

Subject: Changes to Trade Waste Collections

Status: For Publication

Report to: Cabinet

Date: 21st February 2007

Report of: Head of StreetScene & Liveability

Portfolio Holder: Cabinet Member for Street Scene and Liveability
Councillor Judith Driver

Key Decision: NO

Forward Plan General Exception Special Urgency

1. PURPOSE OF REPORT

- 1.1 To inform members of changes in legislation that will affect the way the council collects trade waste from its customers. Members need to assess the options and agree a policy for dealing with the resulting changes.

2. CORPORATE PRIORITIES

- 2.1 The matters discussed in this report are linked to and support the following corporate priorities:
- **Environment** - A place which has attractive rural settings, a fantastic street scene and is easily accessible for all
 - **Improvement** - The continuous provision of high quality public services built upon the foundation of good financial management, effective risk management, Performance improvement, value for money procurement and effective human resources management
 - **Customers** - Being responsive and proactive to meet the needs of all our customers

3. RISK ASSESSMENT IMPLICATIONS

- 3.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:
- Failure to implement changes to the way trade waste is collected will result in the council being unable to meet statutory requirements laid down by central government
 - Members should recognise the financial implications of an increase in customers and a reduction in income, together with the cost of handling extra recycle

- Members should note that the inclusion of these organisations into the domestic waste stream will seriously affect the ability of the council to achieve its statutory recycling targets
- Failure to implement these changes could result in the council being subject to legal action
- Failure to implement these changes could risk breaching the Lancashire Waste Partnership Cost Share Agreement, which the council entered into in 2005.

4. BACKGROUND AND OPTIONS

4.1 Below is a brief summary which highlights the changes to Trade Waste collections.

There are four key changes which are:

1. Charging customers for the correct container and the correct number of lifts
2. Increase in the charges for trade waste collections
3. Re-classification of Schools, charities, churches & nursing homes etc to domestic waste from April 2007.
4. The requirement for all trade waste customers to recycle as from October 2007.

These changes will have a significant impact operationally, will affect our ability to maintain and increase our recycling rates and will also affect on our customers. The details are outlined below with options and the implications involved.

1. **Charging customers for the correct container and the correct number of bins/lifts**

The Acting StreetScene Manager has carried out an audit of trade waste and as a result it has become apparent that throughout Rossendale for some time, numerous trade waste customers have not been charged the correct amount for the service they are provided with. This is due to several different reasons, the main one being the council used to supply 4 different sized receptacles – 240 litre (ltr), 660ltr, 770ltr & 1100ltr bins as well as grey sacks.

During the past 3/4 years we have only purchased and issued 240ltr & 1100ltr bins for trade waste and grey sacks. However we have still offered trade waste collections based on a sliding scale depending on the capacity of the receptacle provided. For example if a customer required a 660ltr bin we have provided an 1100ltr bin but only charged for a 660ltr bin. Similarly we have accepted side waste where the receptacle is too small, instead of increasing the size of the bin and charging appropriately. We no longer accept side waste from trade customers, and only give the option of either 240ltr bins (multiples of) or 1100ltr bins and grey sacks. Therefore we need to apply charges that fully reflect the cost of the service we provide.

2. **Increase in charges for Trade Waste 2007/08**

We have traditionally increased the cost of trade waste collections annually in April, by at least the rate of inflation however this year and in future years we have to take into account the increase in Landfill Tax, the Landfill Allowance

Trading Scheme (LATS), and that LCC have introduced an administrative charge onto the cost of waste disposal, all of which we must pass on to our trade waste customers. Therefore we can expect to levy an increase of between 15-20% on prices from 2007/08 just to keep in line with those costs, without taking into consideration inflation, therefore members are asked to consider increasing charges by 15% plus inflation.

3. Re-classification of Schools, etc to Domestic Waste as from April 2007.

The council must adhere to legislative requirements and so must implement Statutory Instrument 1992 No. 588 - The Controlled Waste Regulations 1992, which encompasses;

- Waste to be treated as household waste
- Types of household waste which a charge for collection may be made

We currently offer a weekly collection on our trade refuse. We have been advised that from April 2007 under the above regulations we have to reclassify certain trade customers as domestic waste these are;

Schools, educational establishments
Residential Care Homes
Charities
Churches, places of worship
Public meeting rooms

Effectively the change means we cannot charge for disposal of waste from these premises, although we can make a charge for collection. Effectively we will be required to reduce the current cost passed on to these customers to allow for the disposal charge within the current pricing schedule. We currently only service approximately 40% of these organisations and it is possible that once it becomes known that the cost of removing waste from these premises may be cheaper with the council than the private sector, it is more than likely we will be approached by these organisations to collect their waste. This could seriously affect our domestic collections, we have little capacity on the collection rounds as it is, we do envisage that we could accommodate our current customers however new customers would stretch our capacity to breaking point.

Members are asked consider whether the same alternate weekly collection policy should apply to these collections which are now being designated as 'domestic waste' as is the general practice with domestic residents. Members are asked to consider the following;

Option One

Current operations can accommodate the extra tonnages at no increased cost to the council if the service is provided in line with our domestic collections on a fortnightly basis, we cannot accommodate a weekly collection as we have no spare vehicle/staff capacity. To ensure the current numbers of bins are adequate, we will audit customers but would not increase the capacity for general waste, but rather we would look to reallocate the current bins between general waste and recycle. There is a cost to the council of £27 per tonne for

handling glass, cans & plastics however this could be offset by the income from paper at £35 per tonne, as long as the tonnages were of an equivalent nature. During 2007/08 we will continue to receive Defra funding which could be used to purchase segregated bins for use in school premises, which would assist with recycling. This would hopefully minimise the fall in recycling rates.

Option Two

In order to continue with a weekly collection we would need to purchase/lease another refuse vehicle and employ another crew. This would not encourage recycling and is a long term commitment for the council that equates to in excess of £120,000 per annum. This would do nothing to promote waste minimisation and would have an adverse affect on our recycling rates. If that is the preferred option we would have to pass the cost on to trade customers, it would then be highly unlikely we would be able to compete in the current market and that many customers would seek contracts with the private sector resulting in a loss of income to the council.

In any event customers will have to agree to allocate a set number of bins for general waste and recycling and if as a result extra receptacles are required we would be obliged to pass on the charges accordingly.

4. The requirement for trade waste customers to recycle as from October 2007.

Regulations come into effect on 30 October 2007 which will primarily cover wastes from industry and commerce, the "Treatment of non-hazardous wastes for landfill" has three core requirements;

- All of the waste must have been pretreated;
- Sorting is an acceptable form of treatment;
- Waste that was already being treated prior to October 2007 doesn't need further treatment.

An important point within the guidance is that collection services which "mix treated and untreated waste is not meeting the new requirement and all the waste will need further treatment before landfill." Sorting out items for recycling will meet the test, but the Environment Agency is expected to warn that "If the treatment option is to separate out certain recyclable material, one could reasonably expect all of that material to have been removed, not just one or two items. Source segregation meets the same criteria and is acceptable treatment. Compaction isn't an acceptable form of treatment as it doesn't change the characteristics of the waste which will therefore have the same impact on the environment as un-compacted waste." The guidance will tell landfill operators that they will have to presume that non-hazardous waste is untreated unless they have written evidence stating otherwise. The council will be obligated to define whether waste is treated or untreated.

Therefore it is proposed that from April 2007 to only issue Trade Waste Agreements & Duty of Care Statements for six months, which covers the period until end of September 2007 as a result from October 2007, trade customers will only be able to use RBC providing they fully recycle and enable the council to meet its statutory obligations. We propose that customers be expected to sign to certify that they are recycling. Customers will have to go through the

same process as the organisations above– allocating a set number of bins for recycling. Before April 2007 we need to inform customers of future arrangements, assign relevant bins for recycling and reroute the trade waste rounds to reflect these changes. There is the possibility that this will result in some customers deciding to leave our service and contract with the private sector, which would result in a loss of income. These regulations apply across the board to all waste contractors; however some private sector companies have sorting facilities which they can make available to customers. In cases where there is only one bin available and extra receptacles are required we have no choice but to pass on the cost of issuing more receptacles.

5. COMMENTS OF THE HEAD OF FINANCIAL SERVICES

- 5.1 Option 1 is the most likely least expensive option.
- 5.2 However, with regard to option 1 the risk lies in the assumption that tonnages will be matched and capacity exists to collect those tonnages. There is no analysis of the current tonnages generated from the new collection points nor the mix of glass, cans, plastics Vs. paper (i.e. cost potential Vs. income potential).
- 5.3 In addition consideration should also be given as to future cost and income rates from waste disposal.
- 5.4 The financial impact on the Council from changes to trade waste collections and recycling requirements has not been evaluated.

6. COMMENTS OF THE HEAD OF LEGAL AND DEMOCRATIC SERVICES

- 6.1 There are no immediate legal implications.

7. COMMENTS OF THE HEAD OF HUMAN RESOURCES

- 7.1 Although there is a requirement to employ more staff that is dependant on what option members decide is appropriate, any new members of staff would comply with existing employment regulations. However, should a significant number of customers decide to move their business to another provider the possibility of redundancies has to be considered.

8. CONCLUSION

- 8.1 The council has no choice but to implement changes in the way it collects trade waste as this is a statutory requirement. Members should also consider the fact that some customers charges will increase as a result of standardising our pricing policy to ensure the trade waste collection service properly reflects the councils cost of provision.

9. RECOMMENDATIONS

- 9.1 In order to minimise risk and ensure the council does not breach legislative requirements incurring financial penalties, and to minimise the impact on recycling rates it is recommended that members agree the following recommendations;
- 9.1.1 That all trade waste customer charges are brought into line to reflect the actual service customers receive;
- 9.1.2 That trade waste charges are increased by 20% to take into account the more stringent regulation, the cost of passing on the rise in landfill tax and LATS and inflation;
- 9.1.3 That the regulations are implemented regarding the re-classification of trade and household waste and that Option One is selected as the most prudent way of ensuring compliance;
- 9.1.4 That there will be no increase in charges (with the exception of 9.1.1 above) for those organisations who are now reclassified as domestic waste which in effect constitutes a refund of the disposal charge;
- 9.1.5 That requests for increased number of receptacles will not be considered unless there is substantial recycling taking place and the cost of any extra receptacles is passed on to the customer; and
- 9.1.6 That trade waste customers are to be informed of the new regulations which come into effect on 31st October 2007 and adjustments to their collections are made accordingly.

10. CONSULTATION CARRIED OUT

- 10.1 Consultations have taken place with other Lancashire Authorities together with LCC regarding the legislative changes.

Contact Officer	
Name	Carole Todd
Position	Head of StreetScene & Liveability
Service / Team	StreetScene & Liveability
Telephone	01706 252551
Email address	caroletodd@rossendalebc.gov.uk

Background Papers	
Document	Place of Inspection
Statutory Instrument 1992 No. 588 The Controlled Waste Regulations 1992	Attached
Draft Statutory Instrument 2002 Landfill England & Wales 2002	Attached