

From MQR – E mag

BAA calls for cut in WRAP funding

Issue date: April 15th, 2008

Money from the aggregates levy sustainability fund (ALSF) should be used for capital investment tax breaks rather than funding WRAP, says the British Aggregates Association (BAA), and it has called for the Defra body's funding to be "significantly reduced".

In its response to the Defra consultation on the 2008-2011 funding breakdown of the ALSF, the BAA says it can see no reason to increase the allocation to WRAP because of danger of repeating already completed work.

It states: "It would be more appropriate to significantly reduce [funding] or at worst just stay at last year's level."

And following news that [WRAP is to target skip waste firms and those constructing materials recycling facilities \(MRFs\) in the next round of the ALSF funded capital grants programme](#), the BAA is calling for more "sensible" targeting of monies.

The BAA's Peter Huxtable told *MQR*: "The fund should not be just for recycling. There could be tax breaks for quarries to invest in new, cleaner plant, for example.

"There should be a greater and wider incentive to encourage much broader capital investment tax breaks for the industry in an innovative and entrepreneurial manner, and not to restrict this just to the materials that is WRAP's remit.

"We need to generate greater innovation, with both the use of industry co-funding in projects and with the involvement of equipment manufacturers," he said.

Also in the response, the BAA has taken the opportunity to once again press for greater fairness in the way the ALSF is treated by Defra following the government body's raiding of monies for internal expenditure.

It states: "Not only have the industry and communities been deprived of the sums intended by government, this money appears to have been used to cover deficits elsewhere in Defra and its various sponsored quangos.

"For this reason we believe that all the allocations in the future must be ring-fenced to each area of expenditure, and that this is extended to the individual distribution bodies including local authorities," it states.

Between 2002/03 and 2007/08 financial years the Treasury allocation for the ALSF was £166.8million. However, only 124.2million was actually spent on related projects. However, Defra officials told *MQR* there would be no ring-fencing of funds.

Also, responding to Defra's decision to leave £3million of the next round of the ALSF "unallocated", the BAA calls for assurances that the money instead be "...used to increase the allocation to local authorities - both directly and through ACRE."

It has also stressed its disappointment that the allocation of around £29million for England set in 2002 hasn't been increased in line with the 22% hike in the aggregates levy and the further 5% rise to £2.00 a tonne in 2009.