

Draft Circular Economy Strategy for Northern Ireland

Date 20 March 2023

Summary of NIFHA View

We agree with the target to halve our material footprint by 2050. but is this ambitious enough?

About NIFHA

The Northern Ireland Federation of Housing Associations, formed in 1977, is the representative body for Northern Ireland's 20 registered housing associations.

Our members are all not-for-profit organisations. Together, supported by the Department for Communities and the Housing Executive, they provide over 57,000 social and affordable homes.

Housing associations access private finance to effectively double the number of homes they could build with government housing association grant alone.

Housing associations also deliver high quality care and support to help people stay as independent as possible.

Working in partnership with other organisations, they also invest millions each year in community services and facilities.

Our sector employs more than 3,300 people and manages housing assets worth £4.4 bn.

NIFHA welcomes the opportunity to comment on this Consultation on the Draft Circular Economy Strategy for Northern Ireland.

Setting the Context

The Department for the Economy has launched a public consultation on the draft Circular Economy Strategy for Northern Ireland.

This draft strategy sets out a vision that by 2050, Northern Ireland will have an innovative, inclusive and competitive economy where business, people and planet flourish, with responsible production and consumption at its core. It will be a key enabler of Northern Ireland's 10X Economic Vision for a decade of innovation.

A circular way offers an economic model, that many countries are pursuing, in which:

- we rethink and reduce our use of earth's resources.
- we switch to regenerative resources.
- we minimise waste.
- we maintain the value of products and materials for as long as possible.

The Department for the Economy has worked together with all government departments to develop the draft strategy, in collaboration with external stakeholders from local government, the private sector, academia, the voluntary and community sectors and others.

The overarching target is to halve Northern Ireland's annual material footprint per person to 8 tonnes by 2050. The draft strategy sets out how this can be achieved through; switching to materials that can be reused, increasing use of fuels that can be replenished, designing things to be kept in use for longer and reducing waste.

Consultation

Vision

By 2050 Northern Ireland will have an innovative, inclusive, and competitive economy where business, people and planet flourish, with responsible production and consumption at its core.

We feel this the right vision. The vision would appear to reflect what is required – As a society we have a real need for clear focus on how we grow our economy to be sustaining for future generations but do so in a way that is protecting our environment and planet - there is only one planet Earth.

The vision would appear to capture the essence that across government the focus should be on reducing pressure on natural resources, create sustainable growth and jobs, bring a stop of biodiversity loss and move us all toward meeting the 2050 climate neutrality target.

At the heart of this we would like to see that there is drive through the economy towards activity that reuses and repairs rather than simply waste management.

What is important however is the detail that is required on how this is to be funded across departments and the monitored that it is actually being delivered.

Target

According to the Circularity Gap Report, each person in Northern Ireland is consuming c.16.6 tonnes of resources per year. This is our individual material footprint. With the earth's finite supply of resources and our current production and consumption patterns, we must start to rethink our relationship with resources and reduce our demand for them. To live sustainably, the United Nations (UN) recommends that we should only be using an average of 6-8 tonnes of resources per year.

Within this strategy we have included a target to reduce our annual material footprint to 8 tonnes per person by 2050.

We agree with this target to halve our material footprint by 2050.

The debate will be- is this ambitious enough, we accept we do need to start somewhere so that we transition societally to a more regenerative growth model within which the value of products, materials and resources is maintained in the economy for as long as possible, and the generation of waste is minimised by each of us both individually and as part of our business activity.

It would be reasonable to assert that the current approach continually increases demand on what are becoming even more scarce natural resources, and we support the move to a target that focuses on the use and consumption in a more circular way, so we can substantially reduce the impacts of our "human" economic activity on the environment, including on biodiversity. A critical ideological shift is needed to really focus on the aim of preventing the consumption of virgin material and government must ensure that they work to help promote and support local circular economy solutions that will have a lasting impact on sustainability.

We must invest in ensuring that government strives to implement policies – like the circular economy - that reduce individual consumption footprint.

Proposals for Change-Develop and implement a programme to support and promote behaviour change.

Our behaviours and individual choices about what, where and how we purchase stuff, how long we use it for, whether we can reuse or repair it, and when and how we dispose of it, will ultimately determine if Northern Ireland can successfully transform to a Circular Economy.

A recent report issued by the House of Lords 'In our Hands' urged Ministers to lead a public campaign using all government levers to guide public behaviour change in order to stop biodiversity loss and achieve net zero.

Changing mindsets, business models and developing new products and services is going to be a complicated task, especially for Northern Ireland, which has many small and medium-sized enterprises (SME)s with limited time and resource.

This level of intervention is required to transform our relationship with resources.

The efforts we think government should make to promote behavioural change is ranked below.

(Ranking scale 1= most preferred/4 least preferred)

Provide greater transparency and clarity on what government is doing to show commitment and create momentum	3
Provide information and tools to increase awareness and help change attitudes	1
Use regulatory and financial incentives to increase affordability and availability of sustainable options	4
Provide or adapt physical infrastructure to help make it easier for people to change behaviours e.g. Recycling centres, refill stations in supermarkets and bottle banks	2

Proposals for Change–Create clusters and networks to raise awareness and facilitate collaboration.

Many of the barriers to circularity will not be addressed without the utilisation of existing and new clusters and networks which will support industry to research, design, test and deliver transformative solutions.

Clusters are a geographic collection of interconnected companies producing similar or related goods/services that are innovation-orientated, seeking to benefit from integration across businesses.

Networks are an alliance of organisations (public/private or other) seeking to work together to achieve an economic goal, this could be within or outside a cluster. Networks may involve organisations within the same sector or across sectors which belong to the same value chain.

Existing clusters and networks could be utilised to deliver transformative solutions for increased circularity.

Taking the definition above–could it be argued that from a housing perspective under the NIFHA umbrella we could look to understand how we operate better (without impacting on our independence as a business) as a network in terms of for example service delivery – would it be reasonable to presume that in certain areas numbers of associations are delivering same/similar services but doing so in a silo and in terms of resources there may be benefit derived from some type of integration at that local level?

Thought about what the role for NIHE is in this – and how can we as a housing sector work better together?

This also raises the question around how we engage across all sectors with the supply chain? One suggestion is that NI Public Procurement Policy (NIPPP) is scrutinised to ensure that this is not preventing the ability to integrate.

Proposals for Change–Embed Circular Economy principles in public procurement.

In Northern Ireland, public sector procurement has buying power in excess of £3 billion per annum. This provides strong potential to shape markets and behaviours through the development of specifications and contract management clauses to retain the value of materials for example purchasing refurbished computers or supporting leasing business models. This creates opportunity to influence the maintenance of the public estate, supply contracts including food and waste as well as delivery of infrastructure and capital projects.

The public sector procurement can best influence the behaviours of industry to increase circularity of resources.

The public sector needs to innovate in the way it delivers services in the future – it is also imperative that there is leadership coming from public sector procurement to ensure that there is a culture that encourages all those who participate in this arena to think about new ways to do things.

We would be keen to see public sector procurement influencing what could and indeed should be alternative procurement procedures that promote partnerships and collaboration and will ensure there is close working with suppliers and the wider market. There needs to be a critical analysis of how this is approached in an agile way – not simply a process – it should also not be a race to the bottom of the cost pile – doing the right thing can sometimes cost more.

Closer work from the public sector with the SME market or social enterprise and charity organisations, could be a mechanism to influence behaviours in the industry and source innovative solutions. - make it more SME/social enterprise friendly – influence the level of formality and procedure (tick boxes) that may prevent innovation and provide better opportunities for these types of business to lead– we need to challenge current thought processes as to what is important in how we get outputs – the process should not stymie that ability to bring change

Proposals for Change–Create and support platforms and hubs to share goods and materials.

To improve the use of resources and retain their value, people and businesses need to know what is available, where it is and what condition it is in. Information is required for people and business to make choices about what they want to access. This can be provided through online platforms for typical fast moving consumer products e.g. the Olio platform which is dedicated to helping stop food waste within the UK. It can also be provided for industrial materials through established platforms such as International Synergies. We want to create more platforms and hubs to share products and materials.

Platforms that would be useful in the future to enable people and business to share and reuse products and materials.

Ensuring capital projects for new homes are designed for serviceability, upgradability and refurbishment at the outset and funded accordingly.

Funding models that promote the use of modular products in NI to ensure reduction in waste.

Standardisation of house building for energy efficiencies, to help with the development of off-site production and provides more certainty financially while helping NI achieve carbon targets.

Using excess material from sites- this could be re-used for training purposes for example further education colleges or Charity partners like women’s tech.

Re-use of IT equipment

Incentivising repair rather than replacement – for example use of smart phones in business – how often is the cycle for replacement.

Proposals for Change-Maximise the value of materials locally.

When products and materials are kept in use, it retains the maximum value of those materials and components, reducing the overall demand for material extraction to make new products. We can do this by increasing the repair and reuse sector, doing more with natural bio-based materials locally available as well as growing our reprocessing sector.

The European Commission established the ‘right to repair’ for consumers and similar regulations have been introduced for GB.

The ‘right to repair’ regulation requires manufacturers of household appliances such as dishwashers, washing and drying machines, refrigerators and televisions to ensure their products are repairable for at least ten years through providing repair manuals and making parts available.

Proposals for Change-Establish a Circular Economy funding programme.

To unlock benefits at scale, we need to create economic incentives that enable Circular Economy solutions to succeed.

The following interventions should be a priority focus for government funding

Ranking scale 1 = highest priority / 9 = lowest priority

Research and development	7
Secondary material markets	9
Circular supply chains	1
Digitisation and technology	5
Job creation	6
Waste reduction	3
Carbon emissions reduction	2
Reuse and repair	4
Environmentally focused solutions	8

Funding instruments most appropriate in years 1-3

Ranking scale 1 = most preferred / 3 = least preferred

Loans	3
Grants & Subsidies	1
Blended finance (i.e., a mix of repayable and non-repayable finance)	2

Funding instruments that could be used to enable Circular Economy solutions to succeed.

Supporting attractive rates for investment in funds or investment strategies that prioritize Environmental, social, and governance (ESG) factors.

Provision of a strategy and funding/grant for retro-fit of social housing homes to improve Energy Performance Certificates (EPCs) levels.

Proposals for Change–Create a regulatory framework that enables circular solutions to become the norm.

Regulations, taxation, and enforcement can further reduce waste and improve resource efficiency.

For example, the European Commission rules to establish the 'right to repair' for consumers. These regulations will affect the design, manufacturing, and distribution of all applicable goods in Northern Ireland and will facilitate greater reuse and repair of such products.

Considering the EU right to repair regulation, other regulatory tools that government can use to stimulate greater circulation of materials

Promotion of standardisation of components – enabling linking to NIPPP and the inability specific a particular product.

At a more strategic level better investment to re-use and repurpose buildings – use of FTC to assist this.

Proposals for Change–Deliver a Skills programme to support a Just Transition

Unless we plan, anticipate and resource for the transition to a Circular Economy, skills shortages could derail long-term goals for circularity and jobs growth.

As we progress into the 4th Industrial Revolution, some jobs will be lost in traditional sectors and the demand for new skills will increase, for example the demand for diesel engineers will decrease while the demand for those skilled in electric vehicles will increase.

The three most critical to supporting the Circular Economy

Skill 1- Digital Skills

Skill 2- Green skills (environmental awareness)

Skill 3- Innovation for product design

Future Delivery– Delivery of Circular Economy Strategy

We do consider that government should play a role in assisting the transition to greater circularity through a dedicated Circular Economy delivery body.

A Circular Economy delivery body

The circular economy needs to be led in order to drive it forward - this is a cultural and behavioural change that is needed across all aspects of society – at this early point as we move forward this will need to have focus and will need to be government led to ensure this embeds as a culture across our society. That may then change in the future in terms of the context that once these behaviours are “learned” that may move societally that there is then maturity and knowledge within the public and private sectors.

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