

## Sterecycle targets expansion

### SUPPORT SERVICES

By Michael Kavanagh

Sterecycle, the waste management start-up, has made London and Glasgow its next targets after winning planning permission to build its second autoclave, designed to steam-treat 200,000 tonnes a year of municipal "black bag" rubbish, in Cardiff.

Victory for Sterecycle in its application came in the same week that rival Viridor, a subsidiary of Pennon Group, had its plans to build a waste incinerator in the Cardiff district of Splott rejected after objections from environmental groups and local residents. Viridor said it would pursue its plans.

According to Duncan Grierson, chief executive, London and Glasgow were now "top of the list" of further sites, as Sterecycle draws up plans to begin work on its Cardiff site by the end of the year.

Sterecycle pioneered the industrial-scale use of autoclaves in Rotherham, South

Yorkshire, to tackle the escalating cost of landfill waste disposal.

The process uses high-pressure steam to sterilise domestic and unsorted commercial waste that can then be sorted for metals, plastics and glass for recycling. With much of the remaining waste converted to compost-style sterile fibre, the company estimates it can avoid up to 70 per cent of traditional landfill.

The company, which counts Goldman Sachs among its early investors, is raising £50m of equity that, combined with debt, is designed to create a £200m war chest for projects targeting Britain's big conurbations. The Cardiff site is aimed at handling waste from Cardiff, Newport, Vale of Glamorgan, Caerphilly and Monmouth.

The growing tax on use of landfill sites for waste disposal has led to commercial ventures aimed at reducing the 16m tonnes of UK municipal waste that are landfilled annually.