

# Evaluation of Resource Efficiency Clusters for WRAP

An examination of the activity, outcomes and cost effectiveness of resource efficiency clusters, focusing on five case studies, secondary research and stakeholder/expert interviews.

## The challenge

In the 2017 Clean Growth Strategy the Government committed to work towards a zero avoidable waste economy by 2050. This Strategy included an intention to explore the development of a network of resource efficiency clusters led by Local Enterprise Partnerships (LEPs). The Waste and Resources Action Programme (WRAP) commissioned Winning Moves to undertake research in line with this intention.

WRAP had identified two major barriers to SME adoption of resource efficiency; capability and capacity. SMEs either did not have the knowledge, understanding and skills to adopt resource efficiency measures or did not have the time and resources to implement actions. It was hypothesised that these barriers could be addressed through resource efficiency clusters.

The research aimed to: identify, recruit and conduct a detailed evaluation of both the activities and impacts of five resource efficiency clusters; understand what LEPs are doing to support resource efficiency; identify and compare different types of resource efficiency clusters and examine existing evidence about the impact of cluster activity.

## The approach

For the purpose of the research, resource efficiency clusters were defined as “*geographic or sector-based concentrations of interconnected companies, specialised suppliers, services providers and associated institutions which have a focus on how businesses can improve the way in which resources are used*”.

There were two phases to the research; 1) an initial scoping to identify and understand resource efficiency clusters and the feasibility and willingness of potential case studies and 2) an impact evaluation of five case studies, secondary research and stakeholder / expert interviews.

The five case studies used were:

- BESST (the Business Environmental Support Scheme for Telford): a private sector environmental network operating a membership fee located in Telford.
- IS NET: an industrial symbiosis, network focused, European (ERDF) funded project for the West Midlands, delivered by a consultancy, International Synergies.
- EREIKS (Embedding Resource Efficiency in Key Sectors): primarily a one to one resource efficiency business support programme delivered through clusters, funded by Defra.

- Advance London: an ERDF project to help SMEs to either scale up a circular economy business model or transition from a linear business model to a circular business model.
- SREM (Shared Resource Efficiency Manager): a Defra funded project using a shared resource efficiency manager in SME manufacturing businesses to move them to a continual model of resource efficiency improvement.

## The result

The research identified that resource efficiency clusters are helping to address a number of market failures in terms of: lack of information about opportunities amongst businesses; a lack of capability and capacity amongst businesses; and disincentives in materials pricing. This is occurring through the peer to peer activity but also through the input of specialist practitioners.

The cost effectiveness data reviewed shows that resource efficiency clusters can achieve good cost savings ratios.

Although it was not possible to draw definitive conclusions about the most effective type or delivery model for resource efficiency clusters. The evidence suggests that:

- The creation of networks and links with waste processors and circular businesses is an important part of resource efficiency clusters.
- The industrial symbiosis model appears to be very effective and requires a cross sector approach.
- There may be a role for sector-based approaches, again this would probably require some impetus as it does not currently appear to be a high priority.
- IT solutions may be an important (and potentially cost saving) support for this resource efficiency clusters.

## The output

This research has now fed into the Government's Resources and Waste Strategy and Defra is also reviewing the information as part of a review of the Waste Prevention Programme in England.

The findings of this analysis were published as a report, which can be found on the following link:  
<http://www.wrap.org.uk/content/case-study-resource-efficiency-clusters>