

London Waste and Recycling Board Response to the Draft London Economic Development Strategy

1. The London Waste and Recycling Board (LWARB) is a statutory Board established by the GLA Act 2007 to help reduce waste and improve its management in London. The Board is chaired by the Mayor of London (or his representative). The Board also includes four councillors and two independents appointed by London's councils and one independent member appointed by the Mayor of London.

2. LWARB delivers three key programmes:

- Resource London is a programme of support for London Local Waste Authorities jointly funded by LWARB and WRAP.
- Advance London is an investment programme to support SMEs to capitalise on the benefits of the circular economy.
- Circular London is a programme that aims to create the right conditions for a circular economy to flourish in London

3. Within this document LWARB provides a review of the draft London Economic Development Strategy with several recommendations for additional information that could be added in order to strengthen the Mayor's desire to move London towards becoming a zero waste city.

4. We agree that "London needs a growing, dynamic economy to drive prosperity and create opportunities for all Londoners", and that "To be competitive on a world stage businesses need to be ever more productive and innovative in how they operate". We believe the circular economy will be vital to the future prosperity, productivity, and innovative activity in London. The circular economy could provide London with net benefits of at least £7bn every year by 2036 and 40,000 new jobs (12,000 net additional jobs) in the areas of re-use, remanufacturing and materials innovation by 2030 whilst also supporting the principles of Good Growth. [<http://www.lwarb.gov.uk/wp-content/uploads/2016/09/LondonCircularEconomyJobsReport2015OnlineVersionFinal.pdf>]. New jobs and businesses that will be created through the move to a more circular economy will be diverse and include areas such as reverse logistics, leasing services, digital platforms, and innovative new products such as use of waste feathers for insulation materials. The circular economy enables uncoupling of economic growth from resource use which will help London's economy to become more resilient to the risk of commodity price fluctuations and future potential resource shortages (ranging from food to energy to building materials). It can help businesses to become more prosperous through the adoption of new business models, and encourage innovation and help to ensure London retains a competitive edge. Through this strategy, London has the opportunity to utilise the advantages of adopting a circular economy to illustrate global leadership, enhance London's competitiveness and help lead London towards the Mayor's vision of a fairer, more inclusive economy. It will be vital that the Mayor works to create the right conditions for a move towards a circular economy which should be set out in relevant strategies such as this one.

5. We are pleased that text on page 17 recognises "The Mayor wants London to show the world how a successful and growing global city can also be a sustainable one, and has

set a target of making London carbon neutral by 2050” The Mayor has also set a target of becoming a zero waste city, and a vision for London as a Low carbon circular economy in the draft London Environment Strategy (LES). We would suggest the wording on this page could be strengthened by the addition of these points.

6. We are pleased “the Mayor recognises that growth cannot be pursued at all costs. Growth must not come at the expense of poorer air quality, higher greenhouse gas emissions.... or greater inequality”. Moving to a more circular economy will help to ensure a prosperous economy (as described in paragraph 4) which also improves environmental and social issues within London.

7. Page 24 recognises that “ London should be leading the fight against climate change and moving towards a low carbon economy”. The draft LES sets out the Mayor’s vision to move towards a low carbon circular economy, we therefore feel there would be better alignment of Mayoral strategies if this was referred to here.

8. Page 24 states that in order to meet the Mayor’s zero carbon city target businesses and households will need to use resources more efficiently by recycling and reusing materials or reducing consumption. We agree that London will need to use resources more efficiently but we would suggest that to achieve the zero carbon city, zero waste city, and low carbon circular economy vision the Mayor has set out would require a move to a circular economy which not only uses resources more efficiently but that “designs out waste, keeps materials in use at their highest value for as long as possible and minimises environmental impact”. This description of a low carbon circular economy is included in the draft London Environment Strategy. Our response to the LES recommended this description could be improved even further through the use of the definition used by the Ellen MacArthur Foundation which states that the circular economy is: “...restorative and regenerative by design. Relying on system-wide innovation, it aims to redefine products and services to design waste out, while minimising negative impacts. Underpinned by a transition to renewable energy sources, the circular model builds economic, natural and social capital”. This definition touches upon other key themes within the draft LES and might be more appropriate as it captures better the holistic nature of the systemic change that a move to a circular economy requires. We would suggest the draft economy development strategy aligns with the final definition chosen for inclusion in the LES. In addition it may be useful to point out that the circular economy is based on growth through the use of new innovations and business models rather than just resource efficiency.

9. We welcome aim 11 within the table on page 25 setting out the Mayor’s aims for London’s economy in 2041. However , we would suggest this does not reflect fully the Mayor’s vision of a low carbon circular economy for the reasons stated above, and could therefore be improved through recognising the low carbon circular economy in this table.

10. We agree that London will need investment in new homes, offices, schools, etc. to accommodate growth sustainably. Within this draft strategy there appears to be a lack of recognition of the huge demand for construction and resources that this will require. This construction activity has the opportunity to create social, economic and environmental advantages for London if circular economy principles are embedded. This includes

principles set out in the draft London Plan such as precision manufacturing, flexible use of spaces and embedding circular economy principles in design. These will create the opportunity for new jobs, reduced creation of waste and associated costs, and potentially lower development costs which could help to meet the Mayor's aim of making half of all new homes in London affordable.

11. The diagram on pages 48-49 setting out future drivers of change in London does not include cost of resources which will have a large impact on the economy , and although it includes "transition to a low carbon economy", we would recommend this text reads "transition to a low carbon circular economy" to ensure alignment with the draft LES.

12. Page 74 states "The Mayor will continue to seek ways to tackle some of the costs that low-income households face". Through new circular economy business models such as product as a service models , households will be able to access the goods they need rather than buying them up front. This will potentially lower costs for households, and we would suggest such business models are referred to in the text.

13. We welcome the fact that the London Food Strategy will include reducing food waste and the carbon impact of the food system, diverting surplus food to useful purposes (page 76). The London Circular Economy Route Map identifies that a move to a more circular food system in London through such actions could create net benefits of £2-4 billion annually by 2036 [LWARB, 2015. Towards a Circular Economy.]

14. Page 79 states that "To build a more inclusive city, the Mayor wants to do more to foster active citizenship and collaboration at the neighbourhood level". Access to the sharing economy e.g. via a local library of things can help residents create new links to their local communities and reduce household spend by allowing the borrowing of items which are used infrequently, such as drills. We would suggest the sharing economy is mentioned in this part of the draft strategy.

15. We support the need for sufficient office space in London to support growth. We would suggest that the work the Mayor undertakes with London boroughs to ensure there is sufficient office space includes an examination of currently underutilised office space to ensure available space in London is used to it's full capacity.

16. We agree with the text on page 91 which recognises industrial land for waste processing and recycling is essential for the operation of the capital. We support the need to make more efficient use of industrial land and the potential for mixed-use space.

17. We support action 2 on page 105 which states the mayor will "help to make more efficient use of London's streets by reducing car dependency and tackling congestion". There is no reference in the strategy to the need to reduce other traffic e.g. freight deliveries through consolidation hubs which will be necessary to achieve this aim, and which is identified in the draft London transport strategy. We would therefore suggest a reference to this in the text. We would also suggest a reference to the impacts that more online shopping may have on transport, and the opportunity to reduce traffic through greater utilisation of existing vehicles via mechanisms such as reverse logistics and the sharing economy,.

18. We are currently working with the GLA as part of the working group supporting the Infrastructure high level group referred to on page 106, and we would highlight that across infrastructure it will also be essential to embed coordination which supports reduction in waste, reuse of materials and reduces the need for transport.

19. We welcome the inclusion on page 112 of text stating “The Mayor will promote the circular economy approach to the use of resources in London”. We would recommend the definition of a circular economy here aligns with the definition used in other parts of this document. We support the text which states the Mayor “wants to see London’s waste sites optimised to support circular economy activities like reuse and repair in the process creating new jobs and apprenticeships” however we would advise that this is a useful starting point, but there are many other ways that a transition to a circular economy can create new jobs and apprenticeships as referred to in paragraph 4 of this document. The circular economy has the potential to provide jobs in all sectors if circular economy business models are adopted. We are pleased LWARB’s work is also recognised in the text but would suggest text is added that clarifies we do not only support businesses that use circular business models, we also help provide support to SME’s that want to become more circular. We would also reiterate that the advantages of the circular economy will not just relate to reducing waste, they will also help businesses to become more resilient to price fluctuations in commodities and likelihood of future resource scarcity, and through the creation of innovations and adoption of new business will help to ensure London’s economy remains competitive .

20. We would suggest action 7 on page 114 is amended to read “Promote *and support* the circular economy approach to resource and material management, *and support businesses that operate or want to adopt circular economy business models*”

21. We would recommend the text on page 115 also includes reference to businesses considering how circular economy business models can help to make them more competitive, and resilient. The Government’s clean growth strategy and industrial strategy includes the ambition for the UK to become a world leader in terms of competitiveness, resource productivity and resource efficiency however this ambition does not appear to be incorporated into this draft strategy.

22. We support the need to address the skills gap that meets the long-term needs of businesses and London’s economy. We would recommend this includes the skills needed to ensure London can take advantage of the opportunities offered by moving to a more circular economy, this could mean skills such as new construction techniques and deconstruction rather than demolition. Businesses will also need to be supported to be able to identify how circular economy business models can be applied to their own businesses. We would like to work with the Mayor to help identify the skills needed to help meet the vision set out by the Mayor. We would suggest that in order to support the Mayor’s vision for Good Growth in London, the London Growth Hub should also look to inform and guide SME’s and start-ups through the principles of clean growth, and support the aim of a low carbon circular economy in London.

23. We support the need for SMEs to access long-term patient capital but recognise that the proposed SME Fund does not provide a full solution and we would like to work with the Mayor to find a more appropriate long-term solution.

24. We would recommend the reference to a transition to a low carbon economy on page 132 is changed to a low carbon circular economy to align with the Mayor's vision in the draft LES.

25. We support the need to utilise new technology such as the internet of things and 3D printing to create advanced urban services to make cities become more productive, sustainable and liveable. Such technologies will allow London to accelerate a transition to the circular economy and reduce demand for materials through better data, predictive analysis and digitisation of services. The Government's Clean Growth Strategy includes a role for LEPs to explore the use of data to create local level strategies to drive greater resource efficiency, supporting processes such as industrial symbiosis and the development of new disruptive business models that challenge inefficient practice. We would recommend inclusion of information in the text as to how London intends to fulfil this requirement.

26. We would recommend the text on page 164 refers to transitioning to a low carbon circular economy to align with the Mayor's draft LES.

27. We would like to clarify how the Mayor will support businesses to adopt the principles of the circular economy as referred to in the text on page 165. The draft LES recognises that a mix of investment from a variety of sources including public sector, private sector and not for profit is needed to support a low carbon circular economy. We would recommend further text explaining the Mayor's role in meeting this need is included.

28. We would also suggest the circular economy principles described in the text on page 165 "reducing waste, improving resource recovery and reuse" do not describe the principles of a circular economy. The circular economy is based on the principals of retaining value within goods for as long as possible, avoiding the production of waste and adopting new business models. This will allow businesses the opportunity to access new revenue streams, to become more efficient and capture value in supply chains through changes to products, processes and business models thus becoming more competitive in the global market.

29. Action 2 on page 169 refers to supporting businesses and households to become more resource efficient. Within the Government's Clean Growth Strategy the Government includes its aim to encourage the development of business models which encourage resource efficiency, extend product life, conserve resources and prevent materials becoming waste. This aim does not appear to be captured within this strategy and we would therefore recommend action 2 is amended to incorporate these points. We would also suggest the text on page 189 incorporates the Mayor playing a "market making role" which extends beyond "promote the efficient use of resources" to "provide support to accelerate the transition to a low carbon circular economy".