focus on how and at what point in the supply chain fiscal policy could be used to encourage the more sustainable use of raw materials and better design of products.

Designing Out Waste consortium

Ten leading businesses are working with us to think more creatively about how materials become products, and how products become waste. Our current project partners are:

ASDA

Boots

gsk
GlaxoSmithKline

incpen

Royal Mail

Sainsbury's

shanks. waste solutions.

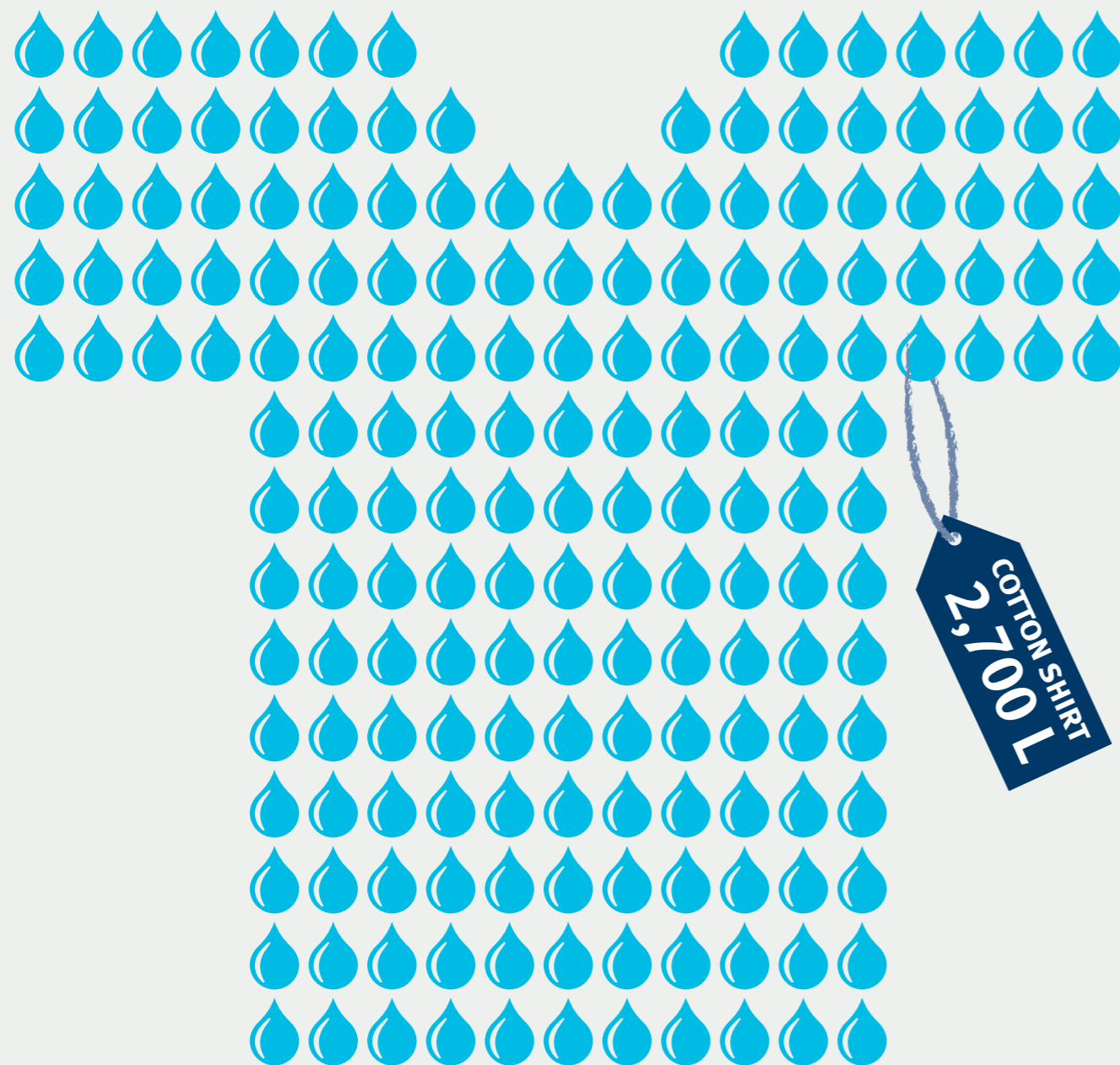
Unilever

valpak

VEOLIA
ENVIRONMENTAL
SERVICES

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A pathway to greener products (Green Alliance, June 2010) is available to download free at www.green-alliance.org.uk



MATERIAL CHANGE

Andrew Jenkins examines how sustainable production can run through the supply chain

Do you know how many litres of water it takes to produce a cotton shirt? Taking into account the water used to grow the cotton, bleach and print, approximately 2,700 litres of water are used to produce the average cotton shirt. Do statistics like this really matter? And how much do we really know about the products we use in our daily lives?

In a world where resources are becoming scarcer and environmental issues are becoming more pressing, accurately defining the real impact of everyday products is something we must take very seriously. Of course it's not as simple as, for example, just measuring the water usage. If the cotton was grown in Uzbekistan, where water is scarce and there are human rights problems, then the impacts are greatly magnified.

So imagine the impact we are responsible for when materials are wasted, either through poor design, unnecessary consumption or not conserving these resources at the end of the product's life.

Restoring respect

Unfortunately, many of the products we use today bear little visible resemblance to the raw materials that have been used to make them. Taken together with increasing affluence and the use of global supply chains, the result is that we are losing our understanding and respect for products. Hardly surprising that a 2005 British Heart Foundation survey found that 37 per cent of 8-14 year olds did not know that cheese was made from milk.

Understanding the life cycle and environmental and social footprint of the products we make and consume is critical if we are to produce more sustainable products while tackling issues such as climate change and resource depletion in an increasingly overpopulated world. It's also essential if we are to design waste out of our supply chains.

It's also necessary to understand and intervene in the journey our products take from source to customer and on to final disposal, such as carbon footprinting and labelling methodology.

To make effective improvements, we must be prepared to intervene at any stage in the journey our products take from source to customer and on to final disposal, with the clear aim of improving overall sustainability for the entire product journey. For example, when Boots worked with the Carbon Trust to measure the carbon footprint of shampoo, the carbon impact at all stages of the product life cycle was assessed and hot spots identified, enabling us to target areas such as packaging, distribution and consumer use.

“
understanding the life cycle and social footprint of the products we consume is critical if we are to produce more sustainable products
”

However, sustainability is much more complicated than just carbon or indeed climate change, which is really just a symptom of a polluting and resource-inefficient society. Interventions to tackle one issue can have unintended consequences elsewhere. The rush to renewable energy sources for example could have knock-on effects for biodiversity, landscape loss and, in some cases, food supplies.

The real impact of products

Helpful methods are available to measure the environmental impact of a product or service across a range of criteria. Life cycle assessment (LCA) has been available for a number of years and is an internationally standardised method and management tool for quantifying the emissions, resources consumed and environmental impacts associated with products and services. However LCA provides an absolute snapshot of a product's impact at a given state and can be both time-consuming and costly to carry out, restricting its use particularly in the consumer goods sector.

More recently the concept of life cycle thinking (LCT) has evolved. This aims to support product development decisions with reasonable assurance by considering the impacts and resources consumed throughout the life cycle of a product. It can indicate how interventions may counteract impacts made in other stages of the life cycle. This helps to understand with sufficient accuracy the full product footprint and has significant benefits. For example, Boots applied this approach to its Christmas gift packaging range and reduced material use by 1,400 tonnes and costs by £1.3 million.

It's apparent that, if any business is to accelerate the move to a greater understanding and improvement of the true sustainability impacts of its products and services, then we'll need the help of all stakeholders including international governments, policy makers and opinion formers. Collaboration is required to ensure a consistent approach to the metrics used to measure and understand product impacts and to develop a way of sharing data up and down the supply chain. There also needs to be greater awareness of hidden impacts, such as commercial and industrial waste and emphasis on sustainable product design.

Ensuring that policy and commercial drivers are aligned is the first step towards better products but, of course, customers also have a role to play. Policy makers and the supply chain can help inform consumers and re-engage them with understanding of the life cycles of the products and services they use.



Andrew Jenkins is sustainable development manager – products, Boots Group PLC
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A REALISTIC APPROACH

Straightforward policies will make it easy for producers to reduce waste, says **Adrian Hawkes**

Waste remains a global issue and a significant problem for most countries. For individual businesses, however, waste is often viewed as a minor issue, a problem that is compounded by the fact that waste management is usually the role of an individual who is also responsible for many other areas of the business, and so is unlikely to give waste the attention it needs.

Most businesses are more than willing to do their bit if the solution is easy to implement and prevents competitors from getting an unfair advantage. Which makes it critical to have recommendations that lead to straightforward and practical policies, which can be easily acted upon and do not create an unfair competitive disadvantage for the companies that take them up.

Policy to date has seemingly neglected to address the problem of dealing with waste issues in a practical and realistic way. However, there are many ways to address this topic head on.

How much is too much?

Measurement must always be a first step. If a policy is to be widely adopted, it must be practical and easy for a business to implement and, when successful, allow it to assign responsibility for the results achieved.

Commercial and industrial (C&I) waste is also a significant factor. Much of our work as a producer compliance scheme is about minimising the cost of end-of-life waste from products and packaging. Whilst this is clearly

important, it has always seemed inconsistent and arbitrary that often more waste is generated before products ever get to market, which is not subject to any mandatory minimisation or recycling targets. The volumes and types of waste involved can be just as much, if not more, of an environmental issue and one that should be tackled.

Talking rubbish

How to communicate waste issues to the consumer is potentially more important. So far the attempts to put labels on products and packaging or come up with standards have led to a confused public and little in the way of real improvement. Today's consumer is constantly bombarded with messages, so waste communications need to be clear, consistent across industry and inform consumers on how to take appropriate action.

Given that waste and resource use is such a complex set of issues, it's no wonder that industry struggles not only to understand the current status but also to measure and communicate improvements to an already confused public.

One way forward may be to introduce common standards in suitable sectors where industry puts together voluntary agreements that can be communicated to customers. Consumers will then know they are getting a certain level of environmental assurance when they buy a product, and the sustainable choice becomes easier.

Better by design

We all know that much of the waste associated with products is designed in from the beginning. Designing out waste incentives are a key element to complete the programme. Competition and market efficiencies must be the drivers harnessed to achieve environmental improvements, but applying these further up the product supply chain could help to influence their design.

These measures hopefully will help us to move to a situation where real progress can be made and translated into positive commercial advantages for businesses that take them up. This is the key to development. Once improving resource use becomes associated with a competitive market advantage, businesses will automatically and quickly progress in the right direction.



Adrian Hawkes is director of policy at Valpak www.valpak.co.uk

Case Study

Co-op zero to waste audit

In October 2008, the Co-operative Group commissioned Valpak Consulting to assist with its target of reducing the amount of commercially generated waste being sent to landfill.

Valpak undertook a waste audit in five of the group's Nottingham stores, calculating the amount of dry recyclable materials that could be diverted from the waste stream. Store waste material and recovery levels were assessed, and existing barriers to recycling were identified, with detailed solutions given for removing them. A cost-benefit analysis of increasing waste material recovery and diversion levels was also undertaken and Valpak developed bespoke measurement metrics to enable ongoing group performance assessments in comparison with similar format retailers.

Benefits for the Co-op included:

Establishing practical means by which material contamination could be reduced

Increase in material value of 20 per cent

Significant financial benefits from increased recycling revenue

Specific recommendations for achieving improved environmental performance



Source: Valpak Consulting

A CURE FOR CONSUMPTION

Patrick Mahon and Ariadna Janariz Rodrigo show how consumers and producers can drive more sustainable consumption



We know there is a need to find practical and low-cost ways to evaluate the environmental impacts of products, based on life cycle thinking. However, is it feasible to undertake such evaluations on every single product on the market simultaneously, given that the major supermarkets often sell over 100,000 different products at any one time?

It may be wiser to start by evaluating broad product categories or ranges to identify where the major environmental impacts originate, and tackle environmental hotspots. The highest impact products can be identified and evaluated more quickly.

Taking responsibility

The need to tackle commercial and industrial (C&I) waste is also key. Each year we produce around 70 million tonnes of C&I waste in England, over twice the amount of waste produced annually by households (25 million tonnes).

The new coalition government has expressed an interest in developing new responsibility deals (voluntary agreements) with industry. From WRAP's experience of the Courtauld Commitment, a voluntary agreement with major retailers and brand owners aimed at reducing the environmental impact of the grocery retail sector, we know this is a positive way to achieve real improvements in resource efficiency.

Grand designs

Whatever method is adopted for driving change in the C&I waste sector, one of the main ways to

deliver this change will be through eco design. With the vast majority of most products' environmental impacts determined at the design stage, it follows that a focus on this stage of the product life cycle should pay dividends.

WRAP has worked in recent years to help improve packaging design. For example, working with Goodfella's to change the design of their pizza boxes, we helped cut cardboard waste, reduce food miles in distribution and reduce the number of damaged pizzas by a factor of four.

However packaging is only part of the story. In the longer term, major gains will come from designing products so that they use less material, are less wasteful, and are easier to reuse or recycle.

Beyond C&I waste, the UK construction sector generates over 100 million tonnes of waste each year, more than any other sector of the economy. Designing out waste in this sector can potentially deliver huge rewards, which is why we are working with construction designers to address this.

Making sensible choices

Sustainable consumption strategies can deliver even more significant carbon savings for the UK. Choices made by UK consumers affect not only local products, but those imported from abroad too. Indeed, it is estimated that greenhouse gas emissions associated with imported goods and services are likely to account for over 45 per cent of the UK's total emissions by 2050. These 'invisible' emissions are an important challenge that consumer choices can help us to address.

When it comes to products, carbon emissions are not the only environmental impact. Sustainable consumption and production policies will deliver additional benefits related to other environmental issues, including resource scarcity, water consumption and use of pollutants. These wider issues need to be taken into account in the policy framework.

Some of the most effective strategies that consumers can adopt include using products until the end of their technical lifetime, rather than throwing them away early, buying more durable products, reducing food waste or buying products that can be reused and refurbished at the end of their first life. Making all these improvements in resource efficiency could contribute almost ten per cent of the UK's required reduction in greenhouse gas emissions by 2020.



Patrick Mahon is government affairs analyst and Ariadna Janariz Rodrigo is strategy and planning officer at WRAP, www.wrap.org.uk

THE SECRET LIFE OF STUFF

Why do we have waste? Julie Hill's forthcoming book investigates our resource economy and sets the scene for a better, waste-free future



There was a moment not long after we started to put together Green Alliance's Designing Out Waste programme that I wondered why we were having this conversation at all. Surely it should be obvious that waste was a bad thing, and given the ingenuity of the business community and the creativity of those who design our stuff, shouldn't waste have been designed out long before now?

Which set me thinking about where waste comes from. For a long time, conversations about waste had taken it as a given, something to be dealt with as an inescapable fact of life or, to be more accurate, a fact of wealth. Knowing that waste production correlates strongly with wealth as measured by GDP, I knew that it was impossible to explain waste (or to seek to change it) without a deeper knowledge of how the market treats resources, and how we respond to the consequences.

So I embarked on a journey that will culminate next year in a book called *The secret life of stuff*, which has given me the opportunity to go back to basics.

There are the material basics: what is the current situation with sustainable timber? What are all those polymers and what conditions their recyclability? What is it about textiles that makes them so hard to recover and recycle effectively? Just how serious are the talked-about metals shortages? Then, of course, the economics basics: our failure to price resources in a way that reflects the loss of environmental quality involved in their extraction, production or disposal, and that

dissuades producers and consumers alike from damaging patterns of consumption.

For me, perhaps the most sobering part of the process was trying to lay out in detail why waste matters. What are the bad things that might happen if we don't get a grip on the way we use stuff? This involved looking at the most recent scientific accounts of where our environmental limits might lie. Not just climate change, but also problems of water availability, long-term pollution, loss of forests and other natural habitats, and

“no-one has wilfully set out to do damage on the scale we've managed”

even disruption of the planet's basic systems of nutrient cycling. These studies are not comforting, yet they receive extraordinarily little attention. There is still a feeling that science and technology will come to the rescue.

That may be right. But my chief insight from delving further is that technology will only help if we ask it to, if we give it some strongly worded and well-aligned incentives. No-one, whether from government, business or the consuming public, has wilfully set out to do damage on the scale we've managed. It has come as an unfortunate by-product of the way

we've organised the economy. But how will we know what to change?

One of the problems we have in a world of open markets and globalised supply chains is that it is very hard to go upstream from the products we buy to their origins and their multifarious environmental implications. Nothing helps or encourages us to explore the secret life of stuff, save a few labels and some laudable but disconnected attempts to tell product stories. Until we all have that information in consistent form it will be hard to know definitively what is the right kind of stuff. But once we do know, we need to act, quickly and creatively.

In *The secret life of stuff* I attempt to sketch a future where greater transparency, a much more sensitive process of design, a well-developed sense of responsibility from companies, and a firm guiding hand from public authorities result in consumption that is a much better fit with what we need for the future. There are many things that need to be done, but we know from our Designing Out Waste work that the motivations and the talents are out there. I am confident that we can see stuff evolve into what it should be, a source of unqualified pleasure.

Julie Hill is a Green Alliance associate
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The secret life of stuff will be published by Random House in January 2011.

FUTURE POSITIVE: GREEN ALLIANCE'S PLANS 2010-11

Green Alliance is in the second year of its Future Positive strategy 2009-12. We want to mobilise the full power of the third sector, business, and others to ensure that political leaders deliver ambitious solutions to global environmental issues. Here is a taste of the work we are doing now to make this happen.

Political Leadership

Aiming to secure political action needed to tackle climate change and other environmental problems.

Following the prime minister's welcome ambition to lead 'the greenest government ever' we will be examining what has to happen by 2015 to fulfill this goal.

We are developing a new project with other groups to engage with government on shared priorities within the Coalition Programme.

Our pioneering Climate Leadership Programme for politicians continues this year, in partnership with Ashridge Business School. We will be working with new MPs from all three main parties, helping them to develop the networks, knowledge, understanding and motivation to take action on climate change, despite difficult economic times.

Theme leader: Amy Persson
apersson@green-alliance.org.uk 020 7630 4527

Third Sector

Exploring the barriers and opportunities that diverse third sector organisations face when dealing with climate change.

What the coalition government's highly publicised Big Society narrative means for the environment will be the focus of our new study this year. We are also developing ideas that relate to the new government's priorities for civil society.

This summer we publish the results of a study of civil society action on climate change. It provides an informative picture of the action underway across the sector, identifying the challenges that organisations face and what helps them to succeed.

Theme leader: Faye Scott
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Sustainable Economy

How can the big economic levers of private investment, taxation and public spending be used to accelerate the low carbon transition?

Investigating the role of the Green Investment Bank further, we will host a series of expert round tables and report in autumn 2010.

Our specific packages of tax proposals to switch tax from goods to bads will be outlining ways to reduce tax on job creation and low carbon investment whilst raising revenues from fossil fuel use and pollution.

We are also researching the government interventions that will be most successful at ensuring Britain's workforce has the necessary skills to deliver a rapid increase in retrofitting the housing stock to high energy efficiency standards

Theme leader: Chris Hewett
chewett@green-alliance.org.uk 020 7630 4526

Designing Out Waste

Influencing important decisions on waste and resource policy is part of our long-term mission to change our material world radically.

We are advocating to government the messages of our *A pathway to greener products* report, recently published and discussed in this issue of *Inside Track*.

Our Designing Out Waste consortium is being reconvened, involving new companies alongside existing members, helping us to move into the next phase of this work.

Green Alliance associate Julie Hill publishes her revealing analysis *The secret life of stuff* in early 2011 (see page 11).

We will hold an autumn conference on the EU ecodesign directive for senior policy makers. Our other projects will cover material security, producer responsibility and effective incentives.

Theme leader: Hannah Hislop
hhislop@green-alliance.org.uk 020 7630 4529

Climate and Energy Futures

Focusing on the urgent need to develop infrastructure to secure a low carbon future for the UK.

Following up our work on renewable and low carbon heat, we will be defending the heat strategy agreed by the previous government, which is now at risk from spending cuts.

Developing our influential partnerships, we are working on the design of Emissions Performance Standards with Edinburgh University; on low carbon innovations with the UK Committee on Climate Change; and on infrastructure for CCS with the Carbon Capture and Storage Association.

We will be out and about at the autumn party conferences, getting up early to run breakfast meetings on energy during each of the conferences.

The urgent issue of electricity market reform will be tackled in our collection of expert views, due out in the late autumn.

Theme leader: Rachel Cary
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Green Living

Persuading political leaders that there are attractive policy opportunities to drive pro-environmental behaviour change.

We are working with the new government on how to communicate successfully to gain public support for a low carbon society.

How to make the government's Big Society concept a Big 'Green' Society will be the subject of our Green Living party conference events.

Having carried out revealing ethnographic research into behaviour in the home, we are now mapping all the policies that try to help people to live greener.

Using behaviour change theory, we are focusing on how some of the flagship policies of the new government could be improved and will publish our findings this autumn.

We are developing a progressive collaboration with the members of our Green Living consortium, a powerful alliance of major businesses keen to promote original green living ideas and actions.

Theme leader: Rebekah Phillips
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TAX BENEFITS

It's time to change the way we tax

The new government has made a firm commitment in the Coalition Agreement to increase the revenue that comes from environmental taxation. Green Alliance agrees wholeheartedly with this ambition, but the government's first emergency budget in June 2010 did not bring forward any proposals to achieve it. In fact, overall, it decreased the proportion of revenue coming from environmental taxes.

Pay as you burn

If we want to promote a low-carbon, resource-efficient economy and encourage growth in the UK, we need to think differently about the way we structure our taxation system. We need to cut taxes on things we want to encourage, whilst increasing taxes on things we want to discourage, or 'pay as you burn, not pay as you earn', as Al Gore dubbed it.

This was explored in detail by the Green Fiscal Commission (GFC) in 2009, whose members included Lord Adair Turner, and then-opposition politicians Chris Huhne MP and Greg Barker MP. The commission recommended that the proportion of revenues from green taxes should be doubled by 2020, with corresponding reductions in other taxes. Green Alliance and the Policy Studies Institute are now working together, using these recommendations to propose specific tax changes for the new government to take forward.

Cutting business tax

At a time when unemployment is high and growth in UK businesses is weak, it makes economic sense to reduce the tax paid by businesses on employing people: National Insurance contributions. Indeed this was a major political issue in the general election, with the Conservatives trumpeting business support for cutting the 'tax on jobs'.



if air travel was taxed at the same fuel duty and VAT rates as car travel, it would be contributing an extra £10 billion per year to the public purse



The tax system can also be used to give intelligent incentives to the private sector to encourage businesses to take a more sustainable route. We could use tax incentives to encourage savings products that provide finance for low carbon investment, or the purchase of the telecommunications equipment that enables videoconferencing to replace air travel, or 'best in

class' energy efficient appliances. But the state of public finances means it is not prudent to just cut taxes. We must raise revenue from elsewhere.

Air fair

Currently, aviation is exempt from VAT and fuel tax whilst its competitors are not. The treasury has itself conceded that if air travel was taxed at the same fuel duty and VAT rates as car travel, it would be contributing an extra £10 billion per year to the public purse. The government has said it wants to reform air passenger duty in the next budget, and Green Alliance is recommending a per plane duty that would raise an extra £2.5 billion a year from aviation. Yes, this would put up the cost of flying but, in doing so, create a more level playing field with rail or teleconferencing alternatives.

This measure could have been made in the emergency budget, and certainly should be considered for the next one. But there is a case to go even further. Revenue raised from increased taxation on fossil fuel consumption and other polluting activities could fund a greater cut in the jobs tax, or more targeted incentives for low-carbon business, and over the coming months Green Alliance will be making more specific recommendations to change the way we tax for good.

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capitalise on the skills already in existence in the third sector through funding and approaches, which are accessible to smaller organisations, charities and social enterprises.

With partners, Groundwork, Rockwool Insulation and the housing group A2Dominion, Green Alliance is launching a project that aims to build a greater understanding of which interventions work, whether these can be scaled up and if so, how. Our work will draw on pilot schemes and initiatives run by Groundwork and others, and will propose appropriate mechanisms for rolling these out, whilst retaining adaptability to local circumstances.

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A WORKING SOLUTION

The recession has reignited concerns about unemployment, now at nearly eight per cent, and its long-term social effects, particularly on the young. At the same time, to meet our climate targets, it is widely acknowledged that we need a large-scale programme of energy efficiency retrofit to our existing housing stock. The recent Home Energy Management Strategy characterised this as ten million lofts and 7.5 million cavity walls insulated by 2015, and solid-wall insulation installed in 2.3 million homes by 2022. Delivering this transformation should create thousands of new jobs in the private, public and third sectors.

However, to improve our housing stock at this scale and reap the social and economic benefits of job creation, we need to design a low-carbon strategy for existing homes that

reduces unemployment, and at the same time, ensures that our employment and skills policy delivers a workforce able to implement that strategy. All this against a backdrop of significant spending cuts, particularly to youth employment programmes such as the Future Jobs Fund.

Green apprentices

Elements of an integrated low-carbon and employment and skills policy could include a mechanism to ensure that providers of Green Deal energy efficiency improvements create new green apprenticeships, as well as a clear view of the role of programmes such as the Carbon Emissions Reduction Target (CERT) and Community Energy Saving Programme (CESP) in upskilling people and creating jobs. A joined-up policy should also

GREEN ALLIANCE NEWS

INTRODUCING...



Matthew Spencer took over the reins as director in May. He came from the Carbon Trust where he was head of government affairs. He was previously founding chief executive of Regen SW (the renewable energy agency) and campaign director of Greenpeace UK.

On his appointment, Matthew said: "I'm delighted to join Green Alliance at this time of change for British politics. The next few months and years will bring both hope and fear for everyone who cares about our environment... It's going to be a rocky ride, but I'm going to enjoy the journey."

Matthew has taken over from Stephen Hale who, after four years at Green Alliance, has moved to Oxfam International in Geneva.



Ben Caldecott recently joined Green Alliance's board of trustees. He is head of UK and EU climate change and energy policy at Climate Change Capital (CCC), a leading environmental investment banking group.

Before joining CCC, he held research directorships at Policy Exchange and The Henry Jackson Society. Ben is a founding member of the conservative environment network.



Chris Church is the latest recruit to our pool of associates, the group of experts who advise and work with us on our themes. Chris's expertise is in climate and sustainable development issues at the local and community level. Among many roles, he is a director of the social enterprise Mapping for Change, an honorary research associate at University College London, and a member of the London Sustainable Development Commission, appointed by the Mayor of London.



Amy Persson, our new senior policy adviser on Political Leadership, originally trained as a lawyer and was, until recently, special adviser to the minister for environment and climate change in the New South Wales government.

NEW INDIVIDUAL MEMBERS

welcome to:

Dr Stephen Bolt
Zoe Chambers
Niki Charalampopoulou
Victoria Chester
Robert Chris
Lucy Dalgleish
Tamara Etzmuss-Noble
Justin French-Brooks
Beverley Gower-Jones
Dan Hamza-Goodacre
Alex House
Emily Parrott
David Sanders
Neil Sinden

BUSINESS CIRCLE

welcome to:

National Grid
Siemens plc

"I WISH MY BIKE WAS HOT"

What's going on? Find out by reading the sporadic views of our Green Living team on their new blog, where they comment on recent events, publications, happenings – and bicycles.
www.green-alliance.org.uk/blog/greenliving



Green Alliance's mission is to promote sustainable development by ensuring that the environment is at the heart of decision-making. We work with senior people in government, business and the environmental movement to encourage new ideas, dialogue and constructive solutions.

staff

Matthew Spencer
director

Thomas Lingard
deputy director

Louise Humphrey
head of resources (maternity leave to August 2010)

David Evans
head of resources (maternity cover to August 2010)

Richard Booth
events co-ordinator

Rachel Cary
senior policy adviser

Karen Crane
senior communications manager

Josephine Evetts
pa to director and office manager

Chris Hewett
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Hannah Hislop
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