



## HERTFORDSHIRE WASTE PARTNERSHIP

### MEMBERS' GROUP

25<sup>th</sup> January 2010

#### Item 10: Trade Waste Policy - Update

**Author: Duncan Jones (01992 556150)**

#### **1 Purpose of Report**

- 1.1 To provide an update on the current situation with respect to the provision of trade waste services under the context of the Trade Waste Policy agreed by the Hertfordshire Waste Partnership in January 2009.

#### **2 Background**

- 2.1 In January 2009 the Hertfordshire Waste Partnership adopted a new trade waste policy that sought to define how trade waste services should be developed taking into account the needs of both the districts and the County Council.

- 2.2 To implement the policy the following actions were agreed :-

- Waste collection authorities will consider the implementation of trade waste recycling services.
- Waste collection authorities should arrange to conduct surveys among local businesses to determine potential demand for trade waste recycling services. Surveys should look to determine what materials would be available for recycling as well as the preferred method of collection from a customer perspective.
- Waste collection authorities in conjunction with the county council will examine options for developing systems for the effective monitoring and calculation of trade waste recycling tonnages and percentages to assess the overall impact on LATS.
- The county council in conjunction with waste collection authorities will consider options for the sharing of savings in LATS achieved through the recycling of trade waste.
- The Hertfordshire Waste Partnership will investigate the potential for the bulk collection and processing of mixed dry recyclables collected from trade waste customers.

- Waste collection authorities will consider developing trade waste recycling services on a joint basis taking into account costs, benefits and associated risks.
- The Hertfordshire Waste Partnership will support moves to implement trade waste recycling services through securing external financial support as and when opportunities are identified. Funding will be allocated to those projects that contribute most to overall HWP objectives.
- Waste collection authorities ensure that all relevant assets including, vehicles, containers and promotional material includes the Hertfordshire Waste Partnership logo. It is recognised that boroughs / districts will also want to include their own branding on such assets as well.

### 3 Current Service Provision

3.1 The table below shows which districts provide what services. In addition the final column also confirms which districts have completed their trade waste surveys as required by the policy detailed above :-

<b>Authority</b>	<b>Collection for Disposal</b>	<b>Collection for Recycling</b>	<b>Schools Recycling</b>	<b>Recycling Survey Completed ?</b>
Broxbourne	YES	YES	YES	TBC
Dacorum	YES	YES	YES	YES
East Herts	YES	NO	YES	YES
Hertsmere	YES	NO	YES	YES
North Herts	YES	NO	YES	NO
St Albans	NO	NO	YES	NO
Stevenage	YES	YES	YES	YES
Three Rivers	YES	YES	YES	YES
Watford	YES	YES	YES	YES
Wel / Hat	NO	NO	YES	NO

### 4 Progress with Implementing the Policy

- 4.1 As noted above only half of the collection authorities have so far provided some form of trade waste recycling service. However, all provide some form of recycling service for schools.
- 4.2 Funding from the Waste Infrastructure Capital Grant has been made available to at least 3 authorities which has helped to implement new collection services for trade waste recycling and / or schools recycling. Assistance provided to Three Rivers District Council also helped to secure a small amount of external funding from the Business Resource Efficiency & Wastes centre which provides support for local authorities working with their business communities to improve waste

management practices. The BREW centre is a consortium between the Local Government Association, the National Symbiosis Programme, the West Midlands Regional Assembly and Oxfordshire County Council. The centre is currently funded by DEFRA.

- 4.3 In pursuit of the trade waste policy the Hertfordshire Waste Partnership is in the process of completing a number of actions including ensuring that the current review of the Alternative Financial Model assesses options for the sharing of any LATS savings accrued as a result of trade waste recycling services.
- 4.4 In addition part of the new Packaging Consortium has also been developed to include specific provision for the types of tonnage normally collected from businesses, thus providing an outlet as well as positive income streams for a range of materials.

## **5 Future Issues**

### **5.1 Service Provision**

- 5.1.1 Remembering that the provision of trade waste collection services is a district function, inevitably, the range of materials collected for recycling; the charges levied and the collection methods employed vary between districts.
- 5.1.2 Whilst this is historically understandable from a local government perspective, longer term target audiences for such services including local businesses and schools will not appreciate nor fundamentally will they give much credence to district boundaries in Hertfordshire being cited as a reason to vary service provision.
- 5.1.3 Consultation on this first annual review with HWP officer groups indicates a general acceptance (not universal) of the need to achieve consistency with respect to recycling services provided for schools, especially given the links to the educational / waste function of the HWP. However, there is not the same consensus when it comes to considering how to develop trade waste services for normal commercial customers.
- 5.1.4 Considering that the next national waste strategy is likely to require greater consideration of local commercial waste needs, the Member group may wish to consider whether they believe there is merit in asking officers to look at the advantages and disadvantages of aligning specifications for the provision of recycling services for normal trade waste customers.
- 5.1.5 Linked to this last point it is worth noting that under the context of the need to make savings 'Schools Procurement Partners' from the Department for Children, Schools and Families (CSF) are currently working with the County Council's CSF department to see where savings can be made. One area being explored is the provision of waste and recycling services and how savings might be made whilst at the same time equalising service provision across the County

## 5.2 Service Costs & Charging

- 5.2.1 At the HWP Member meeting in January Members tasked the Directors' group with resolving the issue of profit and loss accounts for trade waste services with a view to ensuring that such services were not subsidising local businesses as a result of pricing policies that do not recover costs.
- 5.2.2 This principle was reaffirmed at the Director's group in June in response to discussions around the acceptance of trade waste at the County's HWRCs where it was stated that **'any trade waste recycling services provided by councils should not entail any costs to taxpayers'**.
- 5.2.3 Previous discussion indicates that exploration of the cost issue is sensitive given typical links between trade waste provision and the sharing of assets and apportionment of fixed costs that can impact on both trade and domestic waste services.
- 5.2.4 Nonetheless the districts and the county will need to keep this issue under close scrutiny as the Landfill Allowance Trading System works through its first target year. This, combined with the Landfill Tax escalator, is likely to result in further significant increases disposal costs over the next few years, which will need to be reflected in the charges made by the waste collection authorities.

## 5.3 Controlled Waste Regulations 1992 – Schedule 2

- 5.3.1 Schedule 2 of the Controlled Waste Regulations 1992 sets out types of household waste for which a charge for collection maybe made. There is no automatic compulsion under the regulations to make a charge; only discretion to do so. Custom and practice over the years has led to a significant proportion of Schedule 2 premises employing private contractors to remove their wastes for which charges for collection **and disposal** are made. However, significant rises in disposal costs are causing Schedule 2 premises to look at alternative forms of service provision based on a better appreciation of the law.
- 5.3.2 However, importantly the legislation does not allow waste collection authorities to charge for disposal costs, which could prove to be significant given the dramatically rise in disposal costs across the last 10 years.
- 5.3.3 DEFRA are currently reviewing issues around Schedule 2 of and do intend to bring legislation forward to update the regulations to ensure they support the wider waste agenda including the waste hierarchy and the polluter pays principle.
- 5.3.4 This could have significant consequences for the constituent authorities with some commentators projecting potential increases in municipal wastes in the order of 2% as a result of work to clarify the requirements of Schedule 2.

## 6 Recommendations

- 6.1 That the Members' group notes the progress to date.
- 6.2 That a further update is presented to the Members' group in due course.