ukft ReLondon UNIVERSITY OF LEEDS Future Fibres Network+

Unlocking the Circular Potential of Post-Consumer Textiles

A London case study



Acknowledgements

This project was funded by the UKRI Future Fibre Fund Network Plus and delivered by The University of Leeds, UK Fashion and Textile Association (UKFT) and ReLondon. The research comprised analysis of publicly available data, organisational interviews and a survey with local authorities in London. The authors would like to thank these organisations for their time and valuable contributions towards the project.

UK Fashion and Textile Association (UKFT): the largest network of fashion and textiles in the UK focused on supporting sustainable business growth. Leading industry-wide collaborative projects focused on the textile circularity transition.

ReLondon: a partnership of the Mayor of London and the London boroughs that aims to transform the city into a leading low-carbon circular economy. Fashion and textiles are one of the organisation's priority sectors, and the organisation works with local authorities, businesses, and citizens to reduce waste and lower emissions.

The University of Leeds' Institute of Textiles and Colour (LITAC): the UK's largest multidisciplinary textile research centre, dedicated to supporting the textile industry's transition to green growth.

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Introduction

This research uses London as a case study to assess the post-consumer textiles value chain and identify current systemic challenges, as well as local levers that can help support the development of circular pathways.

The global textile industry is under significant pressure to address mounting socio-economic and environmental challenges related to increasing volumes of used textiles[1], with 180 million metric tonnes projected to be generated annually by 2035.[2]

Countries with high consumption rates play a key role in shaping the dynamics of the used textiles value chain, as they typically generate large volumes of post-consumer textiles yet lack adequate domestic reuse and recycling infrastructure[3]; they rely instead on increasingly oversaturated global end markets to absorb excess materials, or else local incineration and landfill.[4]

The UK clearly exemplifies this characterisation with a predominantly linear value chain which gives rise to 3,264 kilotonnes of used textiles per annum.[5] In recent years, this oversupply of used textiles has had growing repercussions for stakeholders across the UK's post-consumer supply chain, including waste management organisations, charities, textile merchants, and local authorities. In response, there are escalating calls for reshaping how post-consumer textiles are managed today, and by whom.[6]

THE ROLE OF CITIES

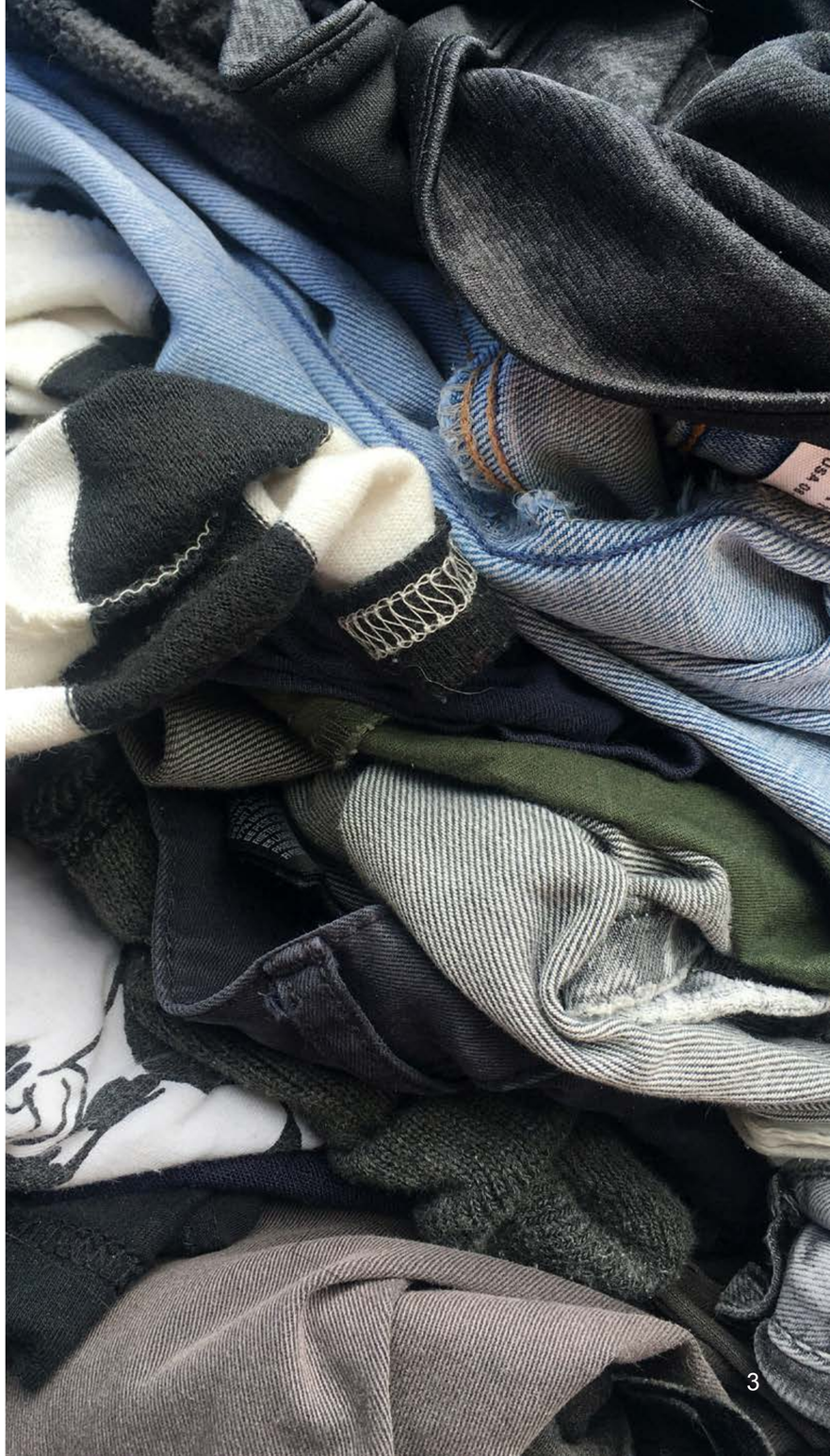
Within this broader landscape, the role of cities and urban ecosystems in the circularity agenda has often been overlooked in both research and practice, and significant circularity potential remains largely untapped.[7] But their participation is vital because, while cities are major hubs of consumption and waste generation, they are also home to brands and retailers as well as emerging innovation, making them key systems orchestrators and circular economy enablers. [8]

The growing economic burdens and risk of systems collapse at a local level is further proof that we need regional management of used textiles and scaling of innovative, bottom-up solutions to enable domestic - and consequently national - circularity.

UNLOCKING POTENTIAL FOR POST-CONSUMER TEXTILES LOCALLY

As of 2019, 142,700 tonnes of clothing were discarded annually by Londoners.[9] At the same time, the city is home to a wide range of emerging innovations; ReLondon's **circular business network** has over 150 London-based businesses in ReLondon's circular business community offering textile solutions for the reuse, upcycling and recycling of textiles - 92% of which are established recently (in the last 10 years).

Complementary to understanding opportunities for system recalibration, this research also asks how emerging local businesses can integrate solutions and become a viable alternative end-market for post-consumer textiles. Collectively, synchronised action by stakeholders across the post-consumer value chain is needed to drive circular opportunities for textiles in the UK.



Project aim, scope and methodology



AIM OF THE STUDY

To enable local insights and identify opportunities for intervention, this research focused on Greater London as a case study. London is home to 8.9 million residents across 32 boroughs and the City of London.

This research assessed the barriers and opportunities for retaining and processing post-consumer textile waste domestically. Its aim was to uncover ways to extend product lifespans and develop and scale reuse and recycling systems and support the transition towards a circular economy for fashion and textiles in the UK, by:

- Mapping the current post-consumer textile management system in the UK and, more concretely, London.
- Identifying and critically analysing key stakeholder groups within post-consumer textile management in London, with particular attention to their roles and responsibilities related to local and domestic circularity.
- Examining barriers and opportunities for scaling reuse, recycling and upcycling to offer valuable alternative end-markets.
- Informing the development of interventions to achieve a local circular ecosystem.

SCOPE

This research focused on mapping and engagement with key stakeholders across the post-consumer textiles value chain, detailing insights shared by stakeholders involved in management, collection, sorting, grading, reuse, and recycling. For the purposes of this report, the following was in scope:

- **Post-consumer textiles (PCTs):** refers to textiles that have been purchased, used and then discarded by households. Post-industrial textiles and pre-consumer textiles were excluded from the research, despite representing a considerable fraction of textile waste volumes. In some cases, businesses that use these textiles as feedstock within reuse and recycling processes were included where considered relevant. Post-consumer textiles can be classified as either:
  - **Reusable textiles (RTs):** post-consumer textiles that have been used and discarded but are still usable in their current form (or with minimal repair); or
  - **Non-reusable textiles (NRTs):** post-consumer textiles that are not reusable for their intended purpose but hold value within upcycling and recycling end-markets.

The following stakeholders were included in the study:

- **Local authorities:** have a range of functions and levers that shape the post-consumer textile value chain, however the role of local government is often overlooked within circularity research.
- **Textile merchants:** provide a vital function in the post-consumer textile landscape by collecting, sorting and directing textiles to reuse, recycling and end-of-life management pathways.
- **Circular businesses (SMEs):** small and medium-sized circular businesses drive innovation and provide services including redistribution, reuse, repair, upcycling and recycling at a local level.

METHODOLOGY

This research used a mixed-methodological approach to gather representative data from the post-consumer textile supply chain. The research methods underpinning this report include:

- **Analysis of waste data:** Official waste data via **WasteDataFlow** which reflects local authority collected waste volumes along with processing and destination data.
- **Interviews with stakeholders:**
  - London's local authorities that were selected in consideration of the following criteria: geographical spread (inner and outer boroughs), density/deprivation levels, and high reported reuse rates.
  - Textile merchants operating in London.
  - Small businesses headquartered in London offering circular economy services such as repair, redistribution, upcycling, and recycling.
- **Survey to London's local authorities:** Responses included: three waste disposal authorities (WDA), nine waste collections authorities (WCA) and three unitary authorities. All except one WCA are part of joint waste partnerships with WDAs.
- **Literature review:** In-depth academic and market research including the review of 30+ academic studies and industry white papers.

Research limitations:

- **Data limitations:** The post-consumer textile value chain has very limited publicly available data to support formal assessment. There are also inconsistencies in available data (e.g. waste volumes, composition and typology) as well as terminologies and criteria.
- **Stakeholder involvement:** Engagement was limited to local authorities, sorters and graders and circular businesses, and excluded other key stakeholders such as brands, second-hand retailers, textile exporters, and citizens. This was due to limited capacity, and future research should consider their involvement. It is also important to note that not all of London's local authorities were included in this research. Representative local authorities were included in the interview phase, and while all boroughs and waste authorities were invited to respond to the survey, there were 15 responses.



Current post-consumer textiles supply chain: an overview

Current post-consumer textiles supply chain: an overview

The UK's current value chain for post-consumer textiles is complex and often opaque, comprised of numerous public, charitable, and commercial stakeholders operating across a series of stages.[10] In Figure 1, solid lines depict established pathways within the post-consumer textiles value chain from point of disposal or donation to end-of-life treatment, while dotted lines depict alternative and/or emerging circular pathways. These flows are intended as illustrative and are not representative of flows outside the scope of this research.

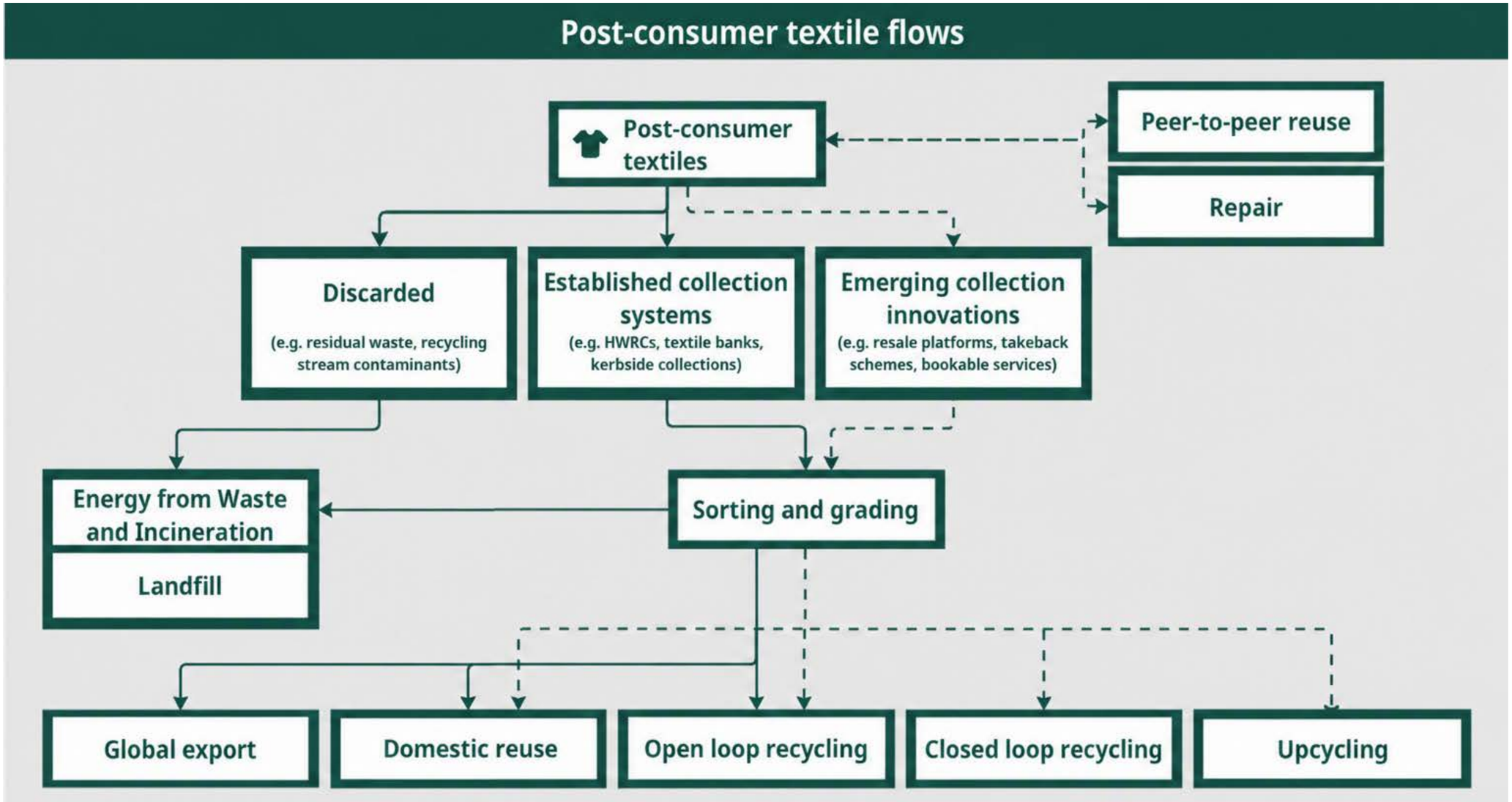


Figure 1. The UK's post-consumer textile supply chain

COLLECTIONS

The UK already has an established collections infrastructure which captures large volumes of textiles. In London, an estimated 57% of total post-consumer textiles are captured for reuse or recycling via charities, local authorities and textile merchants. The remainder (43%) is discarded by citizens in residual waste streams where it is lost to incineration or landfill.[11]

Of the volumes captured for reuse and recycling, an estimated 16% of collections are managed by local authorities mainly through contractual arrangements with external organisations. Textiles are either dropped off at bring sites (e.g. textile banks), taken to a Household Waste Recycling Centre (e.g. HWRC or 'civic amenity site'), collected via segregated textiles kerbside collection or through bookable doorstep services, or via brand and retailer takeback schemes.

In addition to local authorities, the charity sector and textile merchants play a central role facilitating an estimated 84% of post-consumer textile collections within London.

SORTING AND GRADING

Dedicated sorting and grading merchants undertake the most detailed and skilled part of the process. Sorting and grading take place both in the UK and overseas, although the number of UK-based operators has declined significantly, from an estimated 60 businesses in 2014 to around 12 today.

Looking specifically at textile merchants, as commercial entities, their primary function is to consolidate large volumes of textiles amassed from a wide range of sources, including local authority collections, recycling banks, charity shops, and in-store take-back schemes, and channel them onward to the next stage of processing, primarily sorting and grading for reuse or recycling.

Some textile merchants go beyond simple collection and consolidation and carry out an initial stage of separation or sorting. This process is less detailed than full grading but is important in reclassifying textiles before they reach specialist sorting and grading facilities. At this stage, items may be separated by broad categories such as seasonal clothing (e.g. winter or summer garments), destination markets, or reuse pathways, and large contaminants such as coat hangers and non-textile items, may be removed.

In specialist sorting facilities, textiles are meticulously processed: contaminants are removed, items are separated into specific product types (such as trousers, t-shirts, dresses, or blouses) and then graded by trained operatives. These workers assess each item using a combination of touch and visual inspection, judging quality, wear, cleanliness, brand, and reusability. Decisions are influenced by market demand, end-use requirements, and the condition of items, which can vary depending on how and where the textiles were collected.

END MARKETS

After sorting and grading, textiles are weighed, baled, and prepared for sale into appropriate reuse or recycling markets. Large sorting and grading operations may produce over 250 distinct product categories, reflecting the complexity of matching variable supply with fluctuating global demand. Reusable grades are typically sold into UK vintage and charity shop markets, as well as international reuse markets across East and West Africa, Eastern Europe, Jordan, and smaller specialist destinations. Lower-grade textiles are sold into repair, recycling, or wiper markets, with destinations including the UK (in limited volumes), Pakistan, India, Turkey, Morocco, and parts of Eastern Europe.

Data on the composition of post-consumer textiles are limited, although it is widely acknowledged that synthetics dominate the material mix, and that the composition and quality of post-consumer textiles entering the sorting and grading sector pose a challenge as they do not match current end-markets' requirements.[12]

Systemic barriers to increase local and domestic circularity in the post-consumer value chain



Across the post-consumer value chain, stakeholders highlighted a number of systemic barriers that limit opportunities to embed domestic circular practices. These barriers fall under the following thematic categories: quality and quantity of post-consumer textiles; economic and market imbalances; policy and legislation; data availability, quality, and consistency; capacity gaps and the offshoring of used textiles; and skills, knowledge and culture.

QUALITY AND QUANTITY OF POST-CONSUMER TEXTILES

Stakeholders report challenges related to an oversupply of used textiles which is increasingly comprised of low-quality and/or non-reusable textiles (NRTs). This overall quality degradation makes a significant fraction of post-consumer textiles unsuitable for reuse, and even recycling, escalating competition for a limited segment of captured materials, undermining the viability of circular pathways, and placing increasing economic pressure on collection, sorting, and processing systems.

In response, textile merchants may not collect from all regions to avoid lower quality collection points, potentially resulting in higher volumes within residual waste streams. These findings are particularly pronounced in urban contexts: high volumes of post-consumer textiles originate from cities with textile merchants reporting that textiles collected in London are among the lowest quality in the UK.

Given the increase in NRTs, systems must shift from reuse toward recycling, which creates challenges in directing materials appropriately. Established sorting practices are largely designed around global reuse and recycling focused markets, with limited standardisation for local diversion for reuse and recycling pathways.

ECONOMICS AND MARKET IMBALANCE

Stakeholders highlight persistent economic barriers and cost pressures across the value chain. For local authorities, limited internal funding specifically allocated to textiles limits strategic service delivery outside of free or revenue generating activities, and results in uneven capacity for action, disparities and disjointed implementation of circular textile initiatives.

Forthcoming policy measures may further impose additional financial burdens. The disposal of textiles currently costs London boroughs £7.7 million per annum. This is anticipated to rise to £12.2 million in 2028 in response to the UK Emissions Trading Scheme reforms which will increase incineration costs for fossil-derived materials such as polyester fibres.[13]

For textile merchants, economic challenges primarily arise from the cost of collection including transport, labour, and specialised equipment, combined with low or negative margins for textile reuse and recycling. Rising feedstock costs further erode already thin margins. Collectively, these factors create a market imbalance: there is insufficient market absorption capacity in relation to the volume and quality of post-consumer textiles entering the system relative to domestic and international demand and the scale of infrastructure.

Access to funding emerges as a cross-cutting challenge, particularly for small circular businesses who report challenges in securing finance to cover high upfront investment, often associated with the need to purchase specialised equipment. Small circular businesses may also struggle to navigate and integrate into fragmented systems and may face limited and inconsistent demand for end products which further constrains their ability to scale operations.

Volatile textile stock values add financial uncertainty to the circular market system. These economic constraints reduce system resilience, limit investment and act as a significant barrier to scaling domestic circular textile solutions.

POLICY AND LEGISLATION

This theme highlights the absence of clear, binding, and consistently implemented policy measures for post-consumer textiles. Service provision for textiles is not currently mandated and as a result varies by local authority in alignment with local priorities and/or policies. While policy direction exists at the EU level (such as requirements for the separate collection of textile waste and Extended Producer Responsibility legislation), stakeholders identified significant gaps in UK policy frameworks that constrain progress towards domestic circularity.

Businesses delivering circular solutions would benefit from supportive policy frameworks that clarify direction and enhance their competitiveness and market position.

In the absence of such policy, circular businesses remain niche and larger industry players lack incentives to establish circular businesses models internally or engage circular businesses as third party contractors.

DATA AVAILABILITY AND CONSISTENCY

This theme highlights systemic challenges related to the collection, consistency, centralisation and accessibility of data on post-consumer textiles. It encompasses gaps in reliable data collection (such as reliance on third-party reporting and fragmented data sources) and, consequently, incomplete or inconsistent datasets on waste composition, volumes, and flows. Inconsistent terminology across stakeholders further limits standardisation in data reporting, particularly at the local authority level where ‘reuse’ and ‘recycling’ are often conflated within public reporting.

Moreover, textile merchants operate within a fragmented system where sorting and grading criteria vary across operators and end markets. Inconsistent definitions of quality and reusability reduce transparency and comparability of material flows, limiting coordination across the supply chain. Relatedly, circular businesses reported that limited access to commercial textile waste data constrains stock planning and the forecasting of raw material availability for circular services, hence the scale up of certain business models.

Collectively, these challenges contribute to system fragmentation and inefficiencies, hindering evidence-based decision-making, value chain coordination, and the effective planning of a domestic circular textile ecosystem. Though post-consumer feedstock requirements and potential capacity remain unclear, informal relationship building and participation in established networks continue to be key enablers for circular businesses to overcome barriers and gain access to required materials.

Additional data gathering activities would support the development of more detailed and locally tailored interventions. This includes assessing the relationship between collection mechanism and the quality or grade of textiles captured to inform best practices for service delivery and extending current waste data evidence to identify and assess non-clothing and non-reusable items where possible. Socio-economic waste data would also be valuable in further uncovering effective communication and collection routes for local populations.

INFRASTRUCTURE GAPS AND THE OFFSHORING OF USED TEXTILES

Whilst existing collection services provide a foundation for local post-consumer textile capture, existing infrastructure prioritises fashion items above non-fashion items. This creates a capacity gap, as non-fashion items (such as household linens) comprise 50% of the UK’s textile waste stream.

Furthermore, there are combined pressures of increasing textile waste volumes and insufficient physical and technical capacity to manage them locally and close to source. Limited access to affordable and suitable physical space is one of the factors that limits the scaling of circular processes, such as sorting, storage, reuse, and recycling operations.

In parallel, the UK lacks sufficient textile recycling infrastructure, particularly for fibre-to-fibre recycling at scale. Even where stakeholders express a clear ambition to increase domestic textile recycling and circular processing, existing infrastructure gaps make this difficult to achieve in practice. For sorters, graders, and circular businesses, this creates a structural mismatch between circularity objectives and operational feasibility.

SKILLS, KNOWLEDGE AND CULTURE

This theme highlights barriers around human resources, expertise, and behaviour that affect the development of a domestic circular textiles system. From a textile merchants’ perspective, there is a clear need for specialised skills to carry out effective textile collection, sorting, and recycling. Recruiting and retaining staff is a major challenge, as these activities are highly labour-intensive and subject to a high turnover. This challenge of securing reliable personnel significantly affect operations, despite ongoing efforts to improve retention.

Further, additional textiles waste collection services from local authorities, such as doorstep step collections, are not yet highly used by citizens where they exist. To date less than 10% of used textiles are collected directly from households via kerbside or bookable services and collections have not increased since 2017 across London on average. Citizen behaviour change therefore sits at the centre of local circular transitions.



An analysis of emerging local post-consumer textiles innovation

In response to the challenges and systemic barriers facing the post-consumer textile supply chain, there is an emerging innovation ecosystem which are developing solutions that either aim to make the system more efficient, data rich and transparent, or are introducing domestic circular end markets for waste textiles.

As the largest membership organisation for circular businesses in the UK, ReLondon's Business Transformation community was used as a proxy to assess emerging areas of circular economy innovation. There are currently over 150 London-based circular businesses within the network offering solutions for textiles. Of this, 60% are reusing materials through methods including resale, upcycling, or recycling.

Businesses that were included in this research are pioneers across the innovation spectrum, including upcycling platform **Studio Phini**, material marketplaces including **Eslando** and **The Materialist**, resale platform with a social value aspect **Give Your Best** and fibre scanner technologies such as **Matoha** and **Kapdaa**, among others. These businesses were selected for inclusion as they currently offer solutions for post-consumer textiles or show potential for expansion into this area.

Here, an analysis of emerging markets in the post-consumer textiles London landscape is outlined, including resale, upcycling and recycling innovations.

EMERGING MARKETS FOR REUSABLE TEXTILES

A. Resale innovations:

Innovative businesses who collect and resell post-consumer textiles, or who enable peer-to-peer resale or exchange, are emerging and operating alongside and sometimes in partnership with established charities and textile merchants. These businesses are implementing several types of innovations that could help solve challenges experienced by the established post-consumer textiles supply chain:

- **New types of collections help increase the volume or quality of the collected materials:** for example, mail-in 'donation bag' services or bookable collections.
- **More cost-efficient sorting systems:** businesses are trialling tech-supported collection and sorting systems to make operations more cost-efficient. These digital solutions also help to streamline processes, automate pricing based on past sales, and ensure consistent grading and standards across staff.
- **New channels for resale or redistribution to increase the demand for second-hand clothing:** businesses are also cultivating new resale channels, for example by partnering with retailers and brands for resale on the high street or by redistributing clothing to families in need - like **Give your Best**.

Barriers to scale:

Whilst they provide new ways to foster end user demand and make the reuse process more cost-efficient, similar to established textile merchants, these emerging businesses struggle with the reducing quality and value of post-consumer textiles as 50-70% of collected textiles are not suitable for resale. Fostering recycling and upcycling end-markets will therefore also be key to preserving the profit margins of existing and emerging resale businesses.

Further, emerging circular businesses usually operate at a smaller scale and therefore do not benefit from the same economies of scale as their linear counterparts. There is also a risk that they will act as competitors and divert valuable material which textile merchants rely on to maintain profit margins. Working in partnership to integrate emerging services into established business models may help to maximise value.

EMERGING MARKETS FOR NON-REUSABLE TEXTILES

A. Upcycling innovations

London has seen an increase in local designers using textile waste as a material to manufacture new products. Although there are a few of upcycling designers and brands (e.g. Fanfare) who use a portion of post-consumer textiles within their product design, most upcycling designers currently source materials from pre-consumer feedstock due to consistency of quality and type, as well as access and transparency to data on available materials.

Using post-consumer textiles is technically feasible and there is a growing demand from consumers, demonstrated by the fact that B2C upcycling platforms are growing. For example, upcycling platform Loom established in 2023 and already has developed a community of 106 designers that work on commission to rework citizen's unwanted clothing into new items. But there are a few limitations to be aware of, and barriers to scale to be tackled.

Barriers to scale:

- **Quality requirement:** Fast-fashion items or damaged fabrics cannot withstand upcycling processes. Most upcycling businesses therefore target high-end and specific materials (e.g. denim, silks, wools, luxury cotton, bridalwear).
- **High-end demand:** Because of the high-value of materials targeted by upcylers as well as processing costs due to the manual labour needed to manufacture one-off upcycled pieces or small batches, upcyclers currently target niche and luxury markets, sometimes by partnering with brands or retailers.
- **Skills requirement:** Using post-consumer textiles requires specific skills and knowledge to adapt the design and production process to a variable and more complex feedstock. Although the upcycling market might represent a smaller opportunity in volume compared to the recycling market, it can be a valuable complement, able to manage and retain the value of smaller volumes of high-value materials.

B. Recycling innovations

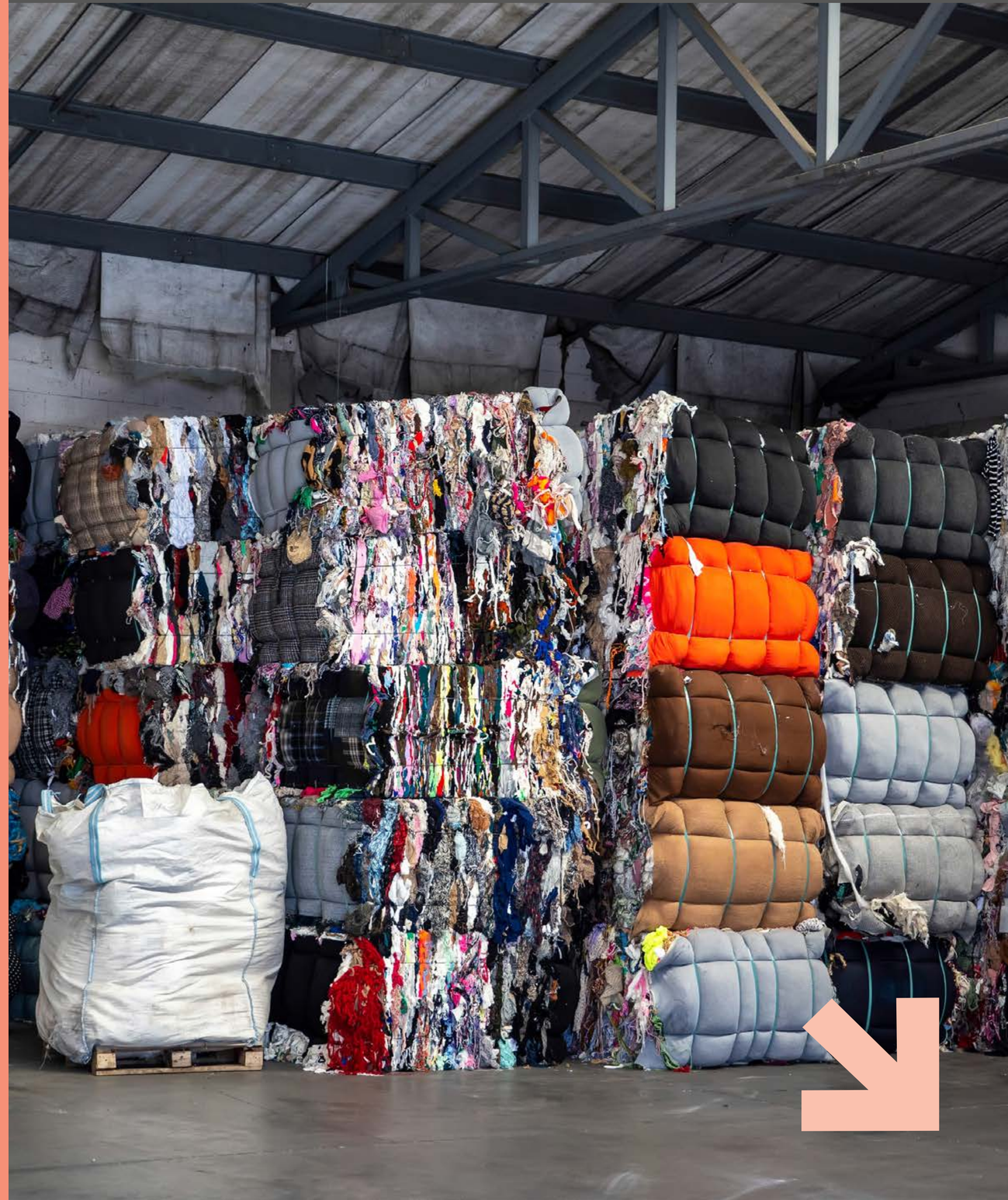
Alongside established 'downcycling' operations, new businesses developing cutting-edge technologies to recycle textiles at a higher value are starting to emerge in London and the UK. Analysis of these emerging market solutions highlight opportunities related to:

- **Small scale solutions unlock** localised opportunities for recycling close to source and support the development of city-level supply chains (e.g. Fibrelab's shredding as a service capability).
- **New material innovations** widen potential uses of recycled fibres beyond downcycling to a wide range of high value products (e.g. Kapdaa's transformation of textile waste into materials for the construction industry).
- **Technical innovations** have been developed which provide clarity on fibre composition (e.g. Matoha's and Kapdaa's fibre scanning), thereby making processes faster, more cost-efficient and scalable. Progress in scanning technology is rapidly developing.
- **B2B marketplace platforms** have started to facilitate global trading of textile waste at scale, helping to overcome challenges related to different material quality needs across end-markets' availability. Eslando, for example, established in 2023 and already has 220 businesses registered on their platform. As of 2025, they have made over 20,000 tonnes feedstock available for purchase by recycling markets.

Barriers to scale:

- **Feedstock requirements:** Recycling processes have specific requirements on materials, usually requiring mono-materials with low contamination levels. Some also lack adequate pre-processing processes, tools or technology to treat specific material complexity or clothing elements such as trims.
- **Scale:** Recycling at scale also relies on large quantities of feedstock compared to volumes typically prepared for reuse markets. This, for example, has an implication on the size of bales: recyclers requiring larger bales than resale businesses.
- **Infrastructure:** Due to the above requirements, there is a need to fundamentally shift the sorting infrastructure, largely reliant on manual labour and producing small reusable textiles bales, to large scale and tech-enable sorting infrastructure. Further, existing product manufacturing infrastructure (e.g. for spinning) can't yet integrate recycled fibre into their processes.
- **Lack of demand for recycled fibre:** There is an overall lack of demand for recycled fibre in the UK, mainly driven by a higher price for recycled than virgin fibres.

Local levers to support the scaling of a local circular textile ecosystem



Local levers to support the scaling of a local circular textile ecosystem

As noted, cities play a critical role in shaping the post-consumer textile value chain and local levers have the potential to support emerging solutions and embed circularity within domestic systems. This includes levers held by local authorities, who have influence in the following areas:

- **Waste services and infrastructure:** Waste collection authorities are responsible for arranging waste collections and directly provide or coordinate services. Waste disposal authorities also determine recovery pathways including reuse and recycling opportunities as well as end of life management including landfill and energy from waste/incineration. This function includes:
  - **Data collection:** Local authorities are required to report the types and quantities of waste they collect via **WasteDataFlow** through which quarterly reports are produced that detail the source and destination of waste tonnages across England, Northern Ireland and Wales.

- **Policy and regulation:** By setting priorities, targets and developing strategies within local plans and policies, local authorities enable actions and infrastructure related to textiles. Local policy documents such as climate plans and recycling targets are seen as valuable tools which help to provide direction, secure institutional support, and allocate resources to develop local circular systems. Local authorities also hold powers related to enforcement on issues such as contamination and fly-tipping.

- **Public communications:** Information on councils' services is provided to residents through a range of public channels and can be used to build awareness and signpost to relevant campaigns and events.

- **Local economic development and local community support:** Local authorities can support businesses' growth through direct procurement, signposting, facilitating connections, providing space that is free, affordable or flexible, or adjusting business rates. Recycling credit programmes, where local authorities pay charity retailers per tonnage for materials processed for reuse, provide an example of how budgets can be used to support local diversion. Further, repair voucher schemes and subsidisation of local services is another way to help foster accessibility and stimulate demand for local businesses.

CHALLENGE AREAS

Local authorities experience several challenges to fully utilising the above levers to foster a more localised circular supply chain. Firstly, relevant responsibilities sit across diverse range of departments within local authorities: from planning and communications to economic procurement and regeneration teams. Building knowledge on textiles and fostering collaboration between departments is a critical first step to ensuring circularity is embedded in local priorities and operations.

However, financial challenges may further constrain departments' ability to take additional strategic and long-term actions beyond managing day-to-day essential waste services. Over the next four years (2025-26 to 2028-29) the cumulative budget gap for London local government is forecasted to exceed £4bn and half of London boroughs could require emergency support to avoid bankruptcy by 2028.[14]

As such, there is still a strong reliance on established partnerships and long-term contractual arrangements for textile collection and waste management. While these formalised contracts help to provide assurance and credibility, in some cases they may also constrain circular activities. Many of these agreements were developed under earlier policy and market conditions and offer limited flexibility to adapt services, trial new approaches, or integrate emerging circular solutions. As a result, the ability of local authorities to change providers, revise performance requirements, or prioritise local reuse and recycling outcomes may be restricted.

Further, Waste Data Flow shows that, from 2019-2024, over half (53%) of the collection and processing of London's post-consumer textiles was facilitated by four organisations. While there are 56 registered companies operating in the city in partnership with local authorities, only 13 are reported as having processed over 1,000 tonnes of material. This concentration of market share limits the competition and range of services available to local authorities. It also emphasises risks within the current infrastructure, particularly as key textile merchants are in the process of reviewing and/or reducing their footprint within London due to the decreasing value and increasing volume of used textiles.[15]

Lastly, there is a lack of data that would help local authorities make strategic decisions related to procurement and service delivery, such as detailed composition of textiles within the waste steam including their typology (e.g. clothing and garment subcategories) as well as condition (e.g. RTs vs NRTs). Carbon reduction, social value calculations and socio-demographic analyses could also be used to make the case and effectively tailor service provision.



Summary of recommendations

Summary of recommendations



This research identified recommendations to develop or enhance local circular textile ecosystems that fall under four systemic, interrelated themes: enhancing data and transparency; scaling innovation; increasing support for local repair, redistribution and upcycling initiatives; and cultivating a circular economy culture.

These recommendations require coordinated action across the post-consumer value chain, including local authorities, textile merchants, circular businesses and beyond, in order to unlock domestic opportunities for post-consumer textiles.

Enhancing data and transparency:

- **Improve data collection and sharing** across boroughs, waste authorities, textile merchants, and third-sector organisations would provide a more coherent understanding of textile flows and system performance. Coordinated approaches to data collection and reporting would support evidence-based planning and reduce fragmentation across local systems.
- **Standardisation of terminology** can help build transparency of material flows and inform effective interventions, as poor data leads to weak system optimisation.
- **Investment into enhancing data** on the quality and type of post-consumer textiles (e.g. category, fibre, quality, quantity and costs) across collection and sorting systems would enable transparency for potential end markets. This could also include trialling integration of technology into local collection processes on material, category and/or fibre composition of post-consumer collections.

Scaling innovation:

- **Support local networks and initiatives:** membership networks, mentorship programmes and industry events were noted as valuable entry points that helped nascent businesses establish and grow.
- **Foster strategic partnerships** between innovative circular businesses and the established post-consumer value chain (including charities, textile merchants) to scale the development of innovate reuse, upcycling and recycling solutions that can tackle the variability and complexity of the post-consumer textiles feedstock.
- **Support development of infrastructure:** sophisticated sorting infrastructure and processes (e.g. collection, aggregating, de-trimming, sortation) are adapted to the needs of established and emerging end markets are key drivers to effectively encourage scale.
- **Develop mature downstream markets** for recycled fibres, for example by supporting industry-wide commitment to use recycled fibres (in textiles and other industries who could use recycled fibres).

Increasing support for local repair, redistribution and upcycling initiatives:

- **Provide space** to support local circular initiatives at free or low cost. Local subsidies or other economic incentives also help to de-risk local businesses, support community initiatives and grow circular opportunities for residents.
- **Explore public funding models** that reflect current market realities and which support development of robust collection, sorting and reuse infrastructure. This could include assessing the cost savings associated with waste minimisation, or exploring the use of economic development or carbon budgets to fund circular initiatives, recognising their social, economic and environmental value.

Cultivating a circular economy culture:

- **Promote sustainable consumption behaviours** to citizens to promote uptake of repair and foster the end-demand for second hand, upcycled, long lasting or high-quality textile goods.
- **Assess effective collection mechanisms** that preserve quality of discarded items for reuse, particularly within dense, urban environments, and build off this evidence to develop clearer donation guidance to improve feedstock viability.
- **Upskilling of local authority officers** and fostering cross-department collaboration will help to build capacity for strategic action on textiles.

Conclusion

This research highlights that while London has a well-established infrastructure for collecting post-consumer textiles, the system is not yet configured to support a local circular economy ecosystem. Instead, it operates within a fragmented and increasingly strained value chain, characterised by declining material quality, economic imbalance, limited domestic processing capacity, and inconsistent policy and data frameworks.

To overcome the identified barriers to circularity and unlock circular pathways for post-consumer textiles, stakeholders must collectively revise, adapt and enhance established processes. This transition will depend on coordinated action across policy, infrastructure, markets, and behaviour change to create the foundation for a fundamental shift from a largely linear, export-oriented system to one that prioritises local value retention, high-quality collection, transparency and robust data, and aligned investment and incentives.

As the epicentre of consumption and waste, cities are well situated to coordinate and enable circular transition. Coordinated action around data collection, textile categorisation, and innovation support support will help overcome the significant challenges facing the value chain, de-risk investment into emerging technologies and partnerships, and develop a resilient textile ecosystem in cities across the UK.



Additional resources

Additional partner resources that complement this report include:

- **London's fashion footprint (2023):** a material flow analysis for London's fashion and textile supply chain delivered in partnership by University College London, ReLondon and Circle Economy, which assesses the potential impact of circular economy interventions, including reuse and repair, on scope 3 emissions.
- **London's Textile Action Plan (2025):** Collaboratively developed by the Greater London Authority, London Councils, ReLondon and the Ellen MacArthur Foundation, this plan sets out a programme of activities to accelerate progress towards a low-carbon circular economy for fashion and textiles in London.
- **UK National Textile Recycling Infrastructure Plan (2025):** outlines a set of industry and government recommendations to transition to a robust, circular textile economy by 2035 in the UK.
- **Circular Manufacturing Report (2025):** an overview of circular manufacturing in the UK textile and apparel industry. It explores current circular initiatives and practices in the sector and presents actionable steps manufacturers can take to integrate circularity into their products and processes.
- **Mapping non-fashion textile flows (2025):** underscores the urgent need to broaden the focus of circular economy initiatives to include overlooked materials.
- **ACT UK - Automated sorting for circularity in textiles (2025):** sets out a practical blueprint for establishing the UK's first Advanced Textile Sorting and Pre-processing (ATSP) facility, designed to accelerate the transition to textile circularity.

End notes

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[9] ReLondon. (2023). London's fashion footprint. Retrieved from: **ReLondon's webpage**.

[10] UKFT. (2025). National Textile Recycling Infrastructure Plan. Retrieved from: **UKFT's webpage**.

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[12] Evidence from Manchester indicates between a quarter and a third of non-reusable items among garments enter the region's sorting facility, which include a high proportion of blended fibres that add to the complexity of downstream recycling. Comparable data for London is lacking and largely outdated.

[13] ReLondon's calculations based on 2025 waste composition data.

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