

"CirceE - European regions toward Circular Economy"

INTERREG Europe Project



Policy Instrument Analysis and policy options Project Partner 5 – London Waste and Recycling Board

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1. Executive summary

This report focuses on an analysis of the London Environment Strategy (LES), with a shorter analysis of the draft London Plan (LP) (the spatial development strategy for London).

Since the start of the CircE project, the Project manager for PP5 has analysed several draft policy instruments for London in addition to the LES and LP and produced formal written responses. These include:

- London Transport Strategy
- London Housing Strategy
- London Economic Development Strategy
- London Food Strategy

In addition, responses to the Old Oak and Park Royal Development Corporation Local plan, and the UK Government consultation on sustainable Fashion and single use plastics have also been submitted which contain specific recommendations on policies to help transition to a circular economy. These responses have been shared with all project partners to provide examples of circular economy related policies, and copies are held on the project google drive.

However, the key focus of the CircE project work has been on the LES and LP. A detailed review of the LES is provided within this document. During the CircE project LWARB have also been working to influence the earlier draft version of the LES, and this work is detailed in the Policy Advocacy Overview paper submitted to all CircE partners by LWARB. This work is evident in the current version of the LES, illustrating how LWARB has influenced the policies and strategy to readdress measures contained within the LES in line with circular economy principles as part of the CircE project.

The LES was published by the Greater London Authority on behalf of the Mayor of London on 31st May 2018. It is the key policy instrument for London which sets out the Mayors ambitions and targets for the environment in London.

An analysis of the LP is also included in this paper. LWARB are continuing to influence the draft version of the LP which was published in December 2017.

2. Policy Instrument Analysis

Analysis of the LES in Relation to Circular Economy

Inclusion of Circular Economy

This section provides an overview of how the circular economy has been incorporated into the LES.

The LES introduces the concept of CE and keeping resources in use for as long as possible. It includes detail on the fact that CE provides benefits including creation of jobs, secondary materials and low carbon energy. It states “Redistributing reusable items can create work, keep costs down and reduce poverty. It includes recognition of some of the steps the mayor is taking:

- Reducing waste and single use packaging
- Increasing recycling services
- Ensuring valuable resources are kept in use for as long as possible”

The LES emphasises planning for a circular economy presents the greatest opportunity for the use of every valuable resource, and that London is a leading city. It also includes recognition of the need to encourage greater reuse of materials to minimise use of virgin resources, including the need to accelerate the take up of business models that promote the circular economy.

The LES recognises the role waste plays in production of CO₂e and states that “Reducing, reusing, and recycling waste and then generating energy from the waste remaining is a direct way to save emissions from landfill. It also avoids indirect emissions that would otherwise have occurred in manufacturing from virgin materials or generating energy using fossil fuels (such as coal or gas). Considering direct and indirect emissions helps us to determine the overall lifecycle CO₂e performance of waste management.”

The LES includes the following targets:

- London to send no biodegradable or recyclable waste to be sent to landfill by 2026
- A 65% Municipal waste recycling target by 2030
- A 45% household waste recycling rate by 2025
- A 50% household waste recycling rate by 2050
- A 50% local authority collected waste (household and some businesses) recycling target by 2025.
- Cut food waste and associated packaging waste by 50% per person by 2030

Proposal 7.1.1b states the Mayor will “support campaigns and initiatives to cut the use of single use packaging. “The strategy includes actions the Mayor will take to tackle single use cups and plastic bottles.

The strategy recognises the need for more consistent household waste services to be offered across London to increase recycling rates. It also notes this includes separate food waste collections and ensuring the same set of core dry recycling materials are collected. Proposal 7.2.1.a states “The Mayor will set targets for Local Authority collected waste, a minimum level of service for household waste recycling collections and hold a contract register of waste authority waste contracts.”

Policy 7.2.2 commits to “Increase recycling rates for commercially collected waste and reduce litter and fly tipping”. It states that the Mayor will work with LWARB and other stakeholders to improve recycling

services provided by commercial waste contractors and will support efforts to consolidate commercially collected waste services.

Objective 7.3 commits the Mayor to reduce the environmental impact of waste activities. It recognises the impacts of waste infrastructure and sets targets to reduce emissions from transport of waste authority waste fleets are expected to have zero emission fleets by 2050. It also recognises the contribution of waste to climate change, and commits to reduce the climate change impact of waste activities, this includes an expectation on waste authorities to meet the following greenhouse gas Emissions Performance Standards :

- -0.069 tonnes CO₂e per tonne of waste managed by 2020/21
- -0.084 tonnes CO₂e by 2024/25
- -0.167 tonnes CO₂e by 2030/31

A carbon-based target helps to complement the weight-based targets and encourages recycling. London also has a carbon intensity floor for energy from waste. This sets a minimum carbon emissions performance standard. This helps reduce the amount of high carbon (particularly plastics) going to energy from waste facilities.

The text in Policy 7.4.1 Supporting the use of local waste sites and promoting a circular approach to waste management includes the Mayors desire to see London's waste sites optimised to support circular economy activities. Proposal 7.4.1b states "The Mayor will support the development of new waste infrastructure supporting circular economy outcomes reuse, repair and remanufacture."

The LES asserts that water, energy and raw materials for the products we consume will be less readily available in the future and includes a vision of a low carbon circular economy as one of four strategic approaches needed to tackle London's environmental challenges. There are two policies in the LES which relate specifically to growing the low carbon circular economy:

- To build on London's strengths and grow the low carbon and environmental goods and services sector
- To build on London's strengths and enable London's businesses, academia and citizens to actively compete in and contribute to the low carbon circular economy

The LES includes recognition of the work undertaken by LWARB to produce the London CE Route Map, and a commitment by the Mayor to work with LWARB and other partners to implement the actions set out in the Route Map.

The LES identifies where the Mayor will lobby the UK government on issues which the Mayor does not have powers to influence including: packaging, tax relief, national performance metrics, national data reporting and reporting of businesses on separate materials for recycling performance.

Opportunities for Improvement

Although the LES begins to recognise waste as a valuable resource it still has a strong drive towards dealing with the end of first life of resources, and recycling rather than emphasising how a circular approach can avoid the creation of waste. There is no policy on waste avoidance through interventions such as design, new technologies such as additive manufacturing and the role of the internet of things enabled devices, the sharing of resources to better use underutilised capacity, the provision of products as services, and the exchange of materials and goods between organisations.

In relation to single use packaging, there is a narrow focus on plastic cups and bottles. There is no policy detailing action to tackle wider plastics and packaging issues. The UK plastics pact has now been launched by WRAP, and the LES could help to deliver the pact through incorporating support for the key principles of the pact.

The LES does not include specific policies aimed at tackling the textiles and electricals sectors. These are highlighted in the London Circular Economy Route Map as two key opportunity areas for London to accelerate the circular economy, and the Circe project has further refined LWARBs understanding of the need for policies and actions which will allow the opportunities in these sectors to be delivered. Projects which help drive consumer behaviour change in relation to clothing have proven effective in London. A better understanding of best practice in the electricals sector is needed to identify appropriate policies which could be included in future versions of the LES.

The LES includes the need to optimise London's waste sites to support circular economy activities. This policy could be strengthened by adding a commitment to analyse London's current and planned waste and industrial and commercial sites to identify spare capacity and space for supporting circular economy activities including reuse, repair and remanufacture including space for circular economy SMEs to trial new innovations.

The policies relating to the growth of the low carbon circular economy focus on the low carbon and environmental goods and services sector instead of providing policies which focus on how the mayor will work with businesses to help them become more circular or to grow businesses operating or investing in the circular economy. Proposal 10.1.2a states the Mayor will support start-ups and business growth across the economy, including in the low carbon and environmental goods and services sector. This narrow focus does not incorporate the circular economy more broadly and detail how the Mayor will support businesses to adopt circular economy business models. There is a lack of detail on how Mayor will support businesses, jobs and skills in CE both in the LES and in the draft London Economic Development Strategy.

There is no reference to monitoring or ensuring the GLA group use circular economy principles in procurement – this would link the LES to the Mayor's Responsible Procurement Policy (RPP). Currently the RPP references circular economy but contains no specific targets or guidance in relation to circular economy.

Although there is commitment to grow the low carbon circular economy and publish scope 3 GHG emissions for London annually there is no commitment to a scope 3 emissions targets and there is no policy to investigate which CE actions could also provide the biggest CO2 emission reductions.

3. Other policy instruments analysis

The Draft London Plan

The London Plan sets out the strategic economic, environmental, and social framework for development in London. The draft London Plan was published for consultation in December 2017 and is the Plan that is analysed here.

LWARB have been working with the GLA to shape the Draft Plan before it was published, submitted a formal detailed response to the Draft London Plan consultation which has been shared with all PPs, and continues to work with the GLA to shape the final version of the London Plan which is due for publication in 2019. This includes contributing the independent examination in public (The draft London Plan must be considered by a formal Examination in Public. This is led by independent inspectors appointed by the Secretary of State).

Analysis of the Draft London Plan in Relation to Circular Economy

The draft Plan sets out the Mayor's vision for "Good Growth" this underpins the entire document and includes the recognition of the role the circular economy will play in delivering this vision.

The Plan includes circular economy design principles in the design chapter. Policy D1 states that "development designs should give thorough consideration to practicality of use, flexibility, safety and building lifespan through appropriate construction methods".

The draft includes a need for developments to consider adequate and easily accessible space for separation and storage of recyclables, food and residual waste, and includes reference to LWARB's waste management planning advice for new flatted properties.

Policy E4 supports the need for land to make provision for light and general uses, storage, consolidation centres and secondary materials and waste management. These functions support delivery of a circular economy.

The draft includes the following targets:

- London to send no biodegradable or recyclable waste to landfill by 2026
- 65 per cent of municipal waste is recycled by 2030 (also in LES)
- 95% of construction and demolition waste to be recycled by 2020
- 50% of the waste to be recycled as aggregates by 2020

The draft plan recognises that precision manufactured homes (e.g. pre-fabrication and modular construction) can reduce construction time and support reuse of materials.

The draft includes policies to ensure buildings and spaces are utilised fully including flexible design, optimising the use of space and buildings through co-location and the use of meanwhile spaces.

Policy SI 7 includes the requirement for referable applications to support the circular economy, aim to be net zero waste and create a Circular Economy Statement.

Opportunities for Improvement

Throughout the draft plan the term circular economy is often incorrectly used as a euphemism for waste management and there should be a clearer line throughout the document that the Mayor's Good Growth agenda will be impossible to achieve without embedding circular economy principles in spatial development.

Although the draft plan includes circular economy design principles there is a need for more detailed information on what is meant by the different types of circular design e.g. design for adaptability or disassembly.

We would suggest the list of activities which are essential to the functioning of the economy and servicing the needs of the growing population which are included in policy E4 is expanded to include circular economy activities such as storage and reuse of materials and remanufacturing, and would recommend a coordinated London-wide strategy is produced to identify current and future needs for storage, consolidation and distribution centres, alongside predicted supply and demand for construction materials. This could help to drive reuse of materials.

The draft plan does not include requirement for an overarching strategy which considers how the move to a circular economy will reduce waste, how future changes to resource use across the city (e.g the rise of online shopping) could impact the composition of waste, the subsequent changes this will have on resource use and the infrastructure, policies and other actions that will be needed to adapt to these changes. A reduction in waste produced will mean less requirement for waste infrastructure. This highlights the need for waste apportionment targets to be constantly under review to ensure local plans take into consideration the wider context of circular economy, an oversupply of waste infrastructure is avoided and that land is freed up for circular economy and other uses. This could be paired with work to identify the current and future requirements for the broad location and type of waste and recycling infrastructure needed, and would build upon the work recommended previously to identify needs for supporting infrastructure such as consolidation centres to support reuse of building materials.

Although there is a target for 95% of construction and demolition waste to be recycled, and 50% of construction and demolition waste to be recycled as aggregates there are opportunities for higher order reuse of this material and there should be a target which encourages materials to be reused before it is recycled.

The proposed KPIs which will be used to monitor the progress of the draft plan do not include any circular economy related metrics.

4. The Stakeholders

At the fifth meeting of the London CircE stakeholders group , held December 2018, a discussion was held on policy opportunities related to the LES and draft London plan. A summary is provided below. These points have been integrated into the analysis of the two policy instruments:

Targets are extremely important in driving action so must be correct. Targets must drive the correct action otherwise they are pointless, we must not lose sight of what we are actually trying to achieve. Current targets for London focus on recycling by weight whereas new targets looking at CO2 are often favoured by experts. There are no reuse targets so there is no focus on this. This also ignores demand reduction. Municipalities are very interested in how SMEs can help with innovations on demand reduction.

In the built environment studies have shown that the construction reuse and recycle target 89% is being achieved through just grinding down materials for concrete as there are no individual material targets ,and recycling and reuse are in one target - not separate targets. Also there are long term targets but no intermediate targets. Metrics, targets and monitoring change was viewed as very important (e.g. new water fountain in Liverpool St installed for plastic bottle reduction scheme has not worked for 6 weeks). How would reuse be measured is a key issue.

There are no policies specifically for textiles or electrical items in the LES. Data on what happens to electrical items after point of sale could help identify opportunities for reuse. Potentially a requirement to ensure items could mean such data is available. Stuffstr is an app which is already helping track what people have brought and helping them to resell easily.

Circular business models and illustrating the business case for a circular economy is extremely important in driving businesses to change. It can not all be the responsibility of public bodies and residents.

Currently the LES only focuses on plastic bottles and cups with nothing around other forms of short use plastics. This needs to be tackled from supply and demand sides through design, business model changes, and regulations such as extended producer responsibility. Encouraging access not ownership and lowering demand is important as is helping residents and businesses realise the economic value of better utilising the value within items.

It will be important to feed into govt consultations on Extended Producer responsibility which are expected in 2019. It is important that taxes and charges for products are then used to drive a circular economy rather than simply being absorbed by the treasury to illustrate positive change.

Public procurement is very important and needs to encompass scoring which looks at all values not just price. There is limited guidance in the new Responsible Procurement Policy for London so additional guidance and other tools would be helpful to support the policy.

The draft London plan mentions supporting skills sector in London which touches on circular building practices e.g. precision manufacturing – but circular economy is not mentioned as a skill specifically.

It will be important post the Advance London project for the Mayor to continue investing in business support to drive the circular economy. The Mayor should also help to showcase circular fashion and provide further details and guidance in the London Plan on how the built environment can deliver circular economy.

5. Policy options for the opportunities

A brief summary of the types of policies that could help address the policy gaps and realise the key opportunities identified through CircE is provided below. This will be built on to create LWARB’s action plan under the CircE project.

| Opportunity | Sector | Policy option |
|--|-------------------|---|
| CE Public procurement | All | Provide guidance for Public procurers to deliver CE outcomes |
| Reuse of building materials, recycling of construction materials | BE | Material specific targets, reuse targets, mapping of supply and demand and identification of sites for consolidation and storage |
| Increasing utility of textiles and reducing waste | textiles | Textile specific policies such as behaviour change, helping businesses adopt CE business models |
| Increasing circularity in electricals sector | electrical | Review needed |
| Implementing food waste hierarchy | food | Targetting consumer and business behaviour, committing to food campaigns beyond 2020 |
| Reduction in plastics and packaging waste | pla | Sector wide policies rather than narrow focus. Links to procurement, and plastics specific targets |
| Better infrastructure planning (NEW OPPORTUNITY) | ALL but mainly BE | Review of future waste composition and how infrastructure, policies and other actions will need to adapt to these changes. Need for constant review of apportionment of waste targets |
| CE Metrics | All | KPIs are needed within LES and LP to track progress |
| Update of CE Route Map | All | Will help clarify further policy recommendations , and link to metrics |
| Creation of CE Statement | BE | Being created currently, will help produce a leading policy on CE in new developments Detailed explanation of what is meant by |

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| | | specific circular economy design principles in further planning guidance for sustainable design and construction |
| Business and innovation support | All | Skills and finance policies needed to support new innovation and learning |
| Low carbon circular economy | All | Link climate change and circular economy through a scope 3 emissions target and commitments to deliver action to ID CE actions that have large emissions impacts |

This analysis has helped identify an additional opportunity which could be addressed by the policy instrument and actions which could help provide the evidence needed to support this policy. Through a review of projected future waste composition, and a better understanding of how CE will impact these waste projections it will be possible to review and identify current and future waste infrastructure needs and identify where better infrastructure provision would help realise circular economy opportunities providing maximum advantages for London in terms of environmental economic and social benefits.