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**Friends of  
the Earth**

# Briefing

# Commercial and industrial waste

Much of the political debate about what to do with our waste, and how to reduce it, has concentrated on municipal waste. This is waste that is generated by households and some small businesses, collected by local authorities. However, we produce 78 million tonnes of commercial and industrial waste a year in England Wales, almost 20 per cent of the total waste we generate. It is a significant waste stream that the Government, industry and businesses could do much to reduce.

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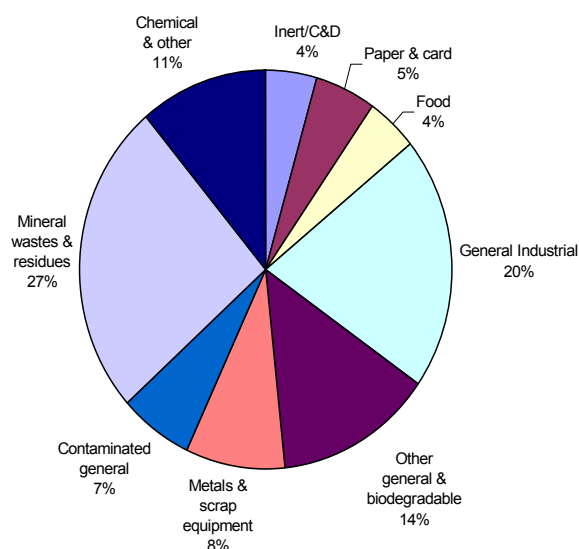
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## Commercial and industrial waste

### What is commercial and industrial waste?

Commercial and industrial (C&I) waste is controlled waste arising from the business sector. Industrial waste is waste generated by factories and industrial plants. Commercial waste is waste arising from the activities of wholesalers, catering establishments, shops and offices. Further categories of waste arising from industrial and commercial activities include hazardous waste (small in quantity but requiring special treatment) and commercial and demolition waste (large quantities - estimated at 72.5 million tonnes in 1999 - but largely inert).

In its first national waste survey in 1999,<sup>1</sup> the Environment Agency calculated the amount of C&I waste to be nearly 75 million tonnes. Roughly 50 million tonnes of this waste is industrial waste and 25 million tonnes is commercial waste. The industrial waste is made up as per the chart below. The category of General Industrial is a term used by the Environment Agency to categorise all Industrial and Commercial waste that does not fit into one of the more closely defined categories.



Regionally, the Yorkshire and Humber region produces the largest amount of industrial waste with nearly 19% of the national figure. It may be significant that this area contains the three major power stations of Drax, Eggborough and Ferrybridge.

Meanwhile, nearly 27% of commercial waste comes from the retail sector. Regionally, the generation of commercial waste is broadly proportional to the population of the regions.

### Minerals waste

The largest amount of C&I waste arises from mineral wastes and residues such as colliery spoil, power station ash and blast furnace slag from the iron and steel industries. Much of this waste will be used as aggregate for the levelling of road and pathways. There is little legislation aimed at reducing this waste stream although the Aggregates Levy was implemented in April 2002 to encourage recycling and re-use of waste. However, it has been resisted by industry. The Quarry Products Association have tried to argue that the Aggregates Levy does not increase recycling rates as the demand market for recycled

aggregate is saturated; and that the Aggregates Levy has not been environmentally justified. In April 2002 they argued that “there is no environmental justification for any increase in Aggregates tax.”<sup>2</sup> The RSPB have advocated the use of aggregates tax revenue to develop conservation areas – a direct response to the negative impacts of quarrying.

The industry sectors most responsible for mineral wastes and residues are those producing basic metals (6.2 million tonnes) and the coke, oil, gas, electricity and water industries (5.8MT) making up 94% of the mineral waste and residue generation.

## Recycling rates

In comparison to municipal waste, the recycling rates for commercial and industrial waste are quite favourable. For industrial waste, over 10% is reused and over 33% is recycled (compared with 13% for municipal waste). For commercial waste, the corresponding figures are 1.6% reused and 22% recycled. The other waste management options account for the following percentage of the total amount, see Table 1.

**Table 1: Waste management of C&I waste**

Waste management option	Industrial waste	Commercial waste	Total
Land disposal	42.1%	54.4%	46.2%
Treatment	7.3%	2.4%	5.7%
Land recovery	2.6%	0.8%	2.0%
Thermal	1.8%	2.6%	2.0%
Transfer	1.6%	2.2%	1.8%
Unrecorded	0.6%	13.9%	5.0%

## Key challenges for industry

### Tyres

The Landfill Directive sets targets for diverting tyres from landfill. The tyre industry has been very keen to implement the Directive by voluntary means and in 1999 the ‘responsible recycler’ scheme was launched by the Imported Tyre Manufacturer’s Association, the British Rubber Manufacturers Association, the National Tyre Distributors Association and the Retread Manufacturers Association. However, in July 2003 the industry turned about-face and asked the Government to introduce statutory targets for recovering and recycling tyres.<sup>3</sup> The DTI had been minded to continue the voluntary approach to dealing with tyres despite the fact that recovery rates have been stuck around 65-70% since the late 1990s and declined to just 60% in 2001. In March 2003 the Government proposed voluntary targets of 85% recovery for 2004 and 92% for 2005.

### Hazardous waste

From July 2004, it will no longer be possible to landfill hazardous and non-hazardous waste together. The existing co-disposal sites will be closed, leaving the UK with just 12 sites for hazardous waste, according to the Environment Agency. Changes to the classification of hazardous waste and additions to the European Hazardous Waste List (e.g. strip-lighting

## **Commercial and industrial waste**

and TV monitors) means there will be a greater range of hazardous wastes being produced. The lack of accurate data on hazardous waste arisings and on the availability and capacity of facilities to deal with it also makes forward planning difficult. The Government decided not to fund the Environment Agency's proposed second survey of industrial waste.<sup>4</sup>

### **Small businesses**

A large amount of waste, particularly commercial waste, is generated by the SME (small and medium sized enterprises) sectors which fall outside the scope of much legislation.<sup>5</sup> For instance, the Producer Responsibility Obligations (Packaging Waste) Regulations 1997 apply to companies with a turnover of over £2 million producing or handling over 50 tonnes of waste per year. Such non-obligated companies were predicted to account for 5% of packaging waste produced. It has been found that the true figure has been above 10%. This results in a lack of reporting on waste levels and, probably, a lack of awareness and therefore implementation of good practice.

Most good practice comes from bigger business which benefit from economies of scale enabling them to direct resources to implement sound practices. These companies will also be the ones that take a bigger hit from financial disincentives such as an increase in the landfill tax. It could be argued that they will also suffer more from negative publicity resulting from prosecutions for non-compliance and the public becoming more aware of poor environmental performance.

### **Good practice**

There are a number of initiatives throughout the country which enable smaller organisations to implement good waste management policies. These are some examples:

#### **Ayrshire Textiles Waste Minimisation Club**

The Ayrshire Textiles Waste Minimisation Club was set up by 11 companies working in the textile industry. Through collaboration in obtaining consultancy advice and regular dialogue and training, they managed to significantly reduce their waste and improve their use of resources, to benefit both the environment and their profit margin.

#### **Bedfordshire Waste Exchange**

This is a network of businesses in the Bedfordshire area run by Linden Consulting Ltd and funded by Shanks First using landfill tax credit revenue. Companies offer items of waste to other organisations that they would normally send to landfill or for waste processing. For instance, a building company who covered a 14 storey building with plastic netting, instead of landfilling the waste, supplied it to an outdoor events company for their use. The waste exchange has also put companies into contact with recycling companies.

#### **Bottleback**

The Bottleback scheme is operated with the support of the British Licensed Retailers Association and operated by Biffa and Cleanaway. The waste operators collect used beer and wine bottles from licensed premises along a pre-determined low cost route, i.e. city centre routes. The BLRA estimates that there is an annual usage of 350,000 tonnes of non-returnable bottles, and as the trend for drinking straight from the bottle increases, this quantity is predicted to increase. The system hit problems due to the falling value of recycled glass but, with a recent High Court judicial review stating that pubs should be treated as

retailers rather than end users of the bottles, there is a greater pressure on pubs to recycle their glass.

### **Ensuring compliance**

Spotlight 2002 is the Environment Agency's fifth annual report on business environmental performance. It highlighted waste management as an area where contraventions of environmental law occur with fly-tipping and breaches of Packaging Producer Responsibility being a key concern.

Fly-tipping is a crime under the Environmental Protection Act 1990 and accounts for nearly 15% of all serious pollution incidents. Most fly tipping is carried out by small traders and, frequently unlicensed, waste operators. It is punishable by fines of up to £20000 and/or six months imprisonment in the Magistrate's Court or unlimited fines and up to five years imprisonment if special waste is involved in the Crown Court.

The reality is that many cases do not reach court and those that do rarely result in punishments more severe than a fine of £200-£300 – this is not a major disincentive for businesses to avoid fly tipping as, in many cases, the fines may be less than the costs of depositing the waste legitimately. The most severe punishment during 2002 was that of twelve months imprisonment to a Mr. John Bruce, director of Ivory Plant Hire in Droitwich, for a series of offences including the illegal dumping of mercury, arsenic and cyanide contaminated soil. This material would have counted as special waste and so could have received the full five year sentence.

Fifty companies were fined for breaches of the Packaging Producer Responsibility legislation in 2002, including high street chain Stationery Box who were fined £25,000 for a total of 9 offences.

In Spotlight 2002, Barbara Young, the Environment Agency's Chief Executive, expressed dissatisfaction with the minimal size of fines for breaches of environmental law.

### **The way forward**

In its response to the Strategy Unit report 'Waste Not Want Not', the Government made some small commitments towards dealing with commercial and industrial waste.<sup>6</sup> These included 'considering' the role of waste minimisation clubs, and the role of targets, plus introducing 'enabling legislation' to require some companies to report where waste is 'material to an understanding of the company's business', but only when the parliamentary timetable allows.

Friends of the Earth would like to see stronger measures adopted, to ensure that commercial and industrial waste is reduced, recycled as much as possible, and becomes as least hazardous as possible:

**Mandatory environmental reporting** would make it imperative on companies to monitor their waste streams and should encourage the implementation of reduction and recycling initiatives. It would allow them to benchmark their performance against other similar organisations. It will also allow customers (both commercial and consumers) to make an informed decision before buying, based on the resource use of the company.

## **Commercial and industrial waste**

**Financial mechanisms** could increase the rate of C&I waste recycling. The landfill tax should rise much faster than £3 per tonne per year; recycled products should be made exempt from VAT; there should be greater taxation on primary use materials; and capital allowances on plant and equipment should be designed to reduce waste or to facilitate recycling.

**The thresholds of legislation should be gradually reduced to bring small and medium sized companies (SME's) into the legislative arena.** This should be coupled with greater Government and local authority investment in schemes to inform and support SMEs in initiatives. There should certainly be greater support for waste minimisation clubs and waste exchanges.

**Enforcing legislation should be mandatory and binding** on the industry. Voluntary agreements have a history of failing.

## **References**

- <sup>1</sup> The Second National Waste Survey is still being undertaken by the Environment Agency. Headline data is due to be produced by the end of 2003 with a complete data set published on their web site in the middle of 2004.
- <sup>2</sup> 'QPA relief at freezing of aggregates tax', press release 9 April 2003.
- <sup>3</sup> ENDS Report, July 2003
- <sup>4</sup> ENDS Report, April 2002
- <sup>5</sup> Centre for Business Relationships, Accountability, Sustainability and Society (BRASS) submission to the Select Committee on Environment Food and Rural Affairs in January 2003.
- <sup>6</sup> Defra (2003) Government Response to Strategy Unit Report 'Waste Not Want Not'.