

Committee(s): Port Health and Environmental Services Committee – For decision Policy and Resources Committee – For decision Court of Common Council	Dated: 19 November 2024 12 December 2024 09 January 2025
Subject: Circular Economy Framework for the City of London Corporation	Public report: For Decision
This proposal: <ul style="list-style-type: none"> • delivers Corporate Plan 2024-29 outcomes 	Dynamic Economic Growth Leading Sustainable Environment
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain’s Department?	n/a
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Summary

The Circular Economy is a system where materials never become waste and nature is regenerated. In a circular economy, products and materials are kept in circulation through processes like maintenance, reuse, refurbishment, remanufacture, recycling, and composting. A key objective of the Corporate Plan 2024-2029 is to ‘Implement a Circular Economy Strategy and embed circular economy principles into our building projects’.

This report outlines the City of London’s Circular Economy Framework which sets the foundation to achieve this objective. The framework outlines the vision: *The City of London Corporation as a circular organisation exemplifies, drives and innovates circular practices, leading the Square Mile as a circular city by 2040*, this aligns with the Climate Action Net Zero commitment.

This will be achieved by focusing firstly on our own operations and the changes we can make to be more circular, and secondly by leveraging the influence we have on the square mile to make this transition. The framework sets out an action plan to 2027 covering the key topics of:

- Waste and resources
- Portfolio and capital projects
- Procurement
- Built environment
- Food and beverage
- Training, communication and engagement

The circular economy is already a consideration across the organisation with work being undertaken by the Embodied Carbon Action Plan, Sustainable Procurement and the Sustainability Supplementary Planning Document (SPD). However, there is significant opportunity, both environmentally and economically, to be realised by having a clear and defined framework to benchmark, measure and monitor these disparate work streams.

The circular economy plays an integral part in the transition to a Net Zero future and in turn helps deliver the City Corporations Climate Action Strategy and its commitments to be net zero by 2040. Creating a circular economy in the Square Mile will help support existing businesses on their own sustainability journeys, whilst also creating space for new sustainable businesses to emerge.

Recommendation

Members are asked to:

- Approve the implementation of the Circular Economy Framework and the associated Action Plan 2024-2027.

Main Report

Background

1. All Waste Disposal Authorities in England, under the Waste and Emissions Trading Act 2003, must have a strategy for managing municipal waste. Long-term strategic planning is crucial for ensuring sustainable waste management and securing necessary infrastructure and service developments
2. The City Corporation's Waste strategy 2013 - 2020 is now out of date. This strategy solely focussed on the domestic waste produced by residents and visitors in the City of London. As a key action of the 'Leading Sustainable Environment' outcome of the Corporate Plan 2024-2029, the City Corporation has committed to: Implement a Circular Economy Strategy and embed circular economy principles into our building projects. This aligns with the Climate Action Strategy's Net Zero target for the City Corporation and supporting the Square Mile achieve Net Zero by 2040.

3. For the purposes of this report the City Corporation defines a circular organisation as an organisation that has embedded circular practices into all areas of operation and supply chain, makes decisions with circularity as a key focus, and continues to find new and innovative ways of working to drive greater circularity.
4. For the purposes of this report the City Corporation defines a circular city as a city that has made a systemic shift to prioritise the sharing of materials and resources for the greater benefit of society through more circular education, collaboration, and investment.
5. The Circular Economy Frameworks vision is to ensure the City of London Corporation exemplifies, drives and innovates circular economy practices, leading the Square Mile to become a circular city by 2040. It is intended to support and educate everyone who lives, works, learns and visits here to adopt circularity.

Current Position

6. The City of London consumes a significant number of resources and materials each year. From residents and workers to construction and demolition, there is significant potential for the circular economy to shift how the City of London operates for the better in its approach to resource use and waste generation.
 - a) The City Corporation FY22/23 spent circa £275,000,000 on purchased goods and services (excluding construction) which equates to a large volume of “stuff”.
 - b) In 2022 the Square Mile produced circa 287,000 tonnes of waste. Of that waste around 193,000 tonnes was inert, construction, and demolition waste making up around 67% of the total waste produced that year.
 - c) In the financial year 2022/23 there was 541,420m² of office floorspace under construction with 431,300m² permitted. This requires a huge amount of material not only to construct but also to furnish these spaces.
 - d) If on average there are 500,000 people entering the city Mon-Fri and if 2/3s of them use 1 disposable coffee cup each day, that equates to 83,820,000 cups a year.
7. Extensive internal engagement has been conducted to ensure the deliverability of this framework. As well as the Climate Action Team, officers have held comprehensive discussions with key departments including Planning, City Surveyors, and other relevant internal stakeholders. These discussions have been crucial in ensuring that the vision outlined in this framework is both practical and achievable and have helped shape a robust and deliverable framework that aligns with the City's broader objectives.
8. There is already a large amount of work being carried out within the Corporation across a number of departments to drive towards circularity. The emerging City Plan 2040 and recent Sustainability SPD outline a “retrofit first” approach to development in the city; the CAS are in the process of creating an embodied carbon action plan; and procurement are actively working with suppliers to

ensure the products we buy reduce waste and are moving up the waste hierarchy.

9. There is work that is needed to be done to bring our own internal waste practices in line with circularity which will require the training and engagement of our colleagues across the organisation as we currently do not have a view of the total amount of waste generated by the City Corporation.
10. The transition to a circular economy comes with many benefits:
 - a) For our residents it means greater support to repair and reuse items and greater access to recycling.
 - b) For our staff it provides a work environment that puts sustainable practices first and cuts waste from our operations.
 - c) For construction in the City of London it allows for creative, cutting-edge reuse techniques to be put in practice providing first class facilities.
 - d) For businesses in the City of London, it means office space will be sustainably designed, with better capacity for retrofit or built with material passports documenting material details to enable future reuse.
 - e) For our visitors it keeps the City of London as a thought leading place to be and visit.

Options

11. Do nothing. **Not Recommended.**
11. Approve the implementation of the Circular Economy Framework and the associated Action Plan 2024-2027. **Recommended.**

Proposals

12. If this Committee approves the implementation of the Circular Economy Framework, officers will start to deliver the actions outlined in the Action Plan 2024-27, a summary of which can be found in the Circular Economy Framework (Appendix A). The Action Plan will be a live document which will be updated on a 3 yearly basis running to 2040.
13. Whilst there will need to be a cross departmental approach from all areas of the City Corporation, the overall responsibility for its implementation will sit with the Gardens and Cleansing Team in City Operations, Environment Department. This is because it replaces the existing Statutory Waste Strategy, and the relevant expertise, experience, operational and strategic understanding (e.g. Chartered Waste Management with explicit Circular Economy training from the Circular Economy Institute) already exists within the team.
14. The first Action Plan running to 2027 will focus on establishing the baseline for a number of key circular indicators to understand the current performance of the City Corporation. It will also focus on creating a template framework for each major department to implement changes to support the transition required. This will require a level of accountability of from all departments.

15. The scope of the framework is split into two action plans, one for the City of London Corporation to ensure we are working towards circularity in our own operations, and one for the Square Mile which outlines how we can use our influence to support the transition of the Square Mile to become circular.
16. The 2024-2027 key focuses for the Corporation are:
- Waste and Resources
 - Portfolio and Capital Projects
 - Supply Chain
 - Training, Communication and Engagement
17. The 2024-2027 key focus areas for the Square Mile are:
- Built Environment
 - Food and Beverage
 - Training, Communication and Engagement
18. To ensure the action plans goals are achieved it will require input from all parts of the City Corporation. All departments will need to review how they operate and the changes they can make to improve, this will be supported by the Cleansing team. The aim of the framework is to provide an umbrella strategy, consolidating all the circular economy efforts across the business to ensure alignment in approach.

Key Data

19. An initial objective of the CE Framework is to establish a comprehensive baseline of a range of key data metrics. This includes waste figures, encompassing both domestic and commercial waste within the City of London but also non-traditional waste metrics such as reuse % and retro-fit vs new build.
20. It is important to note that there is no universally defined metric for the circular economy, so the corporation will focus on key data that we have at our disposal to measure and track progress as well as working closely with local and regional government agencies to ensure we are in alignment with best practice.

Corporate & Strategic Implications

21. **Strategic implications** – The CE Framework directly contributes to achieving an action of the Corporate Plan 2024-2029 along with supporting the ambitions of the Climate Action Strategy.
22. **Financial implications** - There is a small dedicated local risk budget assigned to the delivery of the framework. Officers will look to identify opportunities for external and internal funding to support the delivery of specific elements and projects, working with other departments and stakeholders on Climate Actions Strategy projects that have aligned priorities. It is envisaged that some of the work streams will identify potential savings and efficiencies.
23. **Resource implications** - There is an existing post in place to manage the delivery of the framework, with sufficient officer support within the Gardens and

Cleansing Team. Because of the proposed delivery methodology this will not be onerous on other teams/depts. There will be actions to complete, and some time commitment required from across the organisation to deliver but also long-term benefits to realise.

24. **Legal implications** - There are no direct legal implications at this stage and recommendations are compliant with legislation, including the City Corporation's obligations under the UK Climate Change Act (revised 2019), which has enshrined in law both a target of net zero emissions by 2050 and requirements for measures for climate adaptation (improved resilience). There are also a number of legislative changes that are coming into force such as Simpler Recycling, Extended Producer Responsibility, Deposit Return Schemes and Emission Trading Scheme, which have an impact on how we manage waste and support a transition to a Circular Economy. The Circular Economy Framework aligns with these legislative changes as they support the wider shift to a circular economy.
25. **Risk implications** - On implementation of the framework a Risks, Assumptions, Issues, and Dependencies (RAID) exercise will be completed to track and mitigate risks throughout delivery.
26. **Equalities implications** - Tests of Relevance and, if shown necessary, Equalities Impact Assessments will be carried out for all projects associated with the Circular Economy Framework.
27. **Climate implications** - The climate implications of the Circular Economy framework are positive in that the actions will help to reduce carbon emissions (particularly within Scope 3) for both the City Corporation and the Square Mile.
28. **Security implications** - There are no security implications arising from the recommendations in this report.

Conclusion

29. The transition to a circular economy presents a significant opportunity for the City of London to achieve its environmental and economic goals. By embedding circular principles into all areas of operation and supply chain management, the City Corporation can ensure that materials are reused, refurbished, and recycled, reducing waste and supporting the Climate Action Strategy's commitment to achieving net zero emissions by 2040.
30. The Circular Economy Framework serves as a comprehensive guide to this transition, outlining strategic actions and mechanisms to support the Square Mile in becoming a leader in this area. By creating an environment conducive to innovation and collaboration, the framework not only aids in reducing waste but also promotes the growth of new, sustainable businesses and enhances the city's attractiveness as a place to live, work, and visit.
31. The successful implementation of the Circular Economy Framework will require a coordinated effort across all departments of the City Corporation. With a clear

action plan for 2024-2027 and dedicated resources within the Gardens and Cleansing Team, the City is well-positioned to lead this change.

32. Establishing a baseline for key circular indicators and creating templates for departmental transitions are crucial first steps. Additionally, continuous engagement and education of residents, businesses, and visitors will be essential in fostering a culture of circularity. Through these concerted efforts, the City of London can drive significant improvements in resource efficiency, waste management, and overall sustainability, setting a benchmark for other global financial centres to follow.

Appendices

- Appendix 1 – Circular Economy Framework

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