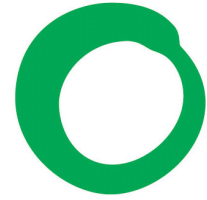


# Fact sheet



**Friends of  
the Earth**

## Recycling: Can local authorities afford it?

Local authorities need more money to provide a high quality recycling and composting service to every doorstep. This fact sheet estimates how much a good quality recycling and composting service may cost, and outlines the limited amount of money the Government has already made available for recycling and composting.

### The Financial Cost of Recycling and Composting

It is important to make sure that when assessing the cost of recycling all the costs are considered, for example:

- Ⓒ The cost of collecting recycling and providing householders with recycling containers, as well as the cost of specially designed vehicles for collecting recyclables and the cost of any sorting facilities (for materials not sorted at the kerbside).

Against this any savings need to be taken into account, for example:

- Ⓒ The reduced cost of waste going to landfill or incineration, money raised by selling recyclable materials to reprocessors (e.g. the steel industry) and the need for fewer refuse collection vehicles for collecting the reduced amount of rubbish going to landfill/incineration (i.e. one refuse truck can collect waste over a larger area because the black bags of rubbish are smaller).

Clearly the costs and savings will differ between different recycling schemes, for example some schemes will have negotiated better prices than others for the recyclables they collect. Also prices change, for example the price of waste disposal is increasing because of increased waste taxes and tighter regulation, whilst revenues from recyclable materials are expected to increase as markets develop. In addition to this, recycling creates a large number of jobs which will save the government money in unemployment benefit (over 45,000 jobs just to recycle 30 per cent, saving around £50 million [1,2]).

The most comprehensive research into the economics of recycling was carried out by Ecotec Research and Consulting Ltd [3]. The research looked in detail at 7 recycling schemes. The research found that:

- Ⓒ The gross costs of providing a household recycling service for dry recyclables (e.g. newspapers, cans, plastics, textiles) varied from £7.50 to £20 (average £11.50 per household per year). For four of the schemes the cost was less than £10 per household. The average net costs - taking into account revenue from sales, reduced disposal costs, etc - was £9. The most expensive scheme - with net costs of £18.29 - was a rural scheme with very low prices for materials it collects.

**Key fact 1:** The average net cost of providing a doorstep collection service for dry recyclables - paper, plastics, cans, etc - is £9 per household per year.

The research also looked at the costs of composting. Since around 40 per cent of household waste could be composted this is an extremely important part of the waste stream. The answer to how much composting costs is not easy. It depends on the type of composting plant, the collection system and the avoided disposal costs. The research found that:

- C The cost per tonne for an 18,000 tonne per year open air composting system is around £15. The costs for an enclosed in-vessel composting system is estimated to be between £25-30 per tonne. This is cheaper than the cost of landfill (estimated as £30 per tonne) and is much cheaper than incineration (estimated at £45 per tonne). However, these costs do not include the cost of collecting the compostable materials from people's homes. Although the research report did not detail the collection costs of running a doorstep composting collection service, a net figure of £10 per household would seem to be reasonable, given the costs of collecting dry recyclables (which is a more complex operation).

Note that the best method of centralised composting (i.e. open air or in-vessel) will depend on the location of the plant and it's proximity to housing. Home composting in the garden is of course much cheaper and environmentally preferable.

- C The net cost of providing a doorstep composting service will therefore depend on the type of composting used (in-vessel or open composting), the disposal route avoided (i.e landfill or incineration) and the cost of collecting the material.

In most urban areas the best type of composting will be in-vessel composting and the avoided disposal route will be landfill. Since the cost of these are about the same, then the net cost of providing a composting service will be around £10 per year (the collection costs). In some urban areas the avoided disposal route will be incineration and since this is more expensive than composting then some savings will be made. These can offset the additional costs of a separate compostable collection service, which will (probably) mean an average net cost of around £8 year.

In rural areas open composting will be appropriate, and since this is cheaper than landfill (the disposal route mostly used in rural areas) then again some savings will be made which can be used to offset the collection costs. We therefore estimate a national average net cost of around £8 per household per year for providing a doorstep composting service.

**Key Fact 2:** The average net cost of providing a doorstep collection service for compostable materials is £8 per household per year.

**Key Fact 3:** The average net cost of providing a doorstep recycling and composting service is £17 per household per year (i.e. £9 per year for a doorstep collection service for dry recyclables plus £8 per year for a doorstep collection service for compostables) - around £375 million for England and Wales.

## Government money for recycling and composting

The Government has identified a number of sources of money for recycling and composting. These are covered in detail in a new report by Waste Watch [4]. Funds include:

Funding regime	2002/3	2003/4
Waste minimisation and recycling fund (£140 million for England + £37 million for Wales)	£63 million	£114 million
National Lottery New Opportunities fund	£50 million	
Increase in local authority government grants (4.4 per cent per year to cover a range of responsibilities of which recycling is only a minor part. Much of this increase will be swallowed up by inflation)	minimal	minimal

Funding regime (cont.d)	2002/3	2003/4
Private Finance Initiative (although so far this has mostly been used for incineration)	£70 million	£100 million

## How much is the short fall?

Assessing how much extra money the government needs to put into recycling and composting is extremely difficult. The estimates of costs in this factsheet are only ball-park estimates. The extra money needed should be no more than £200 million per year. It may be much less than this if many people home compost. Also some local authorities have already found some money from hard pressed budgets for doorstep recycling services, reducing the need for extra government money. However, local authorities in areas with high levels of social deprivation may find it difficult to find money from existing budgets without significant new sums of money.

The government could find much of this extra money by scrapping the landfill tax credit scheme - worth £100 million a year - and diverting this cash into recycling. Also they could use some of the landfill tax money they collect - worth more than £400 million per year - and spend this on recycling and composting.

**Key Fact 4:** The total needed for door step recycling for dry and compostable material is around £375 million a year for England and Wales. The money, additional to that already allocated, should be no more than £200 million per year. With encouragement for home composting and waste reduction, it could be much less.

## Further reading

1. Waste Watch (1999) Jobs from waste, employment opportunities in recycling, Waste Watch, London.
2. Friends of the Earth (1994), Working Future - jobs and the environment, London.
3. Ecotec Research and Consulting Ltd (2000), Beyond the bin - the economics of waste management options. Available at: [www.foe.co.uk/campaigns/waste/resource/experts.html](http://www.foe.co.uk/campaigns/waste/resource/experts.html)
4. Waste Watch (2001), No waste of money - how recycling could be funded, Waste Watch, London.
5. Friends of the Earth (2001), Funding for municipal waste management. Available at <http://www.foe.co.uk/campaigns/waste/resource/campaigners.html>
6. Robin Murrey (1999), Creating wealth from waste, Demos, London.

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