Ferrous

Report 2026

Waste In Transition

The Shift to the circular economy

Contents

Market Drivers

Market Drivers and the Shift to the Circular Economy

The force behind the transformation is regulation, and the rules are no longer arriving one at a time. They are landing together, and every one pushes the same way:

Simpler Recycling

standardises what every business and household must separate.

Extended Producer Responsibility

makes packaging producers pay for what happens to their packaging after use, pushing the cost of waste back onto t hose who create it.

Digital Waste Tracking

replaces decades of paper with a single na-tional system from 2026, logging every movement of waste end to end and closing the gap that let waste crime and fly-tip-ping thrive.

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A Deposit Return Scheme

on drinks containers follows in 2027

Landfill tax

has more than doubled since 2010,from £48 a tonne to over £126, pricing disposal out on purpose.

Shift to the circular economy.

Read as separate rules, you miss the point. They are the machinery of one decision: to move the country from a linear economy to a circular one. The linear model is take, make, use, throw away. The circular treats that last step as a design flaw to be engineered out. This is no longer campaigners' theory, the government set up a Circular Economy Taskforce in 2024 to write a national strategy for England. When the regulator, the government, and the industry all pull the same way, the direction is set.

So the old name no longer fits. "Waste management" is disappearing; what replaces it is resource recovery. And the value moves with it, away from the truck and the tip and toward the sorting line, the reprocessing plant, and the material itself. Old carpets become polypropylene, food waste becomes energy and compost, metals and plastics and electronics become commodities rather than costs. A business that once made things disappear now earns its money bringing them back.

Waste as a core infrastructure

Once waste becomes a resource, the businesses that recover it stop looking like industrial services and start looking like infrastructure, and the market has noticed. Over the past five years the same investors who own water, energy, and transport have moved decisively into waste. It has the characteristics they prize: non-discretionary demand, heavy regulation that creates real barriers to entry, long-term contracts and local-authority relationships producing steady, inflation-linked cash flows, and the measurable environmental outcomes institutional capital is now under pressure to fund. It behaves like a utility, but with more room to grow than water or energy.

The deal record makes the point. Macquarie acquired Renewi, I Squared bought Enva, Equitix took a stake in Viridor's waste-to-energy operations, and iCON built CIRQLR out of eight recycling specialists. Among the larger operators private capital is now almost universal: Biffa backed by Energy Capital Partners, Viridor by KKR, Reconomy by EMK Capital. A decade ago waste was an industrial service few institutions looked at twice; today it sits alongside the assets that keep the country running.

But recognition is not resolution. That capital is chasing scale, the platforms big enough to absorb it. As waste turns into a resource, the question of who captures that value, and who ends up owning the businesses that create it, is the one that now defines the sector.

Outlook and future trends

The direction is settled. The UK has committed to recycling 65% of its waste by 2035 and sending almost nothing to landfill, and every regulation in motion is built to get there. The real questions are where the value lands, and who captures it.
As already established, the value is no longer in collecting waste, it is in repurposing. That capability, not the bin lorry, is where the margin now sits, concentrating in the recovery niches: materials recovery, electronics and battery recycling, advanced plastics, and organics. Technology is the dividing line, operators with digital tracking and automated sorting will be valued at a premium; the ones still on paper will be bought or left behind.

But the bigger prize is structural. The first wave of consolidation was aggregation, buying operators and adding scale. The next is integration, owning the whole chain so material flows through one group from collection to recovery to finished product, capturing value at every step instead of selling it on cheaply. Done well, the regulation that strains a lone operator becomes a group advantage, because compliance systems, permits, and processing capacity are built once and shared.

Powerday proves it: a family business founded in North West London in 1977, built from the start around sending no non-hazardous waste to landfill, that today owns the chain end to end, its own fleet, transfer stations, the largest materials recovery facilities in Southern England, and one of the country's largest private outputs of refuse-derived fuel. An independent family business, not a fund, built a genuinely integrated recovery group over nearly fifty years.

Outlook and future trends

It is tempting to assume everyone else is arriving late. But the country is not near the end of this shift, it is near the beginning:

England still recycles only about

46%

and has done for a decade, against a 65% target for 2035.

Wales, under the same roof, already recycles

57%

so it can be done

The work of recovering the nation's waste, at the scale the targets demand, has barely begun.And the businesses that must do this work are changing hands. Beneath the infrastructure-backed consolidators sits a long tail of founder-run operators whose owners are now stepping back, businesses too small for the funds, or swallowed.whole if bought at all. There is no shortage of capital here. There is a shortage of the right kind of owner. That, not money, is what decides the sector's next chapter.

The ferrous view

Every argument in this paper points to one question, and it is about ownership. As a generation of founders steps back from the businesses that recover the nation's waste, who takes them on, and what becomes of them?

The traditional consolidators are built around aggregation, taking value from the obvious places: shared procurement, a combined back office, the buying power to win larger contracts. That works, and it is well understood. But it is the easy part. The next phase will reward the acquirers skilled enough to genuinely integrate, to make separate businesses work as one rather than just sit under shared ownership. That is difficult work, often likened to an arranged marriage, and harder still when the businesses come from the same region and once competed. We believe the acquirers equipped to do this well, not merely to buy but to integrate, are the ones who will succeed in this new era of resource recovery.

Investing in businesses that matter.

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