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# Public incentives for recycling in the UK

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ACR+ Dublin 19 May 2006

# Summary



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- What's the story?
- Main drivers – national and regional
- Current & future investment climate
- Consumer & business trends
- The London story
- Final thoughts

# What's the story?



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- Waste is visible/universal but cost-free
- Recycling is UK's #1 green activity
- Public cynicism about what happens next
- Too hard to do the right thing
- Growing public recognition that recycling contributes to climate change agenda
- Public authorities steer private sector invest, deliver, extract value
- Private sector control reprocessing waste flows



# What's the story?



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- Perverse incentives
  - # weight based targets (green waste, plastics)
  - # disincentives for municipal collection of trade waste
  - # still cheaper to landfill
  - # medium term access to incineration





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## What's the story ?

- Complex structures
- Who's responsible?
- Community leadership?
- Multiple models, multiple messages
- Pressure to achieve savings/economies of scale
- Focus on big cities & poor performers



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## What's the story?

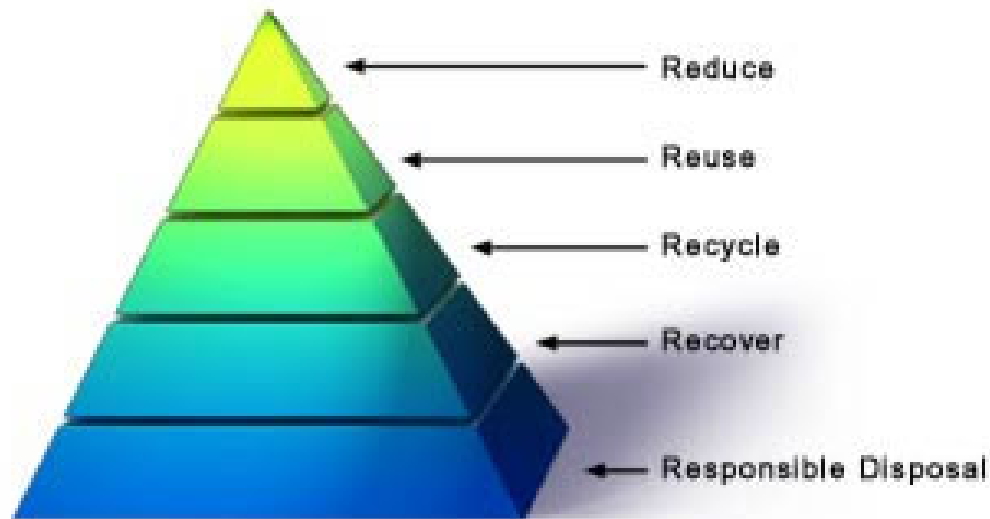
- Few incentives for SME's to do the right thing
- “Green” critique
  - Recycling crowds out re-use & reduction
  - Recycling crowded out by EfW
  - Globalised recyclates markets - bad for planet

# National policy drivers



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- The waste hierarchy





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## National policy drivers

- Municipal targets on recycling (25%) & diversion (40%) by 2005
- Public awareness campaigns
- Landfill tax- escalator and investment
- Landfill Allowance Trading Scheme (LaTS)
- League table local authority scoring



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## National policy drivers

- Regulatory focus on municipal sector
- Voluntary agreements and landfill tax escalator for commercial , industrial and demolition
- Innovative trading models (LaTs and packaging recovery notes)

# National policy drivers



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- “*Securing the Future*” – launched March 2005 by Tony Blair
- Government’s sustainable development strategy
- One planet living
- Climate change
- Sustainable GDP growth





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## Regional policy drivers

- 85% self sufficiency by 2020
- Strong support for markets for recyclables
  - Mayors Green Procurement Code
  - Green alchemy – achieving optimum economic value from waste
  - Hydrogen economy
  - Focus on new processing technologies
  - Focus on hard-to-reach communities

# On the horizon - new waste strategy



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- From logistics-to-landfill to resource management/recovery
- Uncouple GDP & waste growth
- Direct link to climate change & *Securing the Future* agendas
- ALL streams
- Tougher recycling and diversion targets to 2020
- Focus on product design, life cycle analysis

# On the horizon – new waste Strategy



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- Stronger focus on reduction and reuse
- Potential green tax incentives
- £10BN investment needed
- Sustainable waste programme board (national, regional, local, public/private)

# On the horizon – new waste strategy



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BUT.....

- Where's the investment?
- Weak on energy from waste
- Weak on landfill tax escalator
- Weak on developing markets for recycled content products
- Weak on measures to retain public confidence in recycling

# Public sector procurement: government as market maker



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- Sustainable Procurement Task Force
- Aim: “EU leader by 2009”
- £125bn of public sector spend
- Report expected in June
- National action plan
- Target sectors & products
- National green procurement framework

# London : A stronger Mayor?



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- Government review of Mayor's powers
- Mayor wants control of **waste disposal and waste planning**
- Potential statutory responsibility for market development
- Drive investment strategy
- Secure sites
- Decision expected  
June/July





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## Investment climate

- Huge infrastructure deficit (£10bn)
- Limits of Public Finance Initiative (PFI) deals
- Still cheaper to landfill
- Focus on medium term projects
- Mixing municipal & commercial waste flows
- Waste companies cautious, SME's and banks more innovative



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## Business trends

- Retail focus (Tesco, M&S, high street stores, food-to-go)
- Choice editing
- Product road mapping
- Don't rely on green consumers



# Consumer trends



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- “I will if you will”
- Start from where people are
- Part of the bigger picture – climate change
- Building on successes – recycled paper, Fairtrade, FSC timber



**FSC** FOREST STEWARDSHIP COUNCIL  
Because forests matter





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## Public policy trends

- Set long term regulatory agenda
- Reduce risk
- Build certainty
- Encourage companies to invest
- Make recycling easier, home, work, stores
- Campaigns & community leadership (seat belts, drink driving, AIDS)

# The London story



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- Since 2001 London Remade has:
- Diverted of 909,000 tonnes of waste from landfill
- Created over 800 jobs
- Invested in recycling infrastructure to create an additional 350,000 tonnes of reprocessing capacity
- Helped develop 20 green businesses
- Consultant to London boroughs – helping increase recycling rates, define collection schemes and feasibility studies

# Market development



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**Increasing the efficient  
use of resources and  
buying recycled**



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# The London story

- Building recycling facilities in London
- £10 billion investment in facilities for waste management and sorting (source: ICE Institute of Civil Engineers)
- £2 billion in London
- London Mass Balance: At least 14 million tonnes of recyclable materials could be generated in London by 2020 (source Enviro for London Plan alterations)
- Create over 1,000 new jobs within the sector
- London as a sustainable city through developing closed loop recycling processes

# Final thoughts



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- A recycling lottery?
- Norway example

# Contact



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