



Business Resource Efficiency

Final Workstream Report



Sustainable Development Research Network

**Report to the Sustainable Development
Research Network**

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1 Summary of key findings

Changes in the business support programmes for resource efficiency mean that there is a departure from funding individual companies and a focus instead on promoting change across the wider business community in order to reach a larger audience. Future support for businesses in England will be characterised by a move away from the provision of one-to-one support, to the funding of events and best practice case studies. Within this context, the Sustainable Development Research Network's (SDRN's) Business Resource Efficiency workstream identified a number of key findings:

- **Many businesses still perceive resource efficiency as a distraction from the core purpose of a business.** One of the main objectives of support programmes should be to make businesses realise that they can achieve their core objective better and more efficiently by adopting more sustainable practises.
- **More consistent messages on resource efficiency are needed;** a single 'language' would improve the communication of resource efficiency messages to businesses. Communication techniques used to transfer messages to businesses should ensure consistency of language and where possible be tailored to the sectors targeted.
- **Small and medium sized enterprises (SMEs) and micro-businesses are less engaged with business resource efficiency,** partly because past support programmes more successfully reached larger businesses and because SMEs believe that they are too small to benefit. Future support programmes need to do more to 'reach out' to SMEs.
- **Businesses are facing increasing pressure from the wider business community to become more sustainable,** in addition to being pressured by consumers. One of the main drivers for a business to act is the ability to prove their environmental credentials across the whole supply chain. For this reason, sustainable public procurement is increasingly moving up the priority list.
- **More quantitative data is needed to help businesses benchmark** where they are and where they need to be in terms of resource efficiency. Keeping track of their resource consumption should be mandatory for all businesses. More follow-ups are also needed to monitor progress with businesses after support initiatives are provided; this sustains enthusiasm and encourages businesses to continue acting positively.
- **Certain types of businesses find resource efficiency particularly difficult.** Rural businesses, for example, are limited by infrastructure and a lack of access to waste management and recycling services. Although technology lists have helped to some extent, important equipment – such as waste balers – remain missing from these lists. Services that enable businesses to access this equipment more readily are needed. Regionally focussed funding is also required. Local networks can provide valuable help for businesses in a particular region.
- **The prescriptive nature of product standards can limit innovation and improved resource efficiency.** By stipulating specific materials rather than the qualities and specifications the material should meet, manufacturers have little scope to trial more innovative materials.
- **The current economic situation provides a perfect opportunity for encouraging businesses to become more resource efficient.** The high cost savings that come hand in hand with better resource use is a considerable incentive for businesses to act. Support programmes need to concentrate on communicating this message, and should identify the best means of reaching all businesses. This need not be only direct communications; improved supply chain management and the use of intermediaries that have close relationships with small businesses (such as banks) were just two suggested communication routes.

2 The Business Resource Efficiency Workstream

2.1 Introduction

The Sustainable Development Research Network (SDRN) is an initiative funded by both Defra and the Department for Transport, and is coordinated by the Policy Studies Institute in London. SDRN aims to facilitate and strengthen the links between the providers of research and policymakers in order to improve evidence-based policymaking to deliver the UK government's objectives for sustainable development.

SDRN's 'Research into Practice' workstream was introduced in 2007, during the third phase of the Network. The workstream focuses on four areas of research - business resource efficiency, sustainable transport, engineering, and spatial planning and development – and aims to promote greater interaction between researchers, policy makers and practitioners.

AEA was commissioned to undertake the business resource efficiency workstream, which has been designed to strengthen and develop the SDRN's outreach and influence, in particular the network's engagement with implementing organisations.

2.2 Workstream Objectives

The aim of this workstream is to consider the business support programmes that have been used in the past to help businesses improve their resource efficiency, and to explore what support is required for businesses in the future.

Resource efficiency is becoming recognised as an increasingly important issue for all businesses in the UK. Not only does becoming more resource efficient improve a business's environmental credentials, but it also has the added benefit of saving businesses money. In the current economic climate and with environmental regulations becoming more stringent, reducing resource use is desirable both from an environmental and an economic point of view. However, some businesses are struggling to engage with the resource efficiency agenda and are not aware of the support that is available.

To help address this problem, there are a number of support mechanisms in place to help businesses in England¹ improve their resource efficiency. However, several important changes have been made to these support programmes recently, which will have a significant impact on the way that resource efficiency support is provided to businesses. In particular, the Department for Business Innovation and Skills (BIS) has launched the Business Support Simplification Programme (BSSP) in order to streamline publicly funded business support at the national, regional, and local level.

In light of the changes to business support programmes and at a time of increasing financial pressure on all businesses, AEA undertook this work to explore which support programmes worked well in the past to engage businesses in the resource efficiency agenda, and what support is required in the future.

Thus the workstream aimed to answer the questions:

- 1) Prior to 2008, what support programmes were available to businesses to help improve their resource efficiency, and what elements of these programmes worked well?
- 2) What support is now available to businesses to help them improve their resource efficiency?
- 3) How is business resource efficiency support likely to improve in light of the recent changes to support programmes?

¹ Note that this report focuses primarily on businesses in England. Other support mechanisms are in place for businesses in Wales, Scotland, and Northern Ireland.

- 4) What are the challenges to engaging all types of businesses in the resource efficiency agenda and what prevents them from acting?
- 5) What else needs to be done in order to get all businesses to adopt more resource efficient practices?

Questions 1 and 2 were addressed primarily through a literature review and consultation with a number of key stakeholders. Questions 3, 4, and 5 were discussed at a one-day workshop held on 21 May 2009 at the University of Westminster in London.

2.3 Report structure

This report is the final deliverable from the workstream, and is structured in the following sections:

Literature Review

This section provides a summary of the support programmes previously available to businesses in England under the Business Resource Efficiency & Waste Minimisation (BREW) Programme. The new Business Support Simplification Programme is then discussed, and fact-files are provided to summarise the support programmes that are still running.

Workshop Summary and Findings

Based on the findings of the literature review, the workshop was designed to bring together a group of stakeholders from a variety of backgrounds to discuss some of the key challenges that prevent businesses in England from engaging with the resource efficiency agenda. This section summarises the main workshop discussion points and the recommendations that emerged from the day's events.

Conclusions and suggestions for future work

This section brings together the main conclusions from the literature review and the stakeholder workshop to provide overall conclusions and recommendations for the workstream.

3 Literature Review

The purpose of the literature review phase of the workstream was to gain a broad understanding of business support programmes (specifically with regard to improving resource efficiency) that were funded prior to 2008, how those programmes have changed recently, and what the implications of these changes are for businesses in England.

The following sections provide:

- An overview of the business support programmes and the allocated funding;
- A summary of the Business Support Simplification Programme (BSSP);
- Fact-file boxes summarising delivery bodies that are still receiving funding, as of 2009.

3.1 Overview of Business Support Programmes

Prior to 2008, the BREW Programme was the primary funding channel for businesses that required government support for improving resource efficiency. The three-year BREW Programme was established in 2005 to distribute funding from Defra to delivery bodies; these included Envirowise, the Waste and Resources Action Programme (WRAP), The Carbon Trust, Action Sustainability, National Industrial Symbiosis Programme (NISP), the Market Transformation Programme (MTP), Royal Society of Wildlife Trusts, Waste Data Strategy, Environment Agency, Technology Strategy Board and Regional Development Agencies.

These delivery bodies have run programmes and campaigns to help businesses of various sectors and types make improvements to their environmental performance and use of resources. Over the course of the programme, BREW distributed at least £284m of funding on business resource efficiency activities. Although the BREW Programme concluded in 2008, many of the activities that it funded have continued. Full details of the total expenditure for the delivery bodies that were previously funded by the BREW Programme can be found in Appendix 1.

While the BREW Programme was successful in engaging businesses in the national resource efficiency agenda for the first time and achieved millions of pounds of cost savings and environmental improvements for businesses, it has been recognised that the organisation and distribution of government funded business support in general could be improved quite significantly. Key issues of business support programmes identified included:

- Confusion over which sources of advice and support were most relevant
- Duplication of effort across different support organisations
- Inconsistency with national, regional & local challenges
- Non-targeted and non-specific advice being given to businesses.

The Annual Small Business Survey 2005 found that over 50% of small businesses struggled to obtain Government help due to the large mass of support programmes in existence. Currently over 3,000 publicly funded business support schemes exist and businesses have complained that this large number leads to confusion during the initial research stage, when businesses look for a support initiative relevant to their problem. Support schemes fail to engage with businesses as a result of the confusion caused in the research stage and subsequently businesses make do without the support.²

Another effect of the large number of existing support schemes was duplication of support. Businesses were required to choose between several schemes that offer similar support processes, and the time required to review each and make the right decision was found to discourage businesses from considering even one option. The BSSP aims to reduce duplication of some of the support schemes and establish a consistent framework for the access, delivery, and marketing of publicly funded business support.

² Institute for Employment Studies, 2005. *Annual Survey of Small Businesses*. Available from: <http://www.berr.gov.uk/files/file38247.pdf>

An important part of this is that Business Link (www.businesslink.gov.uk) will become the primary channel for individuals and businesses looking for government support and information on topics. In addition, a shared marketing and branding framework is being developed to ensure consistency across the support schemes.

3.2 Recent Changes in Business Support

In a move to improve the support available to businesses and mitigate the concerns discussed, a programme has been launched to streamline support to businesses: The Business Support Simplification Programme (BSSP). The Department for Business Innovation & Skills (BIS) is leading the BSSP and aims to reduce the number of publicly funded business support programmes from around 3,000 to only 100 by 2010. By April 2010, there will be no publicly funded support to businesses offered outside of the scope of the BSSP and all support will be distributed under the Solutions for Business (SfB) branding.³ These changes also reflect the recent reduction in Defra's budget (which is a reduction of £500 million for 08/09).

The BSSP is designed to make it easier for businesses to access support; to use public money more efficiently by reducing the amount spent on administration; and to ensure value for money by measuring the effect of business support on the economy and on public policy goals.⁴

The official overarching objective of the programme is:

"...to have easy access Government support for business which is:

- Targeted: Where it will have greatest impact;
- Efficient: Delivered to get best value for money;
- Fit for purpose: Meets national, regional and local challenges in a changing global economy."⁵

The main difference between the historic and planned (2008/09) distribution of Defra's budget for activities on business resource efficiency is that the total number of delivery bodies receiving resource and capital has been reduced and the Regional Development Agencies (RDAs)⁶ will no longer receive separate funding for resource efficiency activities specifically. Rather, RDAs will continue to play a coordinating role through running the Business Link scheme (through which all government-funded business support is being mainstreamed) and will continue to receive financial support from Defra⁷. Over the years RDAs have had an important role in the provision of resource efficiency support to business as outlined in the Box 1, overleaf.

The reduction in Defra's budget has in some ways fuelled the changes by which environmental advice and support is made available to businesses. It has affected delivery bodies that implement the resource efficiency support programmes. For example, delivery bodies such as Envirowise and NISP have received budget cuts of 50% and 40% respectively. The services provided by these delivery bodies are outlined in the fact-file boxes in Section 2.3.

All these changes mean that there will be a movement away from funding individual companies and a focus instead on promoting change across the wider business community in order to reach a larger audience. For example, government support is likely to promote the benefits of resource efficiency by funding events and best practice case studies to provide evidence to the wider business community. Communication strategies will be an important consideration as these changes take place in order to ensure resource efficiency messages continue to be communicated effectively to businesses.

³ Solutions for Business, 2008. Business Support Simplification Programme. Available from:

http://www.eescp.org.uk/doclib/BSSP_Information_on_Policy.doc

⁴ More information available from: <http://www.berr.gov.uk/bbf/simplifying-business-support/page44805.html>

⁵ Business Support Simplification Programme: Information on policy (Oct 2008). Available from:

http://www.eescp.org.uk/doclib/BSSP_Information_on_Policy.doc

⁶ Regional Development Agencies (RDAs) were previously ring-fenced from the BREW Programme but received a proportion of the budget, ~£10m in 2006/07, for coordination of all delivery bodies.

⁷ Defra (2008). Budgets for activities on business resource efficiency in 2008/09. Available from:

<http://www.defra.gov.uk/environment/business/support/funding0809.htm>

Box 1: The role of Regional Development Agencies in resource efficiency support

Regional Development Agencies (RDAs) work towards strengthening and growing regional economies through sustainability principles. Each RDA collaborates with partners to build on their region's natural assets, develop the knowledge-based economy, revitalise places and meet the needs of local businesses.

Business development is central to meeting the aims of the RDAs and so resources are prioritised to stimulate development of high performing, innovative businesses. Each RDA has unique business development priorities based on their Regional Economic Strategy (RES).

Business Link

The RDAs manage the Business Link service, which is England's primary access route for business advice and support. With the introduction of the Business Support Simplification Programme, the RDAs have the responsibility to ensure all business support services are easy to access. Businesses are directed to Business Link to understand funding opportunities available for their specific needs.

Select Finance for Regional investment

Businesses who are investing in disadvantaged areas are directed to Select Finance for funding opportunities.

RDAs support internationally competitive sectors through uniting organisations in related industries to promote higher value activity, productivity and opportunities for growth. Support is also channelled to the manufacturing industry through the Manufacturing Advisory Service, which delivers sector-specific advice to businesses.

New businesses are supported by RDAs, especially those being started up by under-representative groups such as people with disabilities, women, some black and minority ethnic groups and people living in disadvantaged areas. This support is delivered through setting targets in the Regional Economic Strategies.

Research and development of new products, systems and processes is supported by RDAs to encourage innovation and collaboration between the research and business community.

The RDAs are also involved in attracting inward investment (through helping businesses with overseas marketing) and ensure that training, education and skills development is meeting the needs of employers (achieved through the Regional Skills Partnership). Emergency recovery schemes are also prepared by the RDAs in anticipation of economic shocks (such as flooding).

All business support provided by the RDAs consider sustainable economic development. A variety of initiatives are implemented to address climate change including:

- Focussing on carbon reduction in business;
- Driving the growth of innovative business through R&D support;
- Creation of sustainable energy markets;
- Attraction of global investment in environmental products and services to UK regions.

Note: RDAs are not receiving 2008/2009 funding for resource efficiency support specifically

[w]: www.Englandrdas.com [t] 020 7222 8180

3.3 Fact-files of Delivery Bodies

During the course of the literature review, a number of sources of information were found that provide a summary of resource efficiency support offered by all of the delivery bodies in one document or website. In order to develop a clear understanding of the types of businesses that are covered and targeted by the different support programmes, the following summary boxes were developed. Each box provides an overview of the organisations and provides information on the services they offer and the type of businesses they target.

Envirowise

Receiving funding 2008/2009

Envirowise provides free resource efficiency advice to businesses in the UK through a range of services. Services include a telephone advice line, online case studies and publications, newsletters, events and workshops. Until 2008 Envirowise provided free on-site 'fast-track' visits to companies across a range of sectors in order to review their production line and material and waste streams. The resulting analysis of the utilities bills, materials and waste costs resulted in an independent report being presented to the company with recommendations and costs of implementation outlined.

Since April 2008, Envirowise has not provided one-on-one support in England, although these services have continued in the rest of the UK. Expert advisers still provide free, independent and confidential advice to businesses on waste reduction and sustainability issues, although in England this is mainly through telephone advice and events.

The basis of all Envirowise support is on the waste hierarchy (pictured below)⁸



Eligibility

Envirowise core services are available to businesses of all sizes and in all sectors and geographic locations. The single business support available in Scotland, Wales and Northern Ireland is targeted to those businesses that have the highest potential for savings, based on information they can provide on turnover, materials flows and costs and waste costs.

Website: www.envirowise.gov.uk

Advice line: 0800 586794 (9am – 5pm Mon – Fri)

⁸ From: www.envirowise.gov.uk

WRAP (Waste and Resource Action Programme)

Receiving funding 2008/2009

WRAP provides support to businesses (as well as local authorities and individuals) on waste reduction, resource efficiency and tackling climate change. Support to businesses is available mainly for the recycling and reprocessing industry, which has seen an increase in turnover of £120 million since receiving support from WRAP.

Support is provided to businesses in the recycling and reprocessing sector through funded consultancy, specialist advice and training for senior members of staff. Funding is also available for an Interim Manager to work on a temporary basis with firms to fast track the development of a certain area of the business.

WRAP also works to encourage economic growth in the recycling centre through support on lease financing for equipment used in recycling (e-Quip scheme) as well as the provision of Capital Grants (not available on a rolling basis). Innovation is also promoted through supporting start-up and early stage businesses and providing funding for support on understanding potential International Property (IP) rights.

Eligibility

Eligibility for business support is dependent on size and business activity. Some businesses are also excluded from WRAP support.

1. **Size:** Most support from WRAP is provided to Small and Medium-sized enterprises (SMEs) only. The e-Quip and Capital Grants schemes are also available for larger companies. The company 'must be less than 25% owned by one enterprise (or jointly by several enterprises) falling outside the definition of an SME. The definition of an SME is 'a business with less than 250 employees and either a turnover total less than £37.06 million or balance sheet total (net worth) of less than £31.87 million' (WRAP, 2009).
2. **Business activity:** The business must be a reprocessing business operating in the recycling sector and recycling one or more of these materials: aggregates, glass, plastics, organics, paper, wood, tyres, plasterboard, and batteries. The recycled waste must be derived from the UK's municipal waste stream or be post-use C&D or C&I waste.
3. **Exclusions:** WRAP does not provide support to businesses whose main activities are a) waste-to-energy or the manufacturing of fuels, b) the recycling of materials other than those listed, c) collection-only services.

Businesses of sectors outside the recycling and reprocessing industry can also receive support from WRAP:

- **Retailers and Brands, Manufacturers and Logistics:** Workshops and events are organised with a focus on improving packaging, resource use and waste disposal. Case studies of best practice are available online as well as subscription to an e-newsletter.
- **Agriculture and Horticulture:** Events and workshops are arranged to support the growth of markets for compost products and to establish the Quality Protocol for Compost. Case studies and training material are available online.
- **Construction:** WRAP works in partnership with Envirowise to provide sector-specific tools and guidance material on achieving resource efficiency. Online case studies and publications are provided and training events are organised to demonstrate good practice in the industry.
- **Investors:** Information dissemination and knowledge transfer initiatives are used to promote investment in the UK recycling sector. Such initiatives include an Investor's Bulletin, Materials Panel, Market Knowledge Portal and access to Market Situation and Materials Pricing reports.

Website: www.wrap.org.uk
Advice line: 0808 100 2040

Environment Agency (EA)**Receiving funding 2008/2009**

The Environment Agency (EA) is the main regulatory authority for business use of resources. The support provided by the EA is based on providing information to businesses on legislation and compliance requirements. The EA refers businesses to the Envirowise Programme for support on how to meet the regulations set.

The EA does provide online publications guiding companies towards compliance with regulations, such as the 'guide for developers' for the construction industry and 'good practice guides' for the food and drink industry.

The Environment Agency has launched the Resource Efficiency Science Programme to provide evidence that encourages individuals and businesses to change behaviour towards a more sustainable use of natural resources (water, energy, materials, and land). The programme, which is driven by the UK Sustainable Development Strategy' seeks to focus on four priority areas including: sustainable consumption & production, climate change and energy, natural resources protection and sustainable communities.

The Environment Agency will also provide a toolkit to help maximise the effectiveness of the EA advice through tailoring advice by socio-economic characteristics (such as size, turnover and sector).

Website: www.environment-agency.gov.uk

Tel: 08708 506 606

Action Sustainability**Receiving funding 2008/2009**

Private sector organisation that provides training courses, awareness raising events, research, case studies, benchmarking and consultancy services to businesses to support and facilitate the Strategic Supply Chain Group – a leading authority on sustainable procurement.

Action Sustainability focuses on educating Small and Medium Enterprises (SMEs) and Black and Minority Ethnic (BME) businesses and advises the Government to define and shape best practice in sustainable procurement.

Website: www.actionsustainability.com

Tel: 0800 085 4990

Carbon Trust**Receiving funding 2008/2009**

The Carbon Trust was set up by the Government in 2001 as an independent company with the purpose of accelerating the move to a low carbon economy. The Carbon Trust works with different organisations to reduce their emissions and develop commercial low carbon technologies.

Key Services:

With regard to businesses, the Carbon Trust provides several different types of support, many of them available for free on the CT website. These include

- carbon footprint calculators
- carbon saving advice
- carbon surveys
- interest-free loans
- carbon saving workshops

Targeted Businesses:

Many of the support measures and advice are available to all kinds of businesses. The Carbon Trust website does have a special section of help for small businesses. The interest-free Energy-Efficiency loans are only available to SMEs and certain kinds of businesses are excluded – agricultural sector, export related sector, transport sector, and the coal sector.⁹

The website states that “the Carbon Trust provides a service that is proportional to your energy spend ... The specific criteria that the CT uses to determine the service may be subject to change as we seek to continue to ensure the Carbon Trust’s services are available to all companies that approach us on a first come, first served basis, appropriate to their needs.” For example, it says that annual energy spend must be at least £50,000 in order to qualify for a carbon survey.

Website: www.carbontrust.co.uk

Tel: 0800 085 2005

⁹ <http://www.carbontrust.co.uk/energy/takingaction/whocanapply.htm>

Market Transformation Programme (MTP)

Receiving funding 2008/2009

The Market Transformation Programme (MTP) supports the development and implementation of UK Government policy on energy using products. Its aim is to achieve sustainable improvements in the resource efficiency of products, systems and services where these are critical to the delivery of Government commitments in areas including climate change, water efficiency and waste reduction. MTP supports the UK Government's strategy on Sustainable Development.

MTP reduces the environmental impact of products across the product life cycle by:

- Collecting information. Data on stock, usage, energy consumption and water consumption is gathered on household and industrial products, such as washing machines, light bulbs, and computers.
- Building evidence. The information gathered is used to model how products will evolve in the market place and to estimate future environmental impacts.
- Working with industry and other stakeholders. A common understanding is reached on how these impacts can be mitigated; action plans are agreed and the measures implemented¹⁰.

Key Services:

The main service offered by the Market Transformation Programme is a set of different publications/tools that are freely available from the MTP website (www.mtprog.com). These materials include:

- Product Scenarios – MTP develops three sets of scenarios to present the future resource requirements for 30+ products. The scenarios are the Reference scenario, the Earliest Best Practice scenario, and the Policy scenario.
- Policy Briefs – provide information to Government and explain scenario data for the three scenarios;
- “What-if?” Tool – an online database that presents data for all products covered under MTP for the three scenarios. This includes data on energy consumption, usage time, stock, and sales of different domestic and commercial products;
- Briefing Notes – linked to Policy Briefs and present the underlying evidence base of information.

A few specific tools have been developed under MTP, including a ‘Red/Green calculator’ for use by retailers and manufacturers to enable them to assess product design performance against the Government’s indicative targets. This calculator is still at the trial stages and is currently being tested in the consumer electronics sector.

Eligibility:

The information and reports published by MTP are freely available to any business in the UK. No businesses are specifically targeted, although MTP does work with manufacturers of energy using products and industry stakeholders.

Contact Info:

MTP Helpline +44 (0)845 600 8951

MTP Helpline Email: info@mtprog.com

Website: www.mtprog.com

¹⁰ From www.mtprog.com

Business Link Diagnostic Tool

Not Receiving funding 2008/2009 – *All support channelled via business link but now through the diagnostic tool*

Business Link is the first access route for business support and advice and is run by the UK's Regional Development Agencies. Environment and efficiency support is provided by Business Link through:

- Training courses and events;
- Grants and support schemes;
- Case studies;
- Tools to assess business environmental improvements;
- Planning templates e.g. How to produce a workplace travel plan;
- Online guidance material and updates on environmental regulations.

The organisation has recently launched online resource efficiency diagnostic tools, which help businesses identify where they can improve their resource efficiency. Businesses are required to collect utility bills and details of materials usage and waste levels. Once the process has been completed, businesses may be eligible to apply for a grant (< £10,000) to implement the recommendations.

Business Link also provides a free consultation with a business advisor for businesses to discuss their resource efficiency improvement options.

Website: <http://www.businesslink.gov.uk>
Helpline: 0845 600 9 006

NISP (National Industrial Symbiosis Programme)

Receiving funding 2008/2009

NISP runs a nation-wide Industrial Symbiosis initiative that manages the flow of materials and energy through local, regional and national economies. NISP is the first Industrial Symbiosis programme in the world to be launched at the national scale. The programme originally was funded by Defra through its BREW programme.

What is Industrial Symbiosis?

“Industrial Symbiosis brings together companies from all business sectors with the aim of improving cross industry resource efficiency through the commercial trading of materials, energy and water and sharing assets, logistics and expertise” (NISP, 2007)

The initiative breaks barriers between companies of different sectors including those that would not normally collaborate or necessarily communicate. The approach identifies sustainable resource management solutions for businesses that not only results in cost savings but also achieves environmental improvements.

NISP delivers support to businesses through a membership scheme, which in turn enables businesses to be eligible to attend events, workshops, and support from industrial symbiosis experts. The programme is delivered on a regional basis from 12 regional offices that analyse individual waste streams and unite two or more companies so that waste from one becomes a resource for another. Virtually all NISP outcomes are made into case studies and published to support a wider audience.

Eligibility: Members can be large multinational companies to SMEs and single operators.

Website: www.nisp.org.uk

Tel: 0845 094 9501

3.4 Literature Review Conclusions

This review has provided a concise summary of business support programmes that were funded by the Government from 2005 – 2008, and summarised the recent changes to these programmes and the funding structure. In addition to providing a general overview of support programmes, the literature review highlighted a number of important issues:

- Changes in the support programmes mean that there is a movement away from funding individual companies and a focus instead on promoting change across the wider business community in order to reach a larger audience;
- Government support going forward is likely to promote the benefits of resource efficiency by funding events and best practice case studies, rather than providing one-to-one support;
- The BSSP is still at the early stages and is being shaped by a number of consultation activities;
- The current economic situation means that all businesses are struggling to engage in the resource efficiency agenda – support programmes and advice are thus critical to helping businesses;

Most importantly, the information collected during the literature review stage was used to design the stakeholder workshop agenda, and formed the basis of the background document circulated to workshop participants prior to the event. This ensured that the stakeholders all had a clear understanding of the changes to business support programmes and were able to bring that knowledge to the workshop discussions.

4 Stakeholder Workshop

Following on from the literature review stage, a stakeholder workshop was held at the University of Westminster in London on May 21st 2009 to explore which programmes worked well in the past to engage businesses in the resource efficiency agenda, and to discuss what support is required in the future. In addition to providing examples of good practice, the workshop gave participants an opportunity to discuss how to help all types of businesses adopt more efficient practices.

This workshop was designed to help policy makers shape future developments in business support programmes. This workstream report will be delivered to the SDRN, Defra, and BIS to provide insight on what needs to happen in order to engage more businesses in the resource efficiency agenda.

The workshop brought together over 50 participants to investigate current approaches to providing support for business resource efficiency and to determine what could be done in the future to improve the support available to the business community in this thematic area.

The workshop addressed the following questions:

- What are the challenges to engaging all types of businesses in the resource efficiency agenda and what prevents them from acting?
- What types of support are available to businesses with regard to resource efficiency? What are the lessons learned from past programmes such as BREW?
- How is business resource efficiency support likely to improve in light of the recent changes to support programmes?
- What else needs to be done in order to get all businesses to adopt more resource efficient practices?

4.1 Workshop Summary

Delegates were welcomed to the event by Julie Hill of the Green Alliance, who provided an overview of the importance of business resource efficiency. Following the introduction to the event, the workshop continued with a mix of presentations and discussion sessions, including a small-group discussion in the afternoon.

The presentations included the following:

- The policy framework for resource efficiency (Bernie Walsh, Defra);
- An overview of the Envirowise programme and examples of environmental best practice from Ginsters and Manchester United (Mark Bartlett from Ginsters and Keith McIntosh from Manchester United)
- Solutions for Business and the new Improving Your Resource Efficiency product (Julie Bott, BIS);
- Encouraging and communicating resource efficiency (Steve Creed, WRAP and Simon Drury, Envirowise);
- Resource efficiency challenges in the manufacturing sector (Susanne Baker, EEF).

Discussions after these presentations included the following points:

- There was agreement among participants that several existing resource efficiency support programmes (including Envirowise and NISP) have worked very well. Positive comments were also expressed about policy levers aimed at improving resource efficiency, particularly the Landfill Tax. The workshop heard two inspiring examples from Environmental Champions, Ginsters and Manchester United, both of whom have developed exemplar sustainable procurement and resource efficiency programmes.

- Some less positive comments about the structure of resource efficiency support in the past included agreement that the number of programmes caused confusion. Also, there were calls for more consistent messages on resource efficiency, and participants expressed that the use of a single 'language' would improve the communication of resource efficiency messages to businesses.
- Other participants felt that there had not been enough support provided to businesses in the past and that the carrot and stick approach should be drawn on to improve incentives to act. This could be through the use of economic instruments ('stick') and increased funding ('carrot'), for example.
- The general consensus was that a single interface for business support would be very valuable. As this is in line with the changes planned for the future in terms of distributing support, delegates agreed that BIS's new Solutions for Business programme would bring positive changes to the provision of resource efficiency support for business in the future.
- Other messages that were communicated in discussions included the relative success that support programmes have at reaching larger businesses. Small and medium sized enterprises (SMEs) and micro-businesses are less engaged with efforts to improve business resource efficiency, often because SMEs believe that they are too small to benefit. SMEs account for 99.9% of all enterprises in the UK¹¹ and it is therefore important for existing resource efficiency support programmes to explore what else can be done to 'reach out' to a greater number of SMEs. The plight of other types of businesses such as those situated in more rural areas was also emphasised.
- Key barriers to engaging business were considered. Many suggested that resource efficiency is perceived to be a distraction from the core purpose of a business. One of the main objectives should be to make businesses realise that they can achieve their core objective better and more efficiently by adopting more sustainable practises.
- It seems that there is also some difficulty convincing businesses that environmental advisors have sufficient expertise to provide useful advice. Environmental advisors need to work towards increasing confidence that they have a good understanding of a business's processes. In this sense making advice relevant to the industry is important.
- There was considerable discussion about the one-to-one support formerly offered by Envirowise through 'fast-track' visits. Many participants felt that the 1:1 support was excellent and that it was especially valuable for helping small businesses improve their resource efficiency. Participants discussed this approach and the fact that, from a funding point of view, this 1:1 support was not sustainable. A new approach is needed to engage as many businesses as possible with limited funds through a 'one-to-many' approach.
- Businesses are facing increasing pressure from the wider business community to become more sustainable, in addition to being pressured by consumers. One of the main drivers for a business to act is the ability to prove their environmental credentials across the whole supply chain. Sustainable public procurement is increasingly moving up the priority list.
- The discussion sessions highlighted that despite the increasing awareness of resource efficiency, businesses that are engaging in this agenda are still in the minority. Often SMEs are not up to speed with their environmental credentials because there is a lack of knowledge on how they can meet the desired environmental policy requirements. Recently many SMEs have been losing contracts because they do not have environmental policies in place. However, many businesses have difficulty understanding the importance of acting, the availability of services to support them in acting and how to obtain such support. It was noted that over 50% of people are not aware of the existence of Envirowise and other support programmes.
- In addition, it was highlighted that SMEs and sole traders have limited financing available to network at large events such as conferences; therefore keeping up to speed with what is required is difficult. Participants agreed that businesses that are struggling in this context could be helped if more information was disseminated through trade associations or similar organisations.

¹¹ BERR, 2008, Statistical Press Release. Available from: <http://stats.berr.gov.uk/ed/sme/smestats2007-ukspr.pdf>

- Finally, it was suggested that organisations that collaborate with businesses in day-to-day operations could be mobilised to provide resource efficiency support in an effort to lessen the impact on businesses’ bottom-lines. For example, the question was raised that because businesses deal with banks and financial institutions regularly, is there scope for linking Envirowise and other support programmes with financial institutions to provide advice on resource efficiency?

Break-out group sessions gave time for participants to discuss some of these points in more detail and think about what else needs to happen, in terms of policy framework, support programmes, and communication, in order to help all businesses become more resource efficient.

The main discussions in the small group centred on answering in the following questions with regard to policy targets, support programmes, business engagement, and communication methods:

- What worked well in the past with regard to encouraging business resource efficiency?
- What didn’t work well in the past with regard to encouraging business resource efficiency?
- What are the immediate obstacles for the near future for helping businesses to become more resource efficient?

The table below includes the main points raised by each of the three break-out groups.

	What worked well with regard to encouraging business resource efficiency?	What didn’t work well with regard to encouraging business resource efficiency?	What are the immediate obstacles for the near future?
Policy targets	<ul style="list-style-type: none"> • Landfill Tax • CO2 commitments (large firms only) • Climate Change Levy • EU Directives 	<ul style="list-style-type: none"> • Pre-treatment of waste regulations • LA’s recycling for businesses as well as domestic • Some policies weren’t relevant for SMEs 	<ul style="list-style-type: none"> • Making landfill tax more applicable to SMEs • Lack of enforcement of legislation • Mix of voluntary and mandatory measures • CCL not rising! • Making the true cost of waste more apparent
Support Programmes	<ul style="list-style-type: none"> • Fast Track visits • Supply chain work • Envirowise helpline • Existing local initiatives and networks e.g. the Resource Efficiency Clubs • Envirowise/Business Link crossover • Courtaulds Commitment • NETREGs 	<ul style="list-style-type: none"> • Too many programmes • Innovators and designers were not full engaged • Form filling for funding • ECAs • Lack of follow-up on direct support • Some local initiatives were under-utilised 	<ul style="list-style-type: none"> • Lack of 1:1 support • Encouraging long-term behavioural change • Lack of reliable data • Targeting SMEs • Matching top-down and bottom-up approaches
Business engagement	<ul style="list-style-type: none"> • Support worked well for large businesses • Engaging with local suppliers was successful 	<ul style="list-style-type: none"> • Lack of engagement with smaller businesses • Rural and home-based businesses were not well served 	<ul style="list-style-type: none"> • Engaging all sectors and smaller businesses • Infrastructure required (e.g. recycling centres) in order to enable small and rural businesses • Finding a way to develop networks, e.g. for sharing vehicles or technology

	What worked well with regard to encouraging business resource efficiency?	What didn't work well with regard to encouraging business resource efficiency?	What are the immediate obstacles for the near future?
Communication methods	<ul style="list-style-type: none"> • NISP's continuous engagement • Envirowise website • Local advertising and awareness raising campaigns especially via radio • Trade Magazines 	<ul style="list-style-type: none"> • Lack of dissemination about best practice • Lack of information about green suppliers • Over communication, e.g. mail shots 	<ul style="list-style-type: none"> • More awareness-raising is needed • Need a champion – individuals who can promote resource efficiency

4.2 Workshop Recommendations

The workshop concluded with closing remarks from each of the break-out groups which provided recommendations for what additional measures or changes are needed to encourage more businesses to improve their resource efficiency:

- Increased efforts to improve business understanding of resource efficiency. More businesses need help understanding why resource efficiency is important, what actions are required, what are the costs of acting and not acting and most importantly why should they act?
- Communication techniques used to transfer messages to businesses should ensure consistency of language and where possible be tailored to the sectors targeted.
- More quantitative data is needed to help businesses benchmark where they are and where they need to be in terms of resource efficiency. Keeping track of their resource consumption should be mandatory for all businesses.
- Long-term behavioural change in businesses is essential for sustained resource efficiency.
- More follow-ups are needed to monitor progress with businesses after support initiatives are provided; this sustains enthusiasm and encourages businesses to continue acting.
- Action to improve resource efficiency across the whole supply chain should be emphasised.
- The benefits of improving resource efficiency need to be made clearer: Measures should be put in place to help environmental champions share their experiences with other businesses, in particular with the rest of the supply chain. Examples such as Ginsters and Manchester United are very inspiring and should be widely communicated. Is there a role for mentors?
- Regionally focussed funding is required. Local networks can provide valuable help for businesses in a particular region.
- Get banks involved and require better environmental standards in order to get loans.

Overall, workshop attendees agreed that the current economic situation provides a perfect opportunity for encouraging businesses to become more resource efficient; the high cost savings that go hand in hand with better resource use is a considerable incentive for businesses to act. Support programmes need to concentrate on communicating this message, and should identify the best means of reaching all businesses. This need not be only direct communications; improved supply chain management and the use of intermediaries that have close relationships with small businesses (such as banks) were just two complementary communication routes suggested.

5 Conclusions and Further Research

5.1 Summary and Conclusions

This workstream explored which business support programmes worked well in the past to engage businesses in the resource efficiency agenda, and provided recommendations on what support is required in the future.

The workstream answered the questions:

- 1) Prior to 2008, what support programmes were available to businesses to help improve their resource efficiency, and what elements of these programmes worked well?
- 2) What support is now available to businesses to help them improve their resource efficiency?
- 3) How is business resource efficiency support likely to improve in light of the recent changes to support programmes?
- 4) What are the challenges to engaging all types of businesses in the resource efficiency agenda and what prevents them from acting?
- 5) What else needs to be done in order to get all businesses to adopt more resource efficient practices?

Questions 1 and 2 were addressed primarily through a literature review and consultation with a number of key stakeholders. Questions 3, 4, and 5 were discussed at a one-day workshop held on 21 May 2009 at the University of Westminster in London.

The workstream's stakeholder workshop provided a number of recommendations and learning points, as discussed in Section 3. In particular, work confirmed that all businesses are struggling with the credit crunch, and are having difficulty prioritising resource efficiency. To help solve this problem, increased efforts to improve businesses' understanding of resource efficiency is required. More businesses need help in understanding why resource efficiency is important, what actions are required, what are the costs of acting and not acting and, most importantly, why should they act? This improved understanding should help foster long-term behavioural change in businesses, which is essential for sustained resource efficiency improvements.

In addition, workstream activities identified that more quantitative data is needed to help businesses benchmark where they are and where they need to be in terms of resource efficiency. Keeping track of their resource consumption should be mandatory for all businesses.

It is clear that the current economic situation presents an opportunity for encouraging businesses to improve their resource efficiency, in order to achieve the cost savings that go hand in hand with better resource use. Support programmes need to concentrate on communicating this message, and should identify the best means of reaching all businesses.

5.2 Further Research

One area for further research that has been identified through this project is to investigate how well the business support programmes help business sectors that are recognised to be less able to engage with and act on resource efficiency messages. Although it appears that there is a significant proportion of resource efficiency support available to SMEs, the focus of support available to businesses categorised according to their socio-economic factors (such as Black and Minority Ethnic (BME) businesses, businesses in deprived areas and female-led businesses) is less obvious. Delivery bodies tend to channel the delivery of government-funded support and guidance on resource efficiency issues to the individual and householder level and subsequently there is little support targeting businesses in these socio-economic sectors.

The new resource efficiency product being launched by Solutions for Business identifies priority sectors for receiving resource efficiency support as those that have the highest potential for reducing energy consumption, resource use and waste generation. Such businesses tend to be based in the manufacturing, construction, retail and recycling sector and are not publicly categorised by socio-economic factors. It appears that delivery bodies generally target 'quick win' business sectors rather than the 'hard-to-reach' sectors due to the relative level of effort required to achieve environmental improvements and cost savings within the same pay-back period. While the SfB resource efficiency product promotes itself as targeting all types of business regardless of size, location, or sector, the product takes a particular focus on SMEs due to their 'prevalence' and 'impact'.

This highlights the potential for further work looking at resource efficiency challenges in certain types of businesses that are not traditionally targeted by the support programmes. Some of the potential categories of businesses that could be considered for further investigation could include:

- Black and Minority Ethnic Businesses
- Small Businesses/Micro-enterprises
- Rural Businesses
- Women Entrepreneurs

This project has already completed a preliminary assessment of some of the challenges that Black and Minority Ethnic Businesses face, as summarised in Appendix 2.

Appendices

Appendix 1: Distribution of BREW funding

Appendix 2: Black and Minority Ethnic Businesses

Appendix 1: Distribution of BREW funding

Table 1-1: Distribution of funding issued through the BREW Programme (2005-2008) and funding allocations for follow on programmes (2008/2009)¹²

Delivery Body	Expenditure 2005/6 (£m)	Expenditure 2006/7 (£m)	Expenditure 2007/8 (£m)	Resource and capital funding for 2008/09 (£m)
Action Sustainability	0	0.219	0.43	0.300
Carbon Trust	3	23.253	23.758	89.063
Defra's Waste Data Strategy	0.5	2.1	1.9	1.325
Environment Agency	2	4.443	4.454	2.750
Envirowise	12	16.073	22.19	9.390
Market Transformation Programme	2.65	2.896	3.933	2.750
National Industrial Symbiosis Programme	2.675	5.7	9.772	5.025
Regional Development Agencies ¹³	5	11.71	10.9	0
Royal Society of Wildlife Trusts – Business Reuse Fund	0	1.974	1.415	0
Technology Strategy Board	2	5.854	26.8	0
WRAP	2.854	5.734	11.793	43.223
Centre of remanufacture and reuse (Oakdene Hollins)	0	0.47	0.7	0.500
Construction Resources and Waste Platform (AEA and the Building Research Establishment) (2)	0	0.35	1.2	0.500
BREW Centre for Local Authorities (2)	0	0.5	1.4	0.800
Other (includes coordination, communication, pilot projects, funding for agricultural waste project and programme contingency fund)	0.321	2.481	1.377	0
Total	33	83.757	122.026	155.626

Table 1-2: Non-Programme funding to delivery bodies for business resource efficiency and waste initiatives

Delivery Body	Activity	Expenditure 2006-07 (£m)	Expenditure 2007-08 (£m)	Total
Carbon Trust	Energy efficiency and carbon emission reduction activities	13.9	9.9	23.8
WRAP	Work with the construction, manufacturing, retail and recycling and reprocessing industries to reduce waste and encourage recycling	6.0	15.4	21.4
Total		19.9	25.3	45.2

¹² BREW Funding (2008), Defra. Available from: <http://www.defra.gov.uk/environment/business/support/historic.htm> and <http://www.defra.gov.uk/environment/business/support/funding0910.htm>

¹³ RDAs no longer receive separate funding for resource efficiency activities. Total funding for RDAs from Defra in 2008/09 was £53m.

Appendix 2: Black and Minority Ethnic Businesses

Black and Minority Ethnic (BME) businesses provide an invaluable contribution to the economic, cultural and social development of our regions in the UK. BME Businesses in the UK represent a growing marketplace – one third of the UK's BME community is under 16 and nearly half of the UK's ethnic population is under 24. What is more, BMEs make up 6.4% of the total population of working age in the UK and as we approach the 2020's BMEs will account for half the growth in the working age population.¹⁴ As the BME sector's contribution to national economic growth gains prominence, it is in the UK's interest to support the growth of BME businesses. Similarly, prioritisation of support on other issues of national importance, such as improvements to resource efficiency and environmental performance, must also be given to businesses in the BME sector.

The Retail Industry in particular has a significant proportion of BME businesses as demonstrated by the Centre for Retail Research with their publication of a report on Black and Minority Ethnic Retail Businesses in 2006¹⁵. The report, *Diversity in Shopping: A Report on UK Black and Minority Ethnic Retail Businesses* focused on small and medium sized retail and wholesale businesses and found that in 2006 in the UK, there was an estimated:

- 68,000 BME retailers,
- 4000 BME wholesalers,
- 37, 3000 employees.

This, in total, delivered for the UK a combined turnover of £32.96 billion and 12% of UK retail sales.

BME Businesses have been classified into four categories: (1) traditionalist niche, (2) conventional mainstream, (3) niche player and (4) progressive mainstream. These categories distinguish between BME Businesses that sell traditional products to the BME community (traditionalist), those running conventional convenience stores to both white and BME customers (conventional mainstream), those selling BME niche products to the mainstream community (niche player) and those fast-growing businesses with white and BME clients (progressive mainstream).

Turnover & Financial security of BME Businesses:

Research conducted by Bradford based ATL (Yorkshire) found that the average turnover of white-owned retailers was approximately 38% larger than that of BME retailers. However BME retailers tend to have larger than average turnover in general stores, electrical goods, furniture, hardware and clothing stores.

The research also demonstrated that BME retail businesses are more likely to have more limited liability than other BME business sectors but generally less than white-owned businesses. Research also shows that BME businesses are more likely to rely on business finance from personal savings, family, friends and business partners, while white-owned businesses rely more on loans from banks.

Top 5 concerns of BME Businesses:

BME Businesses fear similar shocks, as do white-owned businesses. Out of a sample of 1000 BME businesses, research found that at the top of the list of concerns was the increasing responsibility of businesses to finance and comply with business regulations. Others included:

1. The costs of new business regulation (74%)
2. Dominance of retail chains (57%)
3. Rising utilities costs (45%)
4. Long-term low profitability (45%)
5. Crime (38%)

Changes to environmental policy and legislation in recent years have increased concerns for BME businesses in that many have been forced to improve environmental performance through investing in cleaner processes and greener equipment. Businesses are finding that these concerns are heightened further by rising utilities costs (particularly the cost of electricity).

¹⁴ <http://www.multicultural.co.uk/ethnicminorities.htm>

¹⁵ <http://www.retailresearch.org/downloads/word/BMEretailersATM%20report.doc>

Support is sought particularly in the BME business sector, as responsibilities to comply with rapidly changing environmental policy and legislation can be tentative due to cultural differences.

Representative and Support Organisations

EMBF (Ethnic Minority Business Forum) Northwest

- Runs events to champion Black Minority Ethnic talent and bring together individuals and businesses from wide range of fields.
- www.embfawards.co.uk: Awards are designed to recognise and reward black and ethnic minority entrepreneurs and businesses in the Northwest.
- The EMBF North West Awards 2009 took place on March 12th at Manchester United Football Club, Manchester.

Case Study: Envirowise supports BME businesses

Fostering environmentally sound business practices

To ensure that the government funded resource efficiency programme Envirowise effectively reaches out to the minority ethnic business community, the organisation commissioned the UK's leading specialist in ethnic minority research, Ethnos, to help develop a reach-out strategy.

The project profiles the UK's ethnic minority business sector, identifies business support organisations and investigates barriers restricting the low uptake of environmental advice by ethnic minority businesses.

Reasons for the low uptake of environmental advice by minority ethnic businesses included:

- The disproportionate location of ethnic minority businesses in the micro and small size enterprises and in the service industries;
- Lack of familiarity with and distrust of outside agencies providing environmental advice and support;
- Low prioritisation of environmentally sound practices, due to lack of time and skills, as well as the perceived threat to business interests;
- Limited awareness and understanding of environmental issues at work;
- The perception that the business produced very little waste;
- Acceptance of waste as a necessary part of business activity.

Workshops were organised and run by ETHNOS, Envirowise and other business support organisations to help devise a targeted outreach and communications strategy for ethnic minority businesses. A media campaign for selected ethnic, trade and professional journals; publications and tool kits for people with identified waste problems; free site visits and environmental audits of larger businesses; and the use of ethnic minority business "case studies" and "champions" to promote Envirowise.



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