

December 2024

Shaping future financial and fiscal policies for a more circular economy in the UK



Financial Policies Reviewed

Decarbonising the Sector

The Landfill
Tax

Emissions
Trading
Scheme

Increasing Recycling

Extended
Producer
Responsibility

Deposit
Return
Scheme

Reducing Resource Consumption

Charges on
Single Use
Items

Subsidies for
CE
Businesses
and Reuse

Plastic
Packaging
Tax





Incentives, intended impacts and unintended consequences



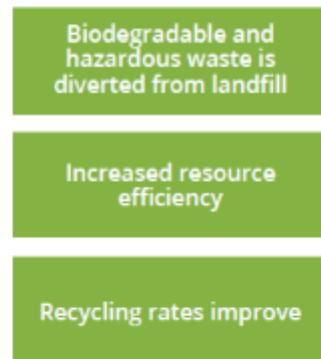
Decarbonising the Sector

Landfill Tax Incentives

Incentives



Intended impacts



Unintended consequences



Incentives from inclusion of EfW in UK ETS

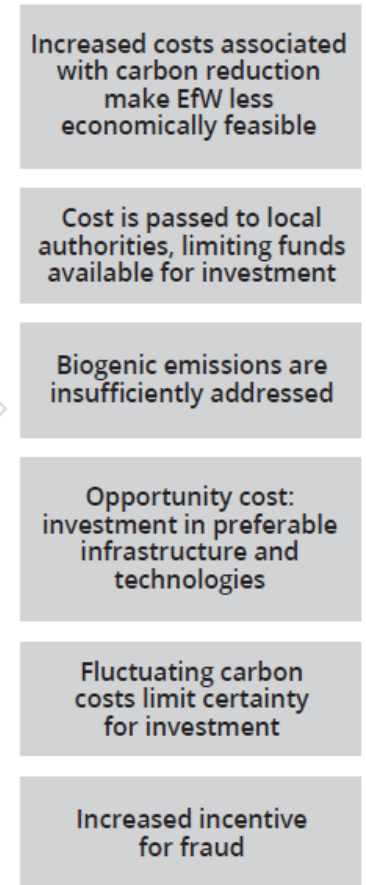
Incentives



Intended impacts

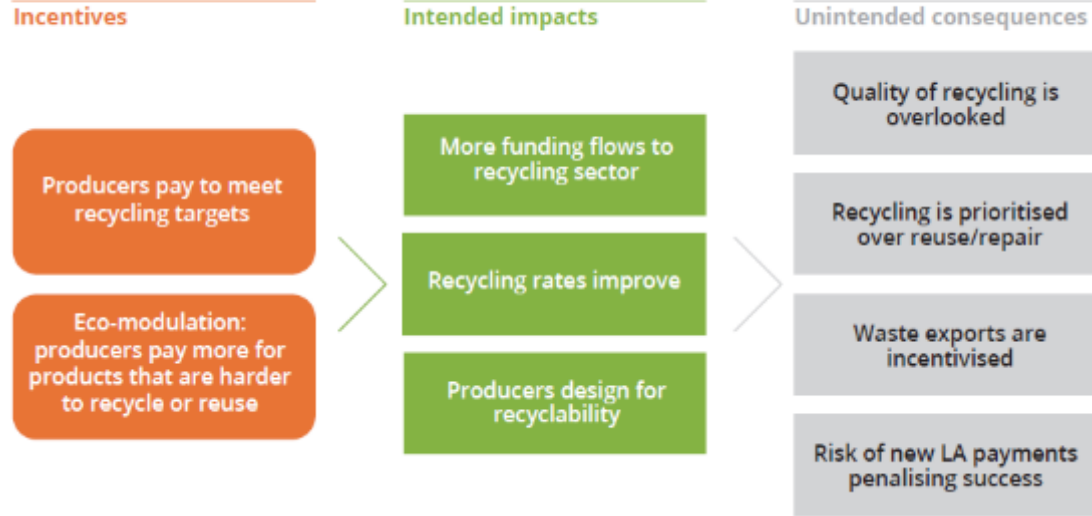


Unintended consequences

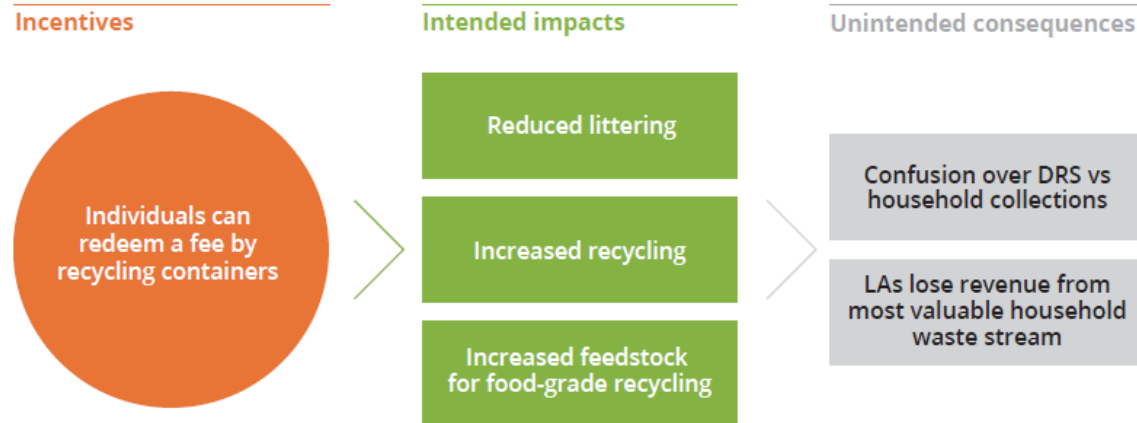


Increasing Recycling

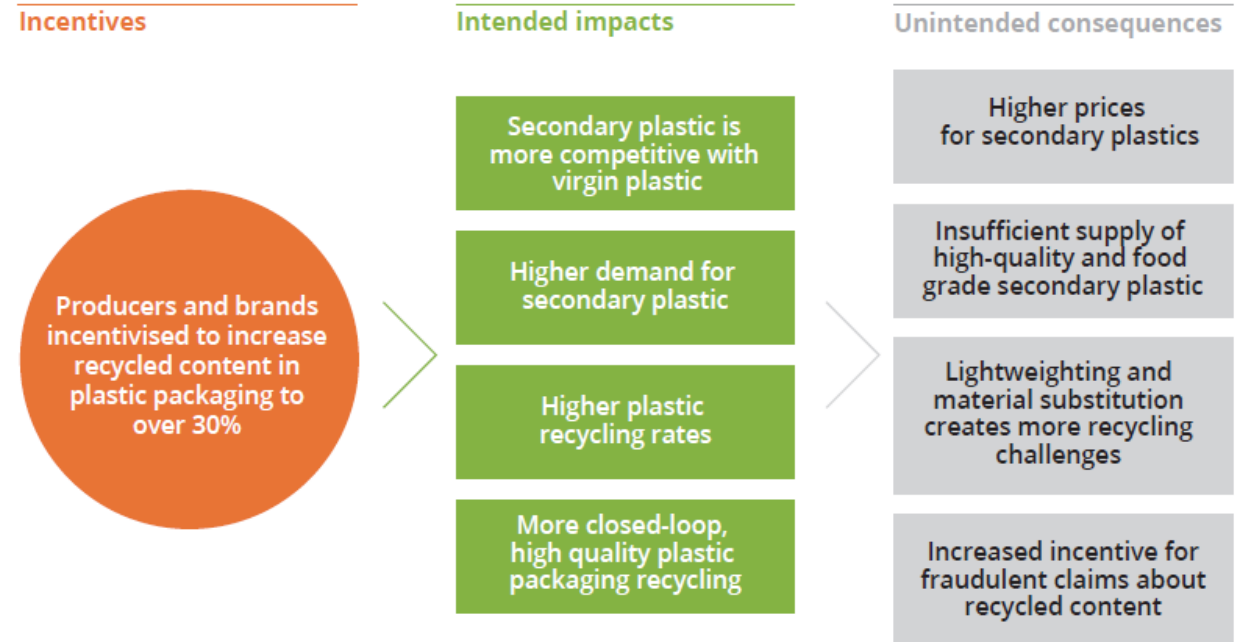
EPR incentives



Deposit return scheme incentives



Plastic Packaging Tax incentives



Reducing Resource Consumption

Incentives from charges on single-use items

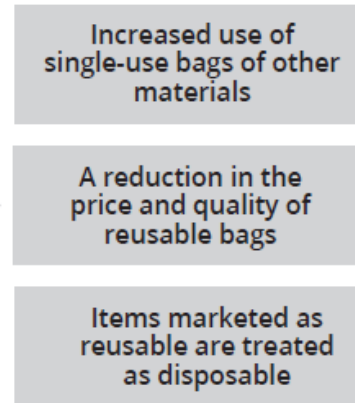
Incentives



Intended impacts



Unintended consequences



Incentives from subsidies for circular businesses and infrastructure

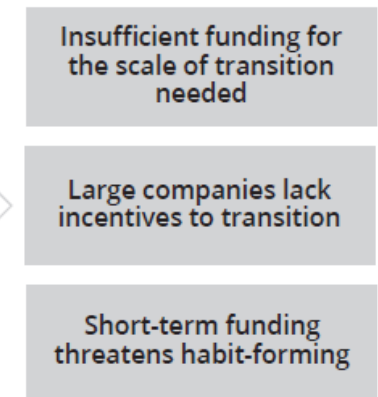
Incentives



Intended impacts



Unintended consequences



Headline Recommendations

Incentives need more nuance to achieve circular economy and waste management goals

Use EPR schemes to explicitly promote reuse

Refocus policy development efforts to sectors and material streams with higher overall impacts

Improve fiscal levers to create stronger incentives for circularity

Strong data, monitoring and enforcement to ensure intended effects



Other Emerging Themes

When developing new policy incentives, the opportunity cost should be considered

Realistic and reasonable response times to prevent unmanageable short-term costs need to be factored in

Where money is raised through financial and fiscal policies, this could be used to drive system change towards a circular economy

Incentives need to be coordinated across value chains, so that actors who are limited in their ability to respond gain the support needed from other sectors

Both carrots and sticks may be needed—without the levers or the funding to respond, punitive incentives are of limited value



Together, we stand for a world beyond waste.

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