CIRCULAR ECONOMY HUBS GUIDANCE

01# COMMUNITY

COPYRIGHT

UCL Plastic Waste Innovation Hub (2026).
Circular Economy Hubs. London:
University College London.
DOI 10.17605/OSF.IO/E87AY

email: research@instituteofmaking.ac.uk

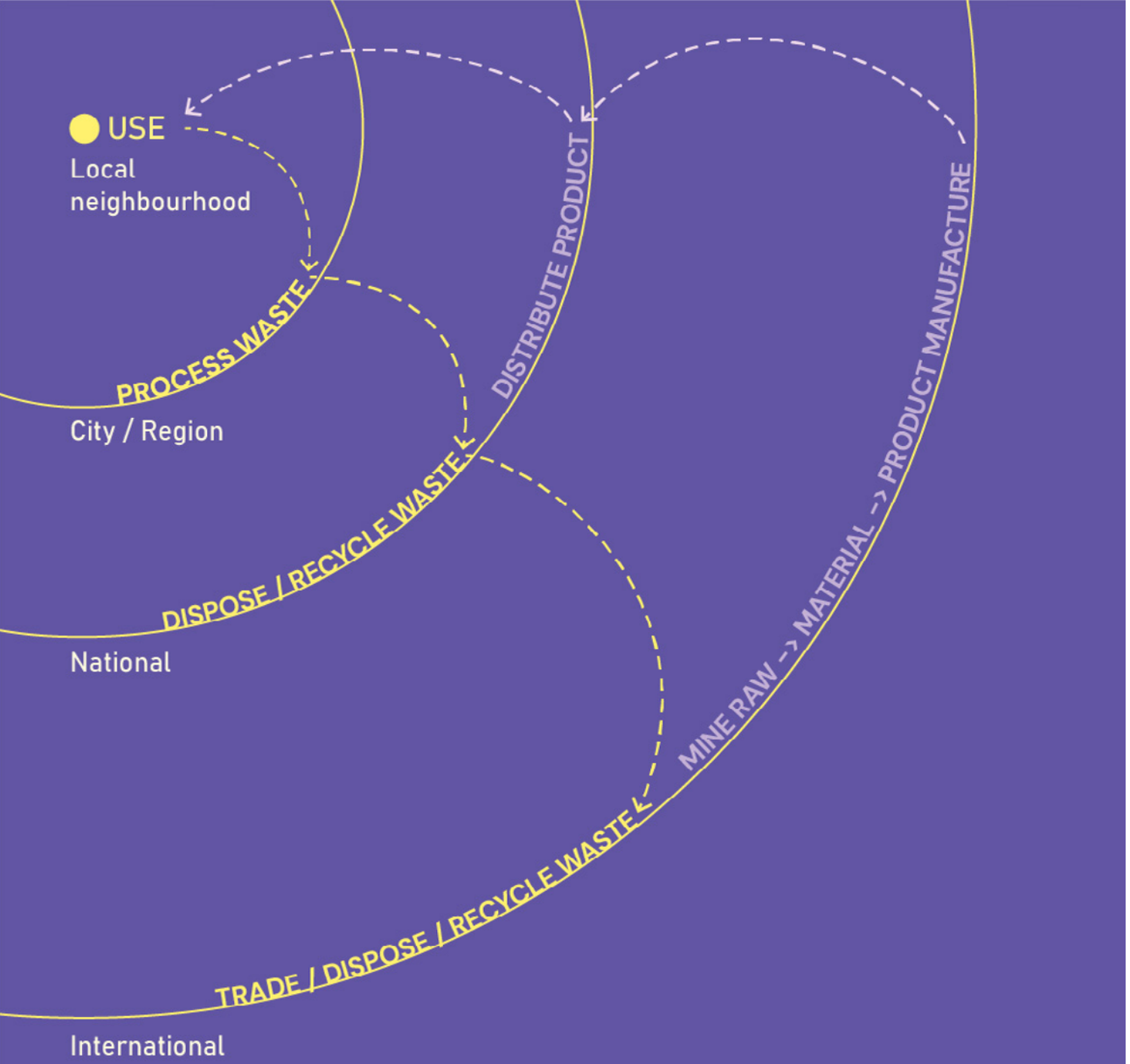
WHO IS THIS GUIDANCE FOR?

This guidance is aimed at senior planning officials, regeneration leads, development managers, community development trusts and businesses in the circular economy.

ACKNOWLEDGEMENTS

With special thanks to UCL Innovation & Enterprise for funding the project, grant EP/X525649/. We also thank Morris+Company, Cella Collective, Hackney Wick & Fish Island Community Development Trust, Arbeit Studios, Sophie Percival, Looply, Reuser, Yodomo, FibreLab, Zhero, Studio TIP, Fantasy Fibre Mill, Are You Mad?, Make Play Design, Matter Forms, Angus Clifford, and OverTheMoon CIC for their contribution to the preparation of this and previous draft guidance.

CONTENTS



CONTEXT

UK cities face significant challenges in delivering sustainable and inclusive growth as well as reducing reliance on natural resources. The 2022 UN Global Compact report on the UK (Measuring Up 2.0) which assesses the UK's progress towards the Sustainable Development Goals highlighted rising consumption and waste levels in cities (SDG11.6) alongside an overreliance on recycling over other resource management strategies (SDG12).

Transition to circular economies – shifting away from traditional linear economies to ones which reduce natural resource reliance through consumption reduction and waste elimination (via resource efficiency, reuse, repair, and recycling) – has become a focal point in many cities' sustainability strategies due to the potential environmental impacts, but also due to their economic potential: Re:London projects that Circular Economy could contribute £24.2bn and 515,000 jobs to London's economy by 2030. In London, this is underscored by the City of London's Circular Economy Framework and Circular Economy goals at the borough level, such as Newham's Just Transition Plan and Hackney's incoming Circular Economy Strategy and Action Plan (due 2026 following the release of the UK Government Circular Economy Strategy). Driving Circular Economy requires interventions at international-, national-, and local-levels, and both inclusion of and changing behaviour and practice within local communities is a key step towards meeting city circularity goals.

Fostering circularity at the local level may bring employment, investment, develop resilience, and help business clusters to thrive. Keeping circular industrial activities in urban settings can support local material loops and value capture, as well as providing more opportunities for local communities to engage with circularity. However – particularly in London – industrial floorspace is on the decline, and the combination of high rent, utilities, and wage bills puts significant financial burdens on businesses.

CONTEXT

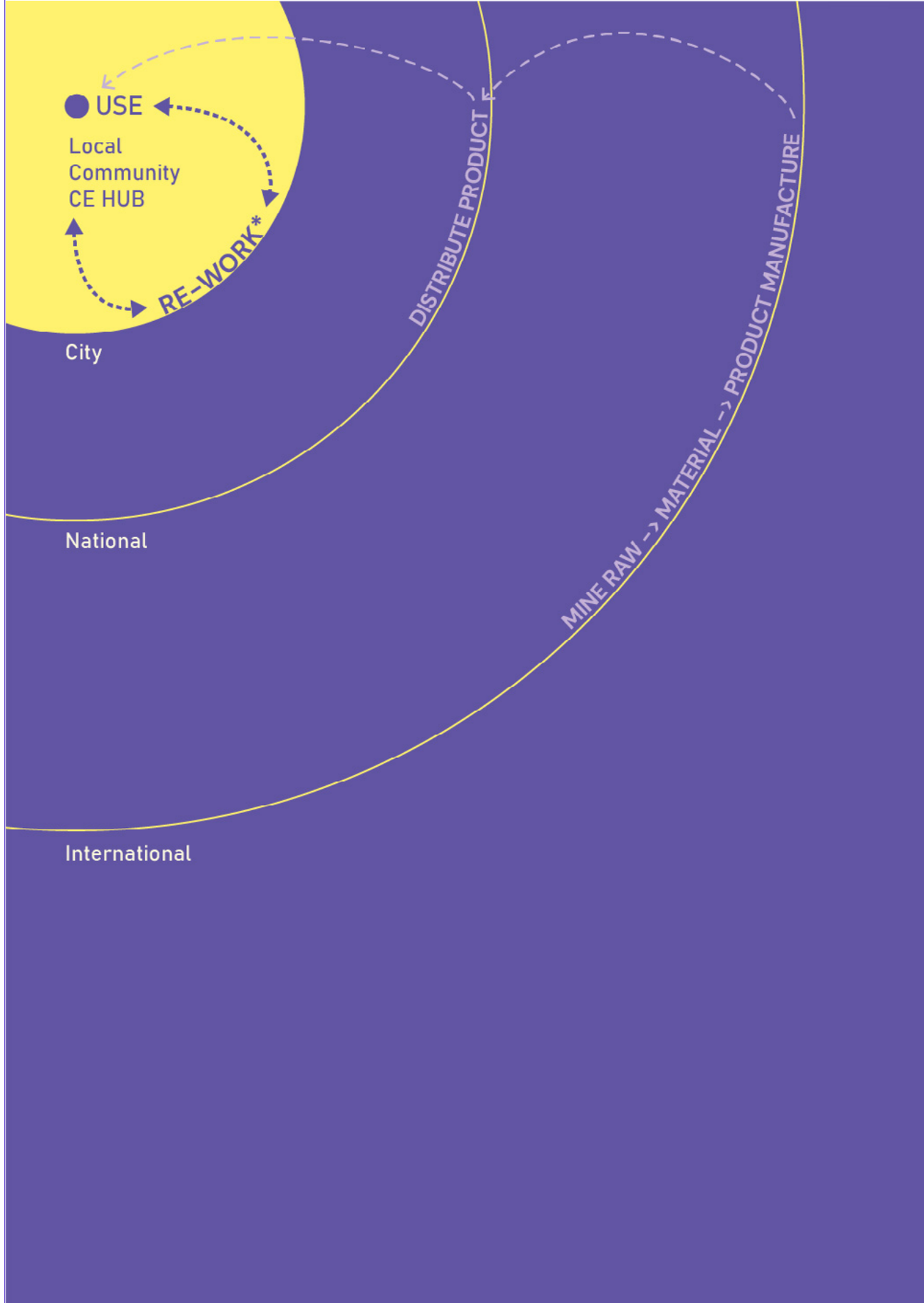
Re:London has highlighted how different stakeholders can enable keeping circular processes in cities:

- Businesses can use processes with reduced footprints and/or those which can be used in non-industrial spaces, and distributed infrastructure where appropriate.
- Building owners can seek site intensification or clustering and offer flexible terms to tenants
- Under-used sites can be repurposed or reclaimed for circular activities
- Site operators can develop shared infrastructure or equipment, particularly to support early-stage businesses or specific industry clusters

Circular economy hubs can be designed around one or several of these elements to provide much needed space for circular activities and processes. Hubs such as The Loop in Hackney Wick and Plant Chicago demonstrate how disused industrial space can be reclaimed for use by local business communities. Additionally, both of these projects have a strong community focus and can generate significant social value. This could be further boosted by integrating local services for residents such as repair cafés or provisions for sharing resources (e.g. material collection hub, community materials banks or tools libraries).

Recognising the potential of these hubs to generate positive impact across communities and local economies, this guidance is focused on the development of **Community Circular Economy Hubs, particularly those which act as a host for local SMEs**. While some elements of this guidance will also apply to the setting up of other types of Circular Economy Hub, there will be several significant differences and therefore these fall out of scope of the current version of this guidance.

Definition!
Community CE Hub – physical space centred around circular economy practice which addresses specific local community needs or builds on specific local skills bases, typically with high levels of citizenry and small business engagement.



WHY IS THIS GUIDANCE IMPORTANT?

Interest in community circular economy (CE) hubs is growing – especially in London, where they are often considered an option for meanwhile use projects. However, this rising interest is unfolding within a complex mix of funding conditions, procurement demands, and community expectations, which together make it difficult for CE hubs to progress from isolated pilots into reliable, long-term urban assets.

A major challenge is the 'adoption gap' – the fact that successful pilots rarely translate into enduring, repeatable models. Many hubs perform well in their local context but remain isolated because they do not align with investment, delivery and governance systems that the built environment relies on. Public-sector funders need reliable supply chains and demonstratable value for money (including social value); private investors look for predictable, de-risked pathways; developers require operational certainty to support meanwhile and long-term plans; and communities will only stay engaged if the see clear lasting benefits. In this context, guidance becomes essential: without support to navigate these pressures, even high-performing CE hubs risk stalling – not due to lack of merit, but because they cannot bridge the gap.

Setting up and operating a CE hub therefore involves a series of careful considerations:

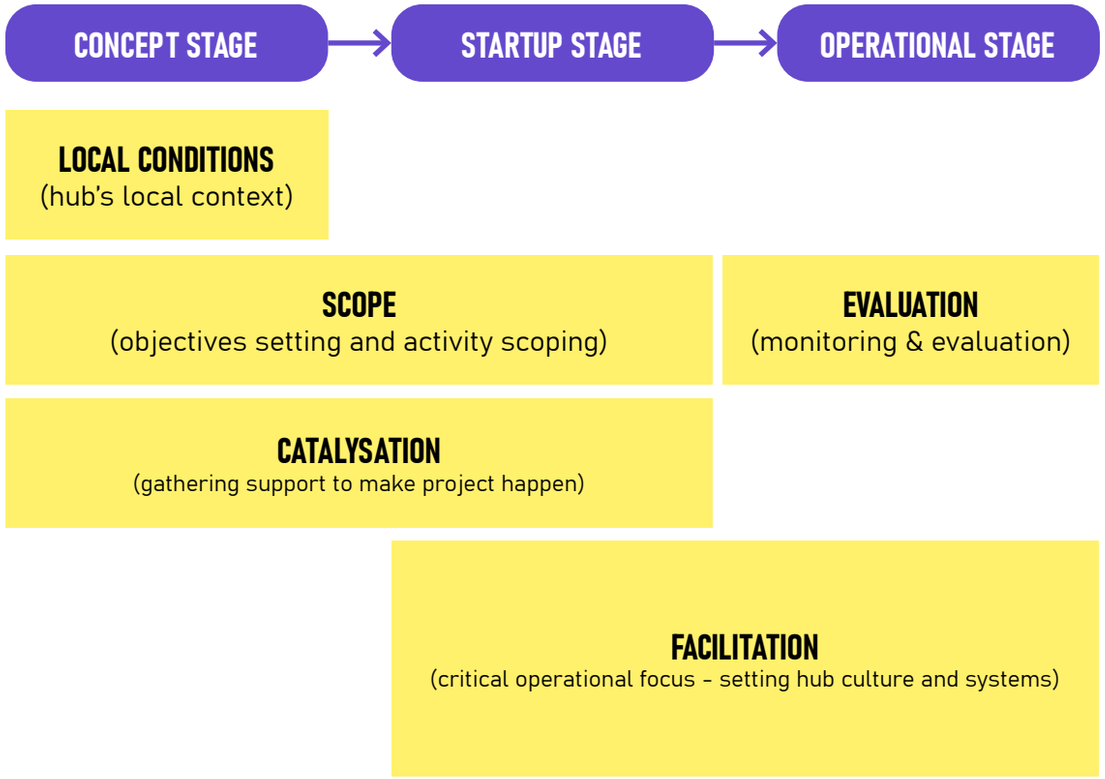
- **SCOPE** and Expectations: CE hubs can take many forms, and different stakeholders often imagine different functions, audiences, or business models. Clear orientation and objective-setting during conception is essential – not only to anchor the project locally, but also to create coherent identity that funders, citizens and partners can understand and support. As conditions evolve, these objectives should be revisited to ensure the project remains relevant while still working toward replicable, scalable models.

- **LOCAL CONDITIONS** and Needs – The most successful CE hubs respond directly to local citizen, business and industry needs. Detailed early-stage analysis – of material flows, existing skills, underused assets, and community aspirations – help ensure the hub delivers real value. This grounding in place is essential for the identification of a community of practice, but it must be paired with awareness of wider system requirements, so hubs do not become isolated.

> **Definition!**
> **Community of practice –** groups of people who share a concern, a set of problems, or a passion about a topic, and who deepen their knowledge and expertise in this area by interacting on an ongoing basis. [REF]

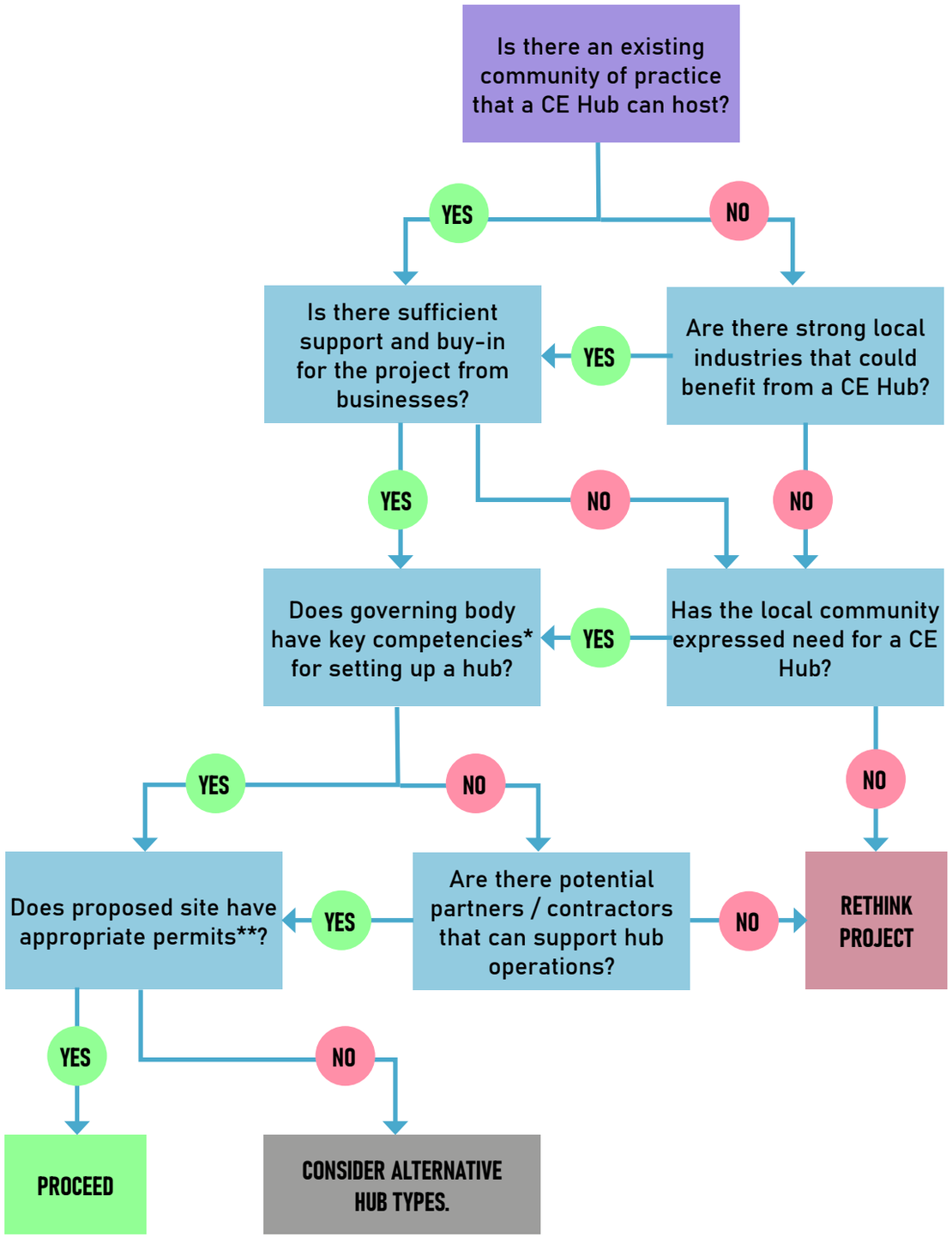
- **CATALYSATION** and Support* – CE Hubs rarely launch without deliberate activation. Given the mixed funding landscape, early support must balance experimentation with the discipline to build credible operation models over time. A well-designed start-up phase can help de-risk delivery for investors and public bodies while creating conditions for long-term community benefit.

- **FACILITATION** – Once operational, CE hubs need active cultural and organisational facilitation, not a hands-off approach. Hubs work best when operators' incentives and mission align with circular-economy principles; when operators are just standard site managers, the concept weakens and misalignments can appear (e.g., highly circular firms operating alongside minimal-effort management).
To avoid this principle–agent gap, hubs require operators who are practitioners or closely rooted in the community. They are better placed to steward the mission, model desired behaviours, and support businesses on their own terms. Such operators also tend to build useful adjacencies—new services, partnerships, and collaborations that strengthen the ecosystem and reinforce circular loops. Active facilitation is therefore more than coordination: it is an ongoing role in cultivating culture, enabling collaboration, supporting peer learning, and building the relationships that help the hub thrive.



***Note:** Early-stage circular-economy businesses frequently operate in non-traditional ways and contribute to broader systems-change efforts. They may require specialised forms of support to successfully establish themselves.

DECISION TREE FOR SETTING UP A COMMUNITY CE HUB



* Competencies include administration, operations and impact monitoring.
** Permits include relevant environmental and health & safety permitting and planning permissions for relevant use class.

FRAMEWORK SUMMARY

MAPPING LOCAL MATERIAL FLOWS AND SOURCES CAN BE A VALUABLE EXERCISE FOR SCOPING HUB ACTIVITIES.

SUPPORT FROM LOCAL NETWORKS AND INSTITUTIONS CAN ALSO BE SIGNIFICANT FOR THIS TYPE OF PROJECT.

CORE PROJECT OBJECTIVES SHOULD BE CLEARLY OUTLINED DURING PROJECT INCEPTION.

This guidance sets out the critical considerations for designing and establishing Community Circular Economy (CE) Hubs, focusing on the questions and decision points that shape project inception and scoping. It outlines how choices around location, governance structures, objectives, buildings, and amenities determine the form and function of the hub. The framework is supported by a set of decision trees: the first (figure left) addressing foundational questions around purpose, strategy, and local support.

A central theme running through the guidance is the importance of building CE Hubs around the needs, capabilities, and practices of existing businesses and communities, rather than relying on infrastructure-first, "build it and they will come" approaches. Lessons from The Loop and other developments, such as Birmingham Open Media's community-centred model, show the value of creating spaces for and with active practitioners rather than imposing structures in anticipation of demand. Accordingly, the guidance emphasises collaborative and co-design strategies that place local stakeholders, businesses, and residents at the heart of hub development.

The framework identifies five essential dimensions for setting up a Community CE Hub: **1# target stakeholders, 2# time horizons, 3# organisational structure, 4a# operations:spatial, 4b# operations:systems and 5# cultivation**. Together, these considerations help ensure that hubs are locally rooted, strategically coherent, and capable of supporting circular practices across citizens, small businesses, and light or craft industries.

CIRCULAR ECONOMY HUBS

1# TARGET STAKEHOLDERS

Is there an existing community of practice and a critical mass of businesses (SMEs)?
A CE Hub must be grounded in the local ecosystem, beginning with an assessment of whether a critical mass of relevant businesses or practitioners already exists - or can be catalysed into a community of practice. Existing “anchor” organisations can play a vital role by offering advocacy, resources, and networks that support early development.

Does the area have strengths in particular industries or sectors? How can a CE Hub integrate effectively with these?
CE Hubs should seek to work alongside existing industries in their target area. However, Hubs can also be set up in locations without adjacent industries providing that there is a strong case for doing so (geographic, proximity to material flows or skills bases). Hubs in this position should have support from other sources. Light industrial businesses can benefit from clustering with creatives and art practitioners. Collaboration at the intersection of engineering and the arts can spark innovative approaches to circular economy challenges, creatives can also form an important market for reclaimed materials, supporting the growth of businesses.

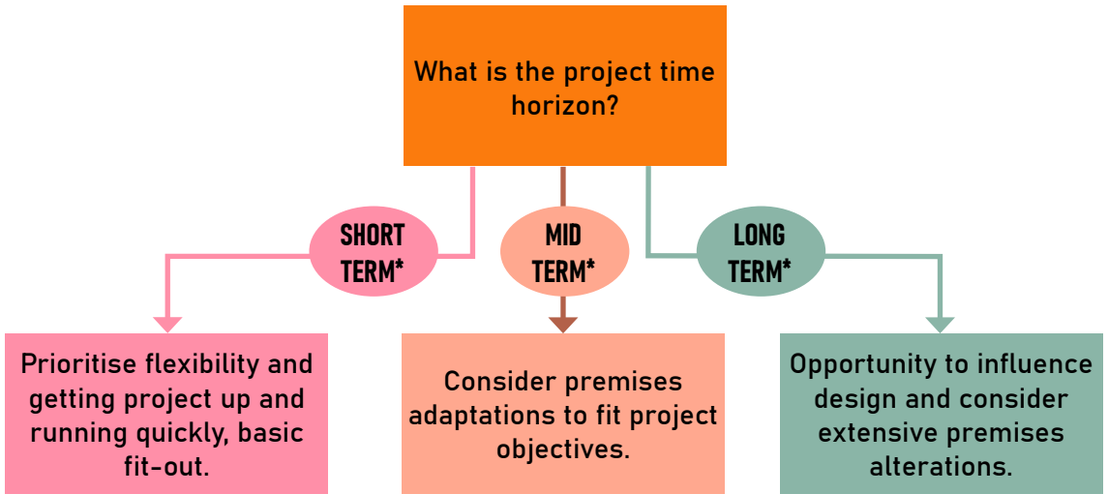
Does the proposed project have demonstrated buy-in from potential stakeholders?
Support from stakeholders can be invaluable to getting CE Hub projects off the ground, whether through agreements for tenancy, partnerships, or proactive advocacy and awareness raising through networks.

Are there aligned institutions in the area which can and are willing to provide support? (e.g. Universities for innovation, specific industrial operators, industrial parks or campuses)
Developing symbiotic relationships with institutions can be beneficial for two-way knowledge transfer, network access, and other partnerships.

What is the vision for community involvement and integration?
This involves considering the hub’s proximity to local residents, identifying how it can meet key community needs, and defining the level of engagement with community groups - ranging from basic liaison to participatory approaches and fuller service provision.

2# TIME HORIZONS

What is the minimum term of the project?
The project's time horizon fundamentally shapes its strategy. Short-term or meanwhile-use projects must prioritise fast mobilisation, flexibility, and narrow, achievable objectives, as limited stability may deter tenant investment. The Loop case study shows that operating on short, year-to-year timeframes can encourage experimentation. However generally such limited horizons often constrain long-term impact, as resident businesses may be reluctant to invest locally while focused on short-term survival. Medium-term projects can begin planning adaptations to premises and broader community engagement, while long-term hubs can take a more intentional design approach—investing in infrastructure, cultivating deep partnerships, and contributing strategically to the circular transition in their locality.



* Short term horizon is usually 12months to 24 months. Mid term horizon is anywhere between 3 - 10 years. Long term horizon is over 10 years.

3# ORGANISATIONAL

Which legal structure(s) is best suited to the project?
Choosing the appropriate legal structure such as a Company Limited by Guarantee, CIC, charity, or other form affects funding, tax obligations, and governance. Importantly, legal status determines access to business rate relief, which is often a make-or-break factor for CE hubs operating larger spaces. Charity structures (CASCs) are thus beneficial as they typical receive up to 80% business rate relief. For hubs with a strong community mission, a Community Interest Company (as is the HWFI CDT) may offer alignment with public benefit goals but only qualify for discretionary relief which varies by local authority.

What are the hub's main objectives?
Clear objectives should be set across environmental, social, financial, and community domains, supported by an impact measurement framework developed collaboratively with resident businesses. The choice of KPIs and impact metrics should be drawn from common social value frameworks where possible (such as National TOMs) and consider additional circularity metrics (Refer to Impact Report for more information). Hub direction and objectives should reflect the Hub's intended niche within the local material and business ecosystem, and consider how it will drive circular transition in the area.

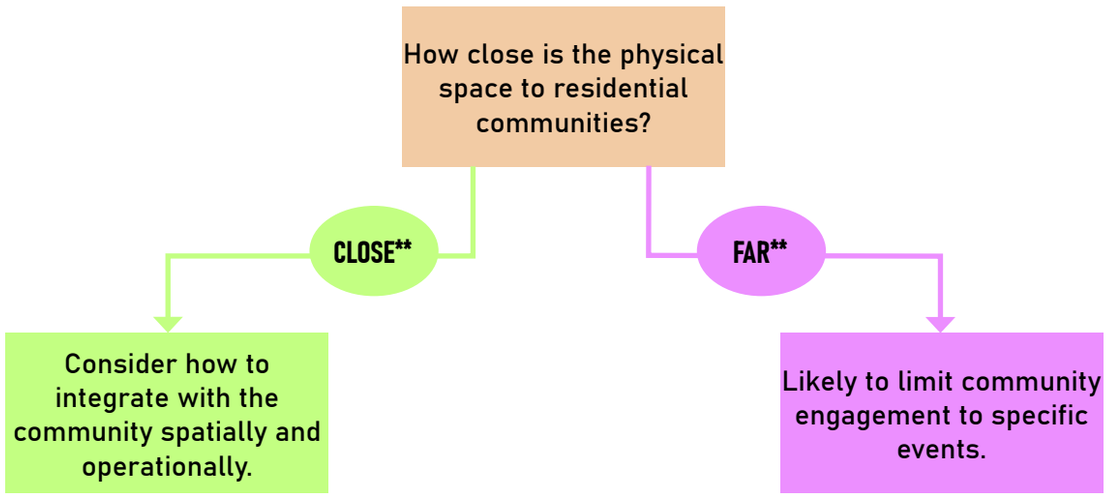
Does the organisation have the right capabilities, i.e. specific skills & expertise required to run the CE Hub?
Ensuring the organisation has the appropriate capabilities is essential for running an effective CE Hub. The experience of HWFI CDT, which launched The Loop, illustrates the value of building from existing strengths while developing new ones. Key capabilities may also be sourced through partnerships or contractors, including **lease and contract knowledge, workspace and tenant management**, and **day-to-day operational support**. Running a CE Hub also requires skills in circular economy and sustainability practices, including assessing prospective resident businesses, establishing materials-management systems, and measuring impact. Strong competencies in **community liaison**, **engagement**, and **social impact** are equally important, alongside **facilitation skills** that support collaboration within the resident business community and connections to external opportunities.

4A# OPERATIONS: SPATIAL

A Community CE Hub type requires physical space or a local cluster arrangement. Thus a range of spatial considerations and spatial ingredients are key for the success of such a hub.

What are the key considerations when it comes to the local area & environment?
The hub's success is shaped by its physical and social context. Beyond practical factors such as proximity to communities, other industries, public transport, footfall, and existing material flows, the local area carries its own memory and history which influence how people engage, perceive opportunities and respond to change. Neighbourhood identity, past land uses, and long-standing community dynamics will affect how readily a CE hub can becomes embedded. Planning restrictions and permitted activities also influence the types of operations possible.

Definition!
Local cluster – group of firms and intermediary organisations involved in related activities and that derive individual and collective benefits from co-location with each other. Clusters usually form within a limited geographical area.

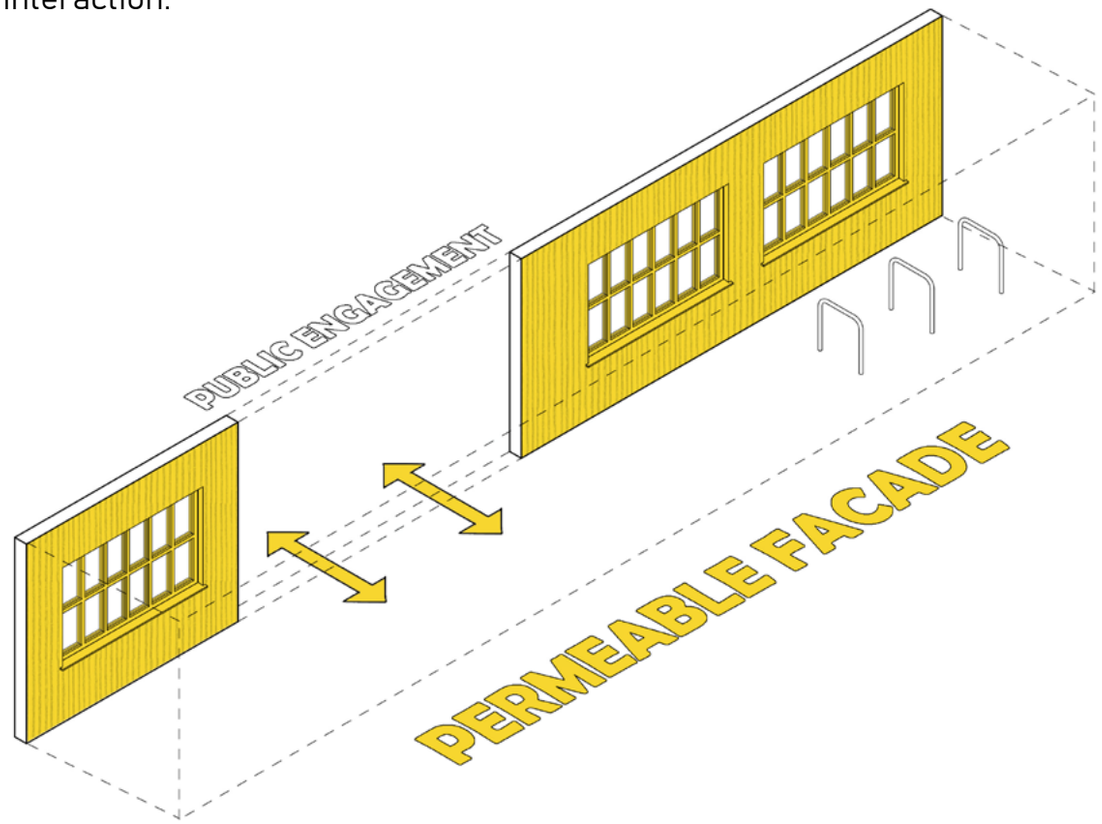


** Close proximity refers to accessibility within 15min walking distance.

What are the key considerations when it comes to prospective space?
Space considerations range from lease type (e.g., meanwhile use vs. long-term commercial) to the suitability of the spaces for the intended activities. Applying a reuse-first approach is also key when assessing prospective space. Adapting existing buildings can lower capital costs, speed up activation, and preserve local character. Prioritising the reuse of available structures not only aligns with circular-economy principles but also reduces barriers to entry.

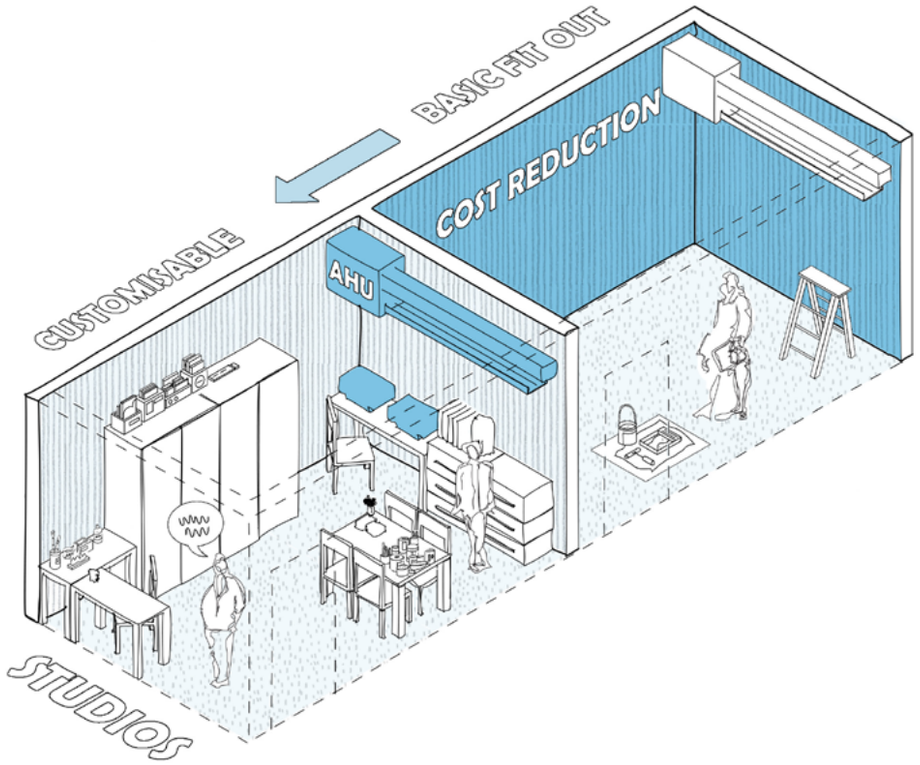
4A.1 PERMEABILITY

The space's accessibility and its perceived openness will shape how the local community engages with both the space and the wider project. Where feasible, incorporating a permeable façade such as **strategically placed windows** or doors that offer sight lines into selected internal activities is recommended for this CE Hub type. This approach can help create a more inviting environment and support stronger public interaction.



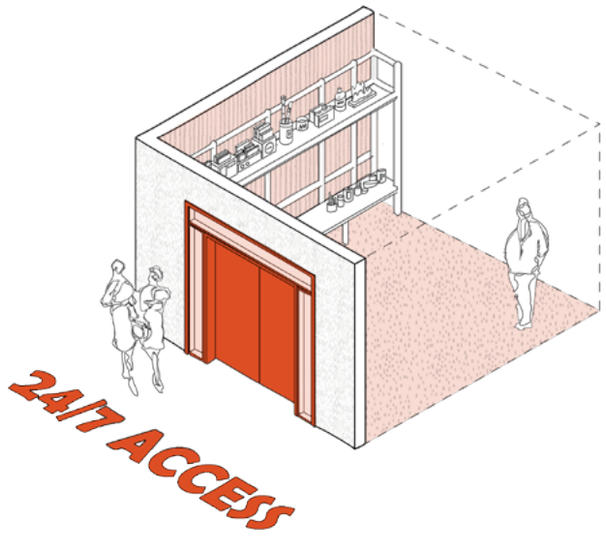
4A.2 LEVEL OF FIT-OUT

The level of fit-out required to make the building suitable for operation should be considered. Based on the current condition of the premises, the specific requirements of the intended activities, and the projected duration of the project it should be determined whether **minor adjustments** or **major refurbishment** works are needed. A key influence is whether the existing **heating and ventilation systems** are adequate for the planned uses, noting that many light - industrial processes require reliable and effective ventilation. For this CE Hub type, a **basic, flexible fit-out** rather than a highly polished finish is recommended. This approach supports experimentation and allows the space to be easily adapted or modified as needs evolve.



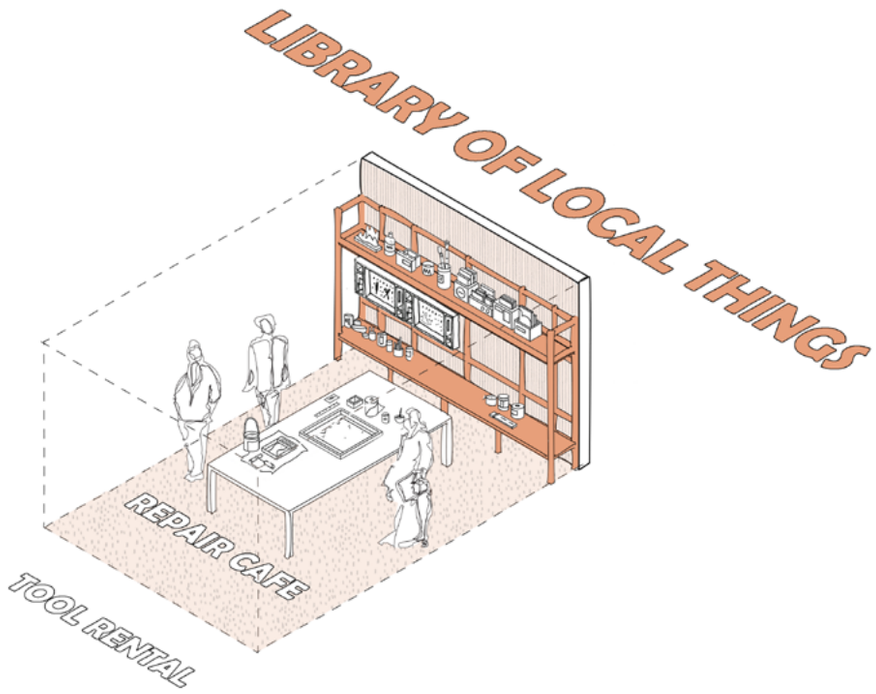
4A.3 ACCESS

Carefully planned access is essential for an effective CE Hub. Premises should have **suitable entry points** for the movement of materials and equipment, ideally including loading areas, and offer secure, reliable access for users, **Local transport assessment** (nearby loading or pick-up/drop-off bays etc) should inform decisions about on-premise loading and deliveries policies. Wherever possible, **24/7 access** for resident businesses is recommended to support diverse operational needs and maximise flexibility.



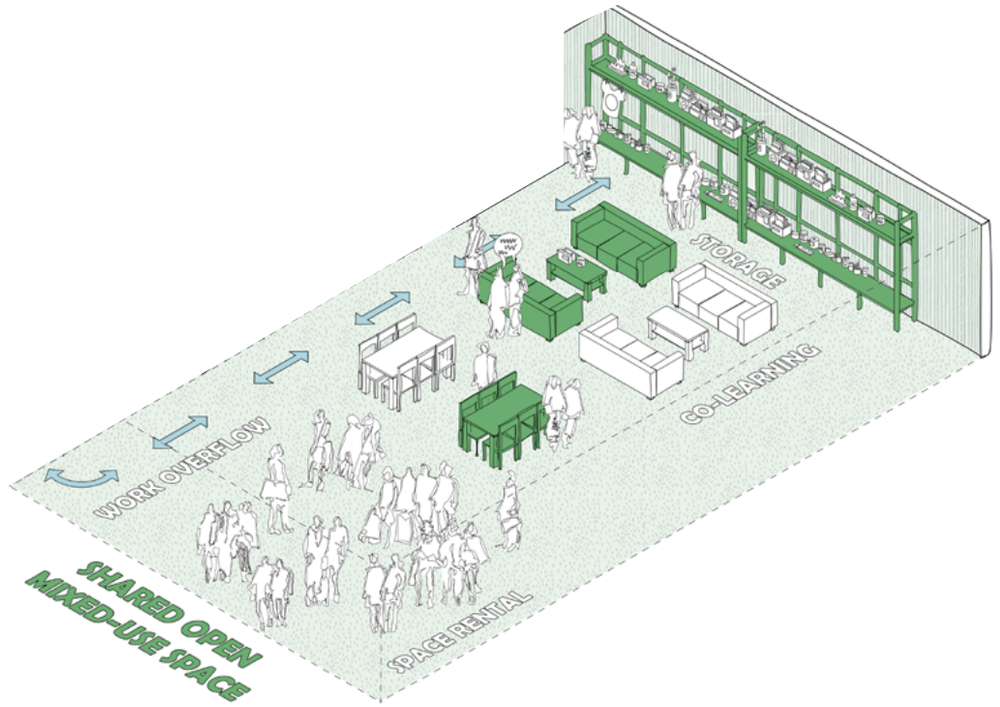
4A.4 INTERNAL CIRCULAR PRACTICES - REDUCE -> REUSE

Spaces and features that enable internal circular economy practices are important for the optimal operation of a CE Hub. Dedicated **zones that support zero-waste practices**, including shared processing equipment and on-site material banks, help businesses exchange resources and reduce waste. Where appropriate, the Hub can also function as a **collection point** for specific materials, enabling their reuse within the Hub's ecosystem (wider community). SME and light industrial hubs may benefit from **specialised equipment for internal use**, e.g. communal shredders (plastic waste) – this should be decided in tandem with resident businesses based on shared needs.



4A.5 SHARED / SOCIAL SPACE

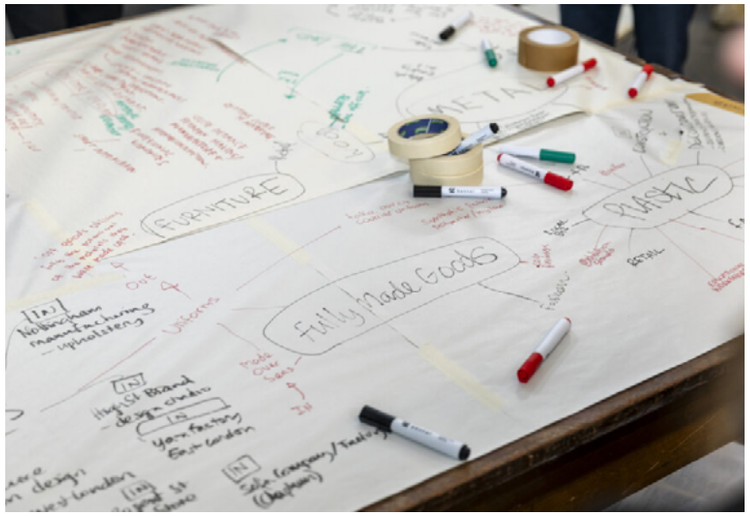
Flexible, multi-purpose spaces that can accommodate shared working, overflow activities, or events add significant value to a CE Hub. These adaptable areas can support community programming, facilitate business collaboration, and, where appropriate, be offered for private hire to generate additional revenue. In addition, providing **shared social areas** such as informal meeting spaces or a small cafe can help build a sense of community and strengthen collaboration among resident businesses.



4B# OPERATIONS: SYSTEMS

Which materials and activities should the Hub target?
While Community CE Hubs do not have to have a narrow material focus, developing clusters of adjacent or complementary businesses can be beneficial for waste reduction, collaboration, and mutual business support and targeting major local material streams is encouraged.

What internal systems are needed to support good practice?
Establishing simple internal systems is essential for supporting effective day-to-day operations within a CE Hub. **Clear protocols** for sharing materials and services, along with straightforward **templates** for impact measurement, help streamline processes and ensure consistent practice across residents. A structured **onboarding process** should introduce new residents to the Hub's core principles, its impact-measurement approach, and expectations around data collection and social value. **Centralised data systems** - using shared templates or unified digital platforms - reduce administrative burden for both operators and residents. **Regular learning and development opportunities**, including collaborative identification of impact indicators and forums for sharing experiences, further strengthen residents' ability to measure and communicate their impact. Finally, implementing simple **mechanisms for ongoing community feedback** and encouraging continuous, routine data collection embeds impact awareness into everyday operations and supports continual improvement.



Left: Mapping material flows at the Loop. Photography: @ Sophie Percival.

5# CULTIVATION

What are the most effective ways of enabling the internal community to thrive?
Alongside developing structure and systems to enable collaborative and Community of Practice culture to develop, operators should consider how best to **facilitate social network formation** within the hub. Already-existing Communities of Practice may bring their culture into hub, but in many cases some degree of facilitation may be required to set culture and help social bonds to form.

Fostering culture starts with **inclusive onboarding processes** with clear expectations. Clear, proactive communications between hub owners and operators and its tenants are also key to building trust. Operators should aim to develop **information-sharing** and collaborative relationships with tenants, with open forums and channels for feedback and allowing tenants to help shape the direction and development of the hub.

Right: Workshop briefing at the Loop. Photography: @ Sophie Percival.

What types of support do resident businesses or organisers need?
Circular economy organisations and particular those at younger development stages may need specialised forms of support to foster their development. This will depend on both the stage of maturity and also their focus (e.g. product, service, advisory, community), and may range from **circularity-specific support** such as material source connections, to more **general business support** such as financial advisory, business processes, and access to funding.

In managing The Loop, HWFI CDT and Arbeit over time grew into a role of **facilitating connections between its tenant businesses and external networks**, institutions, and opportunities, and taking proactive approaches to helping its resident businesses where possible. These businesses highlighted the challenge of gaining access to institutions and established local organisations (e.g. councils or schools), but that the growing public profile of The Loop was helping to facilitate potential connections.

While Hubs with different organisational mixes may have different needs, the need for collaborative approaches within Circular Economy practices means that network connections and facilitation will be beneficial to many Hub projects.

Left: Facilitating connections at the Loop. Photography @ HWFI CDT.

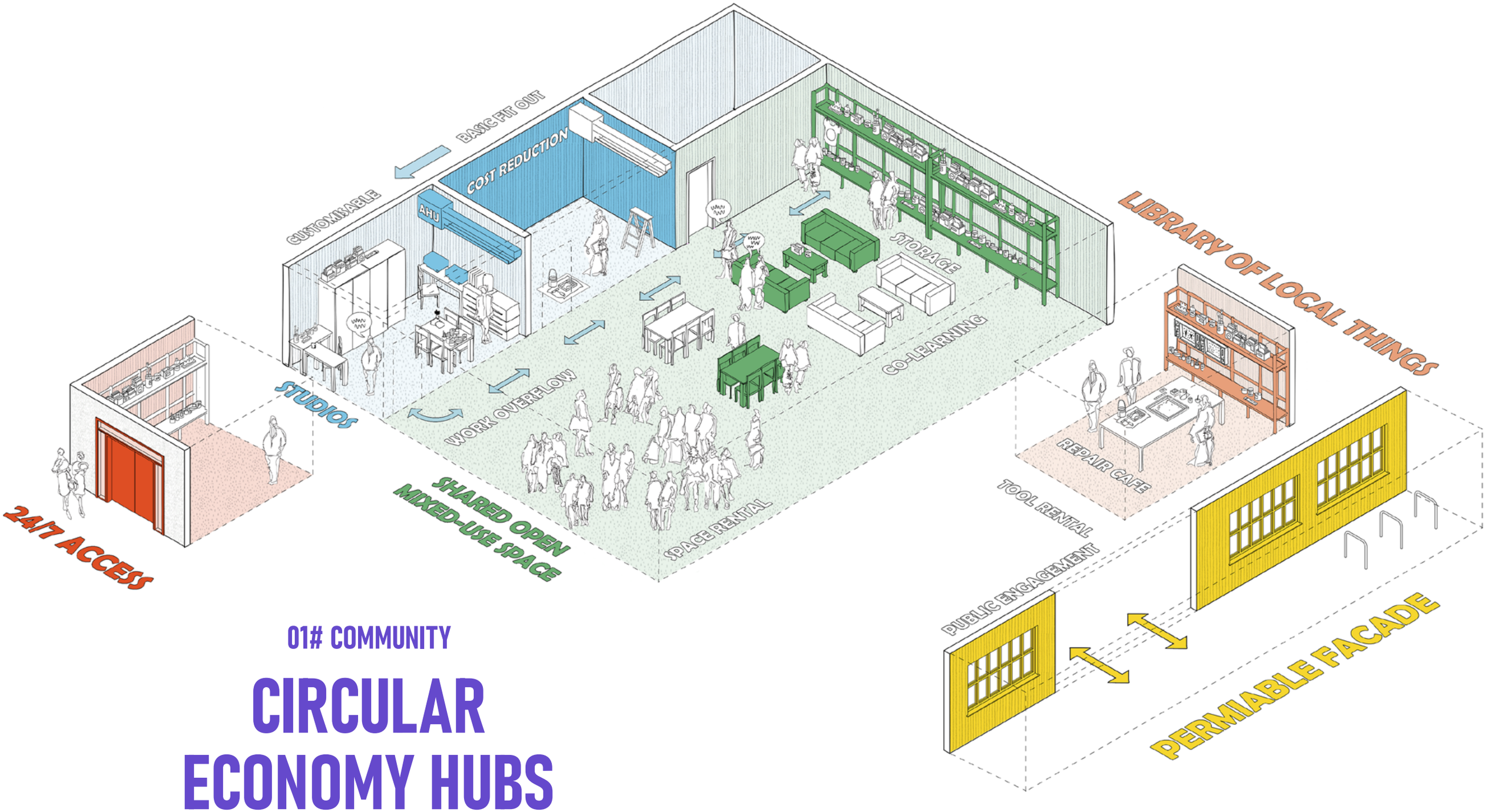
INGREDIENTS

5# CULTIVATION

How does the CE Hub integrate with the local community over the life of the project?
As above, CE Hubs should work with their local community during the inception and design of the project and be a key part of the organisation's objectives. Throughout operation, the Hub should have platforms and **regular forums with the local community** to garner feedback, help shape the organisations plans or initiatives, and identify new and changing needs and opportunities to generate additional social value. Hub operators can explore having **dedicated forums and/or integrating with existing networks**: for example, HWFI CDT used its existing citizen forums such as the Hackney Wick Town Hall to engage the local community with The Loop.

Left: Local community engagement at the Loop. Photography @ HWFI CDT.

01# COMMUNITY



01# COMMUNITY

CIRCULAR ECONOMY HUBS

UCL Plastic Waste Innovation Hub (2026).
Circular Economy Hubs. London:
University College London.
DOI 10.17605/OSF.IO/E87AY

email: research@instituteofmaking.ac.uk