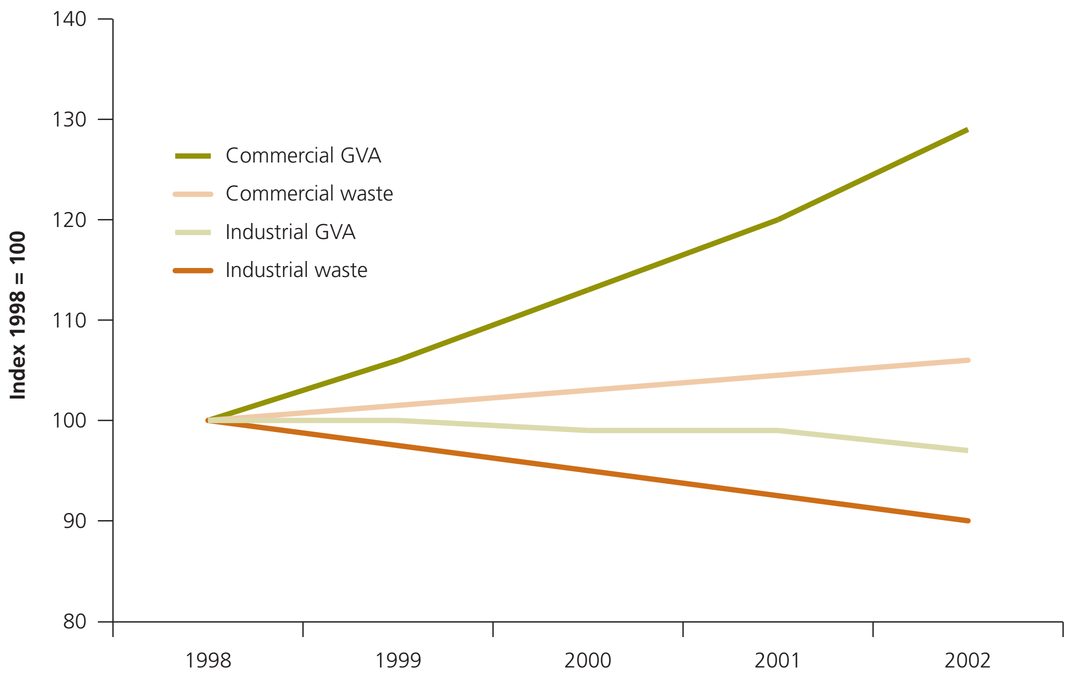
Definitions

1. Broadly, *commercial waste* is classified as waste arising from wholesalers, catering establishments, shops and offices (in both the public and private sectors) while *industrial waste* is waste arising from factories and industrial plants. Neither of these categories includes consideration of wastes from the construction, demolition and excavation sectors.

Arisings, trends and projections

2. In 2002/03, 68 million tonnes of waste were produced by businesses in England – nearly a quarter of the total waste produced in England.[1] The equivalent figure from 1998/99 shows no real difference – 69 million tonnes. However, it should be noted that waste has not risen in line with the economy; although GDP has risen by about 10% over this period, industrial waste has reduced by about 6% from 40.1 million tonnes in 1998/99 to 37.6 million tonnes in 2002/03, declining faster than the fall of 3.5% in industrial GVA.[2] Commercial waste has grown about 6% over this period from 28.6 to 30.3 million tonnes – less than the 29% growth in commercial GVA. These changes mainly reflect increased employment in the service sectors and a decrease in industrial activity along with increasing reliance on imports (see Chart C2.1 below).

Chart C2.1: Commercial and industrial waste and GVA, England (1998/99–2002/03)



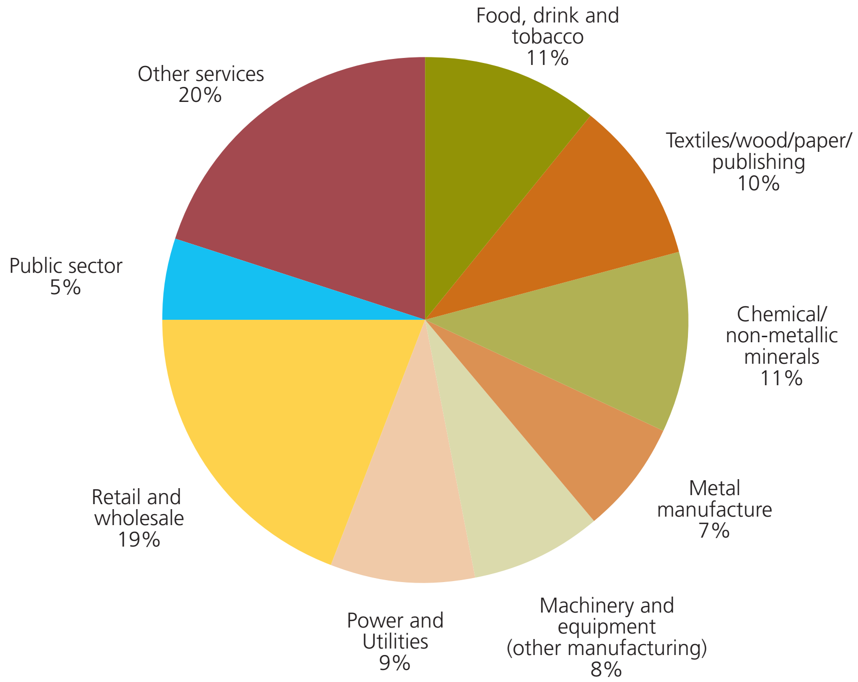
Source: Environment Agency Commercial and Industrial Waste Survey 1998/99 and 2002/03.

[1] Environment Agency Survey of Commercial and Industrial Waste 2002/03. See http://www.environment-agency.gov.uk/subjects/waste/1031954/315439/1071046/1108837/?version=1&lang=_e for further information.

[2] Gross Value Added (GVA) measures the contribution to the economy of each individual producer, industry or sector. The GVA generated by any unit engaged in production activity can be calculated as the residual of the units' total output less intermediate consumption (that is, goods and services used up in the process of producing the output), or as the sum of the factor incomes generated by the production process.

3. There is a clear divide between **industrial** and **commercial waste** in terms of waste per unit of GVA (or per employee) with manufacturing being much more waste intensive – several sectors produce several hundred tonnes of waste per £million – whereas, for example, professional services and public administration produces only around 20 tonnes per £million. Chart C2.2 below gives a breakdown of waste by industry group.

Chart C2.2: Commercial and industrial waste by industry group, England (2002/03)



Source: *Environment Agency Commercial and Industrial Waste Survey 2002/03.*

4. The retail and wholesale sector produces the most waste, generating 12.7 million tonnes of waste in 2002/03 – a third more than in 1998/99. The food and drink industry was the largest manufacturing waste producer, generating around 7.2 million tonnes. In 2002/03 around 40% of commercial and industrial waste came from business locations employing fewer than 50 people.

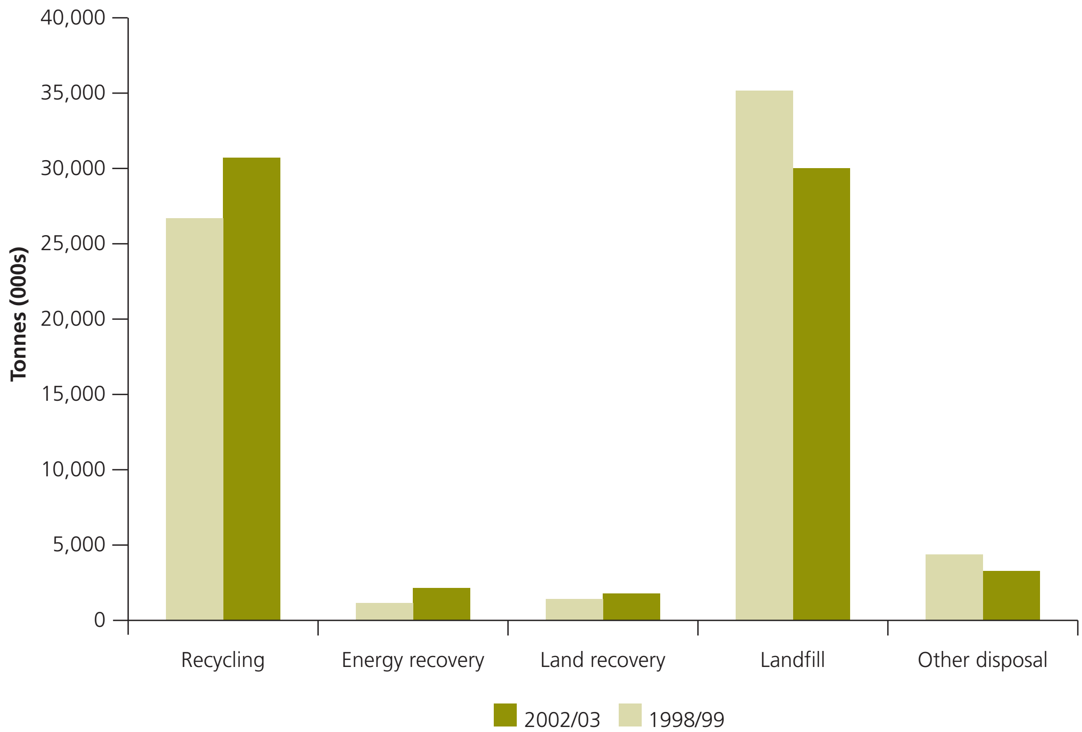
5. Future forecasting and horizon scanning indicates that, without action, commercial and industrial waste will grow at a significant rate in the years to 2020. Baseline projections based on sectoral growth model of the UK economy indicate commercial and industrial waste arisings increasing from 57.9 million tonnes in 2002/03 to roughly 70.5 million tonnes in 2019/20.[3] This growth will be driven almost entirely by commercial wastes, in line with the continuing shift from the industrial to the commercial sector (see Appendix 1 of Annex A)

3 Excluding combustion resolves and hazardous liquid wastes.

Management routes

6. In 2002/03 disposal of commercial and industrial waste to landfill was nearly 13% lower than in 1998/99 and, for the first time, recovery (recycling, re-use and land recovery) had overtaken landfill as the most common method of waste management. Overall, 44% was sent to landfill and 51% recovered. In 2002/03 the amount sent to landfill represented 87% of the 1998/99 figure, compared to the target for 2005/06 of 85%. Chart C2.3 below shows how commercial and industrial waste was managed in 1998/99 and 2002/03 (more detail is given in Appendix 1 of Annex A).

Chart C2.3: Management of commercial and industrial waste in England, 1998/99–2002/03



Source: *Environment Agency.*

7. Businesses are responsible for arranging the collection and disposal of their own waste. Most do so through private waste management contractors. Local authorities have a responsibility, if asked, to collect and dispose of commercial waste from businesses in their area and may, if asked, collect and dispose of industrial waste from businesses in their area. Most local authorities do collect some business waste. A minority of local authorities offer a recycling collection service for some materials to businesses in their area.

Policies and targets

8. The main strategy sets out the range of policies that will deliver the outcomes we seek across the commercial and industrial sectors and at different stages of the life-cycle. Key elements of these are the pricing and regulatory framework. Planned increases in the landfill tax (set out in Chapter 3 of the WS2007) are designed to incentivise a significant further diversion of commercial and industrial waste from landfill.

9. The regulatory framework plays a crucial role in ensuring sound environmental and public health protection. It can also provide the right context for encouraging resource efficiency by business within a competitive environment. Policies implement European legislative requirements in the Waste Framework Directive, the Integrated Pollution Prevention and Control (IPPC) Directive and the Landfill Directive. The Environment Agency is responsible for the operation of the regulatory framework. The strategy includes proposals to:

- simplify the regulatory system and make it more proportionate and risk based through:
  - waste protocols that clarify when waste ceases to be waste (and so not subject to regulation),
  - reforms of the permitting and exemption systems and the controls on handling, transfer and transport of waste (with cost savings to business and regulator of, e.g. on permitting reforms, at least £90 million),
- implement the remaining requirements of the Landfill Directive (including for pre-treatment of non-hazardous waste);
- consult subject to further analysis, on the introduction of further restrictions on the landfilling of biodegradable wastes and recyclable materials; and
- implement a strategy for tackling illegal waste activity which will reduce fly-tipping and illegal dumping abroad through prevention, more effective risk-based enforcement, strengthened export controls and data improvements (see Annex F).

10. The policies for hazardous waste generally are set out in Annex C9, while those for waste lubricating oil and healthcare waste are in Annexes C14 and C15 and for tyres in Annex C12.

11. Producer responsibility is an extension of the 'polluter pays' principle. As a policy tool it aims to ensure that businesses take responsibility for the environmental impact of products they place on the market – including when they become waste. The following waste streams are covered by European producer responsibility legislation (with details in Annexes C8, C10, C11, and C13)

- packaging waste
- waste electrical and electronic equipment
- end of life vehicles
- batteries

12. Voluntary producer responsibility agreements are in place for the following waste streams (with details in Annexes C16, C17, and C18)

- newspapers
- magazines
- direct mail.

13. The Government proposes to establish further voluntary agreements covering more of the paper industry.

14. Producer responsibility approaches can be extended to agreements with broad business sectors. The Environment Agency is developing a series of sector plans in conjunction with selected industry sectors.

15. As set out in the DS2007 action is being taken in respect of the **food and retail sectors**. This includes the Courtauld Commitment covering packaging and food waste[4] and the Food Industry Sustainability Strategy.[5]

Smaller businesses

16. Small and medium-sized enterprises (SMEs) often face particular difficulties in recycling their waste (including lack of awareness, limited support and advice, and lack of affordable services). Research suggests that the majority (51%) of mixed (unsorted) commercial waste that is collected comes from SMEs.[6]

17. The Business Resource Efficiency and Waste (BREW) programme (see below) is funding a joint Local Government Association/National Industrial Symbiosis Programme/Oxfordshire County Council project which is piloting work on what local authorities can do to support effective business waste management and resource efficiency (particularly for smaller businesses) and how they can do this.[7]

18. The BREW Centre for Local Authorities has funded a network of 'Trailblazer' local authorities with a range of activities from direct service provision – such as trade waste recycling collection and bring sites – to more strategic work facilitating the development of business waste strategies. The work of the Centre includes the development of a network to spread good practice through case studies and the development of guidance for authorities.

19. The BREW programme is also supporting a WRAP project funding pilot recycling collection services for SME waste for different materials and types of businesses (including services operated by local authorities, as well as the third sector and the waste management industry). Based on experience during the first year, the project has developed good practice models which are being tested as part of a series of demonstration trials. The project is also developing guidance on best practice for service providers.

[4] for further information see: http://www.wrap.org.uk/retail/about_us/courtauld.html
[5] for further information see: http://www.defra.gov.uk/farm/policy/sustain/fiss/pdf/fiss2006.pdf
[6] Source: analysis of the Environment Agency Commercial and Industrial Waste Survey 2002/03.
[7] More information can be found at www.oxfordshire.gov.uk/brew

20. The development of **markets for recycled materials** helps ensure that recycling is economically and environmentally viable. The Waste and Resources Action Programme (WRAP), created by the Government, will continue to support the prospects of the recycling industry by:

- developing new and profitable applications for recycled material. This includes the development of quality standards to improve market confidence in recycled product quality;
- levering in investment to the recycling sector;
- providing robust market analysis to demonstrate the potential for new recycled products in existing markets;
- persuading end-users to 'buy recycled'; and
- creating a centre of expertise on export markets for recycled materials.

21. Annex D gives further details on policies for **markets for recycled materials**.

Business Resource Efficiency and Waste Programme

22. The Business Resource Efficiency and Waste Programme (BREW) is a three year programme designed to return £284 million of landfill tax receipts back to business between 2005 and 2008. This is done by supporting the provision of free advice and support to business aimed at improving the resource efficiency of businesses and reducing the amount of waste that they send to landfill. The BREW programme delivers this funding through a number of national and regional bodies, including the Regional Development Agencies (RDAs), the Carbon Trust, WRAP and Envirowise. The RDAs co-ordinate business resource efficiency initiatives at the regional level.[8] The future programme will be determined following the conclusion of the Comprehensive Spending Review.

Targets:

23. A targets for **reduction of landfill for commercial and industrial waste** in England has been set – at least 20% reduction by 2010 compared to 2004.

24. Targets for the producer responsibility agreements (statutory and voluntary) are set out in the relevant later annexes.

25. The Environment Agency has set targets for 15% reduction in waste disposal in the period from 2006 to 2011 for the industries covered by the pollution prevention and control regulations.

26. Targets have been set as part of the Courtauld Commitment shown in Box C2.1 below.

[8] Information on the programme for 2007/08 can be found at www.defra.gov.uk/environment/waste/brew/index.htm

Box C2.1: Courtauld Commitment

- Design out packaging waste growth by 2008
- Deliver absolute reductions in packaging waste by 2010
- Identify ways to tackle the problems of food waste

This translates into the following WRAP business plan targets:

- To secure 80,000 tonnes a year of reduction in packaging by 2008
- To achieve an accumulated 340,000 tonnes reduction in packaging by 2010
- To achieve a 100,000 tonnes reduction in household food waste by 2008

27. The Government has set operations targets for waste on the central government estate as shown in Box C2.2 below.

Box C2.2: Waste targets for government departments

- Departments to reduce their total waste arisings by 5% by 2010 relative to 2004/05 levels
- Departments to reduce their total waste arisings by 25% by 2020 relative to 2004/05 levels
- Departments to increase their recycling figures to 40% of their total waste arisings by 2010
- Departments to increase their recycling figures to 75% of their total waste arisings by 2020

Infrastructure and capacity needs

28. Appendix 1 of Annex A sets out estimates of the additional capacity needed for commercial and industrial waste. Compared to 2003 a further 80 or so facilities are estimated to be needed by 2009/10 (with capacity for about 12 million tonnes) rising to 180 facilities (with capacity for over 20 million tonnes/year) by 2020.

Implementation and timescales

29. The high level implementation plan at the end of the strategy includes the timetable for implementing key policies.

Landfill Tax

30. As announced in the budget, the standard rate of landfill tax will rise from £24 per tonne in 2007/08 by £8 a year from 1 April 2008 until at least 2010/11.

Waste regulation

31. Guidance on the definition of waste will be issued for consultation in April 2007. The new environmental permitting system will be implemented from April 2008. The review of controls on handling, transfer and transport of waste will be determined by 2008 and the current exemptions will be reviewed by 2009.

32. Waste Protocols will be implemented from April 2007 as each one is completed.

33. Pre-treatment requirements for landfill come into effect in October 2007. Consultation on further restrictions on landfill will be issued by the end of 2007.

Sectoral initiatives

34. Sectoral approaches (including the Courtauld Commitment and paper industry agreements) will be developed and extended during 2007/08.

Roles and responsibilities

Table C2.1: Roles and responsibilities

Organisation/ stakeholder	Roles and responsibilities
Local authorities	• Enforce regulations • Develop local prevention regimes using a range of tools such as business support • Must collect commercial waste if required
Regional Development Agencies	• Co-ordinate business waste and resource management in partnership with local authorities (and other regional and sub-regional bodies) and the third sector
Business and industry	• Support, buy-in to and promulgate (through, for example, trade associations and individual companies) sustainable waste management and improved resource efficiency • Provide data • Comply with regulations, implement sector plans, promote and participate in voluntary sectoral agreements • Support and advise users
Waste management industry	• Comply with regulations, implement sector plans, participate in voluntary sectoral agreements • Support and advise users
Regulatory agencies such as Environment Agency	• Enforce (where appropriate) and support/advise/provide expertise
Delivery agents such as WRAP, Carbon Trust	• Provide advice, support, and expertise
Public	• Adopt purchasing and discard choices that support sustainable waste management and resource efficiency goals