

# **NEATH PORT TALBOT COUNTY BOROUGH COUNCIL**

## **Streetscene and Engineering Cabinet Board**

14 July 2017

### **Report of the Head of Streetcare**

M. Roberts

#### **Matter for Decision**

**Wards Affected:** All Wards

#### **Review of Trade Waste and Recycling Service Charges**

#### **Purpose of Report**

1. To review the charging schedule for trade waste services.

#### **Executive Summary**

2. Under the Environmental Protection Act (EPA) 1990, the Council is required to make arrangements for the collection of commercial or trade waste if requested to do so. This can be undertaken either via a third party or directly by the authority and in either case a charge should be made to recover the costs for collection and disposal. The Council currently has around 1,135 customers that pay for a waste and recycling service, generating a total income of approximately £740,000 per annum.
3. A report published by the WLGA during 2016, attached as Appendix I, indicated that under the current pricing structure, Neath Port Talbot Council is subsidising the trade waste service by approximately £200,000 per annum.
4. An additional report published by the WLGA in 2017 indicated that, when compared with other local authorities in Wales, on a per household basis, waste services in Neath Port Talbot are ranked the lowest cost out of the 22 local authorities in Wales, see attached as Appendix II. It is clear, therefore, that whilst the Council's waste services overall are providing value for money, the trade waste service is not recovering all the associated costs.

5. There is now a need to carry out a detailed review of the trade waste service, based on the principles of implementing a pricing structure to ensure that the Council recovers its reasonable costs for the collection and disposal of waste collected, whilst also maintaining value for money for our customers.

## **Background**

6. All businesses and organisations have a legal responsibility under section 34 of the EPA 1990 to ensure that their waste and recycling is dealt with by a suitably licenced operator, whether that is the local authority or a private sector service provider. Furthermore this process must be documented by a Duty of Care Waste Transfer Note to provide evidence that the appropriate arrangements have been made for the collection and disposal of their waste.
7. As stated above, the Council currently has approximately 1,135 customers and with increasingly stringent statutory recycling targets set by the Welsh Government (WG), it is important that our trade waste customers play their part in achieving the targets and recycle as much of their waste as possible.
8. In addition, local businesses that produce waste have a duty to comply with the requirements of Part 4 of the Environment (Wales) Act 2016 which requires waste producers to keep recyclable materials separate at source (including food waste) for collection.
9. With this in mind, a price differential was introduced to the charging structure between residual waste and recycling collections, in order to incentivise local business to use the Council's recycling service. Recycling is now a compulsory requirement of the Council's trade waste contracts, (small businesses such as barbers/hairdressers etc. that generate very small quantities of waste can apply for an exemption from recycling).

## **Current Arrangements**

10. Trade waste and recycling in Neath Port Talbot is collected together with household waste using the same collection fleet. This provides maximum efficiency and ensures the best possible service resilience for the Council and our customers alike. Trade

waste customers therefore, receive the same collection frequency and service that is provided to householders, i.e. fortnightly collections of refuse and weekly collections of recyclables which are separated and collected at source (on the same principle as that of the household 'kerbsort' recycling service). The exception to this is the town centre areas of Neath, Port Talbot and Pontardawe where this is a weekly service of refuse and recycling where demand and storage limitation means a weekly service is provided.

11. Customers are offered a range of four different sizes of wheeled bins for refuse and are supplied with unlimited amounts (on a needs basis) of recycling 'kit' for the collection of paper, cardboard, glass, metal cans, plastics and food waste. Customers are also given the opportunity to purchase permits to take their recyclable waste to one of the Council's Recycling Centres. In addition, customers that generate higher volumes of waste for recycling are offered larger containers and bins to present their waste for collection.
12. Charity shops that sell items that have been donated to them receive half price collections in line with the Controlled Waste (England and Wales) Regulations 2012.

### **Benchmarking Information**

13. Neath Port Talbot Council is a member of the All Wales Commercial Recycling and Refuse Benchmarking Group which has collated price information from authorities within Wales which is attached as Appendix III. The results indicate that refuse charges in Neath Port Talbot during 2016/17 **are well below the national average charges** and in most instances, only just above the lower quartile range when compared to all other local authorities in Wales. For ease of reference this has been summarised in Table 1 below.
14. Charges for recycling collections are more in line with other local authorities in Wales and are considered to provide value for money for our customers, given that unlimited amounts of recyclable waste can be collected for the nominal charges imposed. See Table 2 below.

**Table 1 - Residual Waste Weekly Charges 2016/17 (£s)**

<b>Bin size</b>	All Wales upper quartile	All Wales median	All Wales lower quartile	All Wales average	<b>NPT rate</b>	<b>NPT position in Wales</b>
1,100	30.30	24.39	21.17	26.74	<b>20.47</b>	<b>15<sup>th</sup></b> out of 18
660	19.87	16.60	13.88	16.67	<b>14.54</b>	<b>10<sup>th</sup></b> out of 15
360	11.58	10.14	8.29	10.14	<b>9.39</b>	<b>7<sup>th</sup></b> out of 12
240	8.89	6.96	5.50	7.47	<b>6.32</b>	<b>10<sup>th</sup></b> out of 16

**Note:** 1<sup>st</sup> position would represent the most expensive rates; the lower the ranking the lower the charging rate would be.

**Table 2 - Recyclable Waste Weekly Charges 2016/17 (£s)**

<b>Bin size</b>	All Wales upper quartile	All Wales Median	All Wales lower quartile	All Wales average	<b>NPT rate</b>	<b>NPT position in Wales</b>
1,100	11.65	9.85	6.75	9.45	<b>6.75</b>	<b>7<sup>th</sup></b> out of 9
660	8.41	6.96	5.37	8.86	<b>6.24</b>	<b>5<sup>th</sup></b> out of 7
360	5.76	4.00	2.69	4.11	<b>5.91</b>	<b>2<sup>nd</sup></b> out of 9
240	3.90	2.75	1.98	2.96	<b>3.77</b>	<b>3<sup>rd</sup></b> out of 8

**Note:** 1<sup>st</sup> position would represent the most expensive rates; the lower the ranking the lower the charging rate would be.

15. To maintain prices at the current levels means that the service is financially unsustainable, because the service charges as they stand, do not provide for full cost recovery.
16. The Council has the option to continue to absorb losses associated with commercial waste collections and continue to subsidise the service if it so wishes; however, this does not comply with the 'polluter pays principle;' and neither is it considered financially responsible to subsidise a collection service to the direct financial benefit of local business during periods of financial constraints. Furthermore; it potentially places the Council open to accusations of unfair competition by private sector service operators.

## **Proposal**

17. Given the current financial constraints and the legislative requirements placed upon the Council to meet statutory recycling targets; together with the requirements of the Environment (Wales) Act 2016 to separate waste at source, it is proposed that:
  - (i) From the 1<sup>st</sup> October 2017, residual trade waste charges increase to a level, across the service, based on the average

charge across Wales, with the aim of achieving a break even position (see Table 3 below), so that the service is self-sustaining whilst maintaining value for money for our customers.

- (ii) Charges for customers that present trade waste bags for collection increases in line with inflation and the Council's financial policies as these represent some of the smallest businesses in the local authority area and produce only small quantities of waste. (In order to differentiate and identify trade waste separately from domestic waste, trade waste bags that are purchased from the Council are white in colour and embossed with Council livery/logos).

18. A comparison of the current charges for 2017/18 compared with the proposed charges is provided in the table below:

**Table 3 – Neath Port Talbot Trade Refuse Charges**

		Current Charges 2017/18		Proposed Charges from October 2017	
Bin Size	No. of customers	Refuse charges per bin per <u>week</u> (£) inc. bin rental	Refuse charges per bin per <u>annum</u> (£) inc. bin rental	Refuse charges per bin per <u>week</u> (£) inc. bin rental	Refuse charges per bin per <u>annum</u> (£) inc. bin rental
1,100	171	20.68	1,075.36	<b>27.00</b>	<b>1,404.00</b>
660	149	14.69	764.00	<b>16.80</b>	<b>873.60</b>
360	181	9.48	493.00	<b>10.20</b>	<b>530.40</b>
240	410	6.39	332.00	<b>7.50</b>	<b>390.00</b>

### Financial Impact

- 19. Applying the proposed charges from the 1st October 2017 would reduce the financial deficit during 2017/18 and aim to enable the service to become self-financing in 2018/19 and beyond, assuming incremental increases are made annually and proportionally to cover any increased service and disposal costs.

## **Equality Impact Assessment**

20. A Screening Assessment has been undertaken to assist the Council in discharging its Public Sector Equality Duty under the Equality Act 2010. After completing the assessment it has been determined that this proposal does not require an Equalities Impact Assessment

## **Workforce Impact**

21. There are no workforce impacts associated with this report.

## **Legal Impact**

22. As a Waste Collection Authority (WCA) the authority has a statutory duty under the EPA 1990 to collect commercial or trade waste if requested to do so and charges can be made to recover the costs for collection unless the authority considers it inappropriate to do so.

## **Risk Management**

23. Any business that cancels their collection contract with the Council as a result of the increased charges, still have a statutory responsibility to produce Duty of Care waste transfer notes under section 34 of the EPA. The Council's Waste Enforcement Section will contact any businesses/traders that cancel their contracts with the Council to ensure they are complying with their statutory obligations.

## **Sustainable Development**

24. Maximising recycling from the trade waste stream will assist the Council in achieving the WG's statutory recycling targets.
25. Incentivising and encouraging local business in the County Borough to recycle their waste, in line with the latest WG guidelines helps promote a circular green economy and contributes to delivering the wider aims of the national waste strategy for Wales 'Towards Zero Waste'. In turn it will help deliver 'one planet' living with respect to Welsh consumption of energy

and natural resources, and have a positive impact with respect to climate change.

### **Consultation**

26. There is no requirement under the Constitution for external consultation on this item. However, all customers will be given notice of the increased charges and will have the opportunity of choosing an alternative service provider if they so wish.

### **Recommendation(s)**

27. That the increased charges are approved for residual trade waste collections to commence from the 1<sup>st</sup> October 2017.
28. The rates for recycling collections are maintained at current levels.

### **Reason for Proposed Decision(s)**

29. In order for the Council to reduce the deficit in the trade waste service this financial year and to enable the service to become self-financing in future years.
30. To encourage business to recycle their waste in compliance with the relevant legislation and help assist the Council achieve its statutory recycling targets

### **Implementation of Decision**

31. The decision is proposed for implementation after the three day call in period.

### **Appendices**

32. Appendix I – WLGA, Waste Improvement Programme – Benchmarking Fees and Charges for Waste Services
33. Appendix II – WLGA, Waste Finance Report 2015/16
34. Appendix III – All Wales Commercial Recycling and Refuse Benchmarking Group – Customer Charges Survey 2016/17
35. Appendix IV - Equalities Impact Screening Assessment

## **List of Background Papers**

36. Environmental Protection Act 1990
37. Environment (Wales) Act 2016
38. Controlled Waste (England and Wales) Regulations 2012

## **Officer Contact**

39. Mr Andrew Lewis, Waste and Neighbourhood Services Manager.  
Tel: 01639 686021 or email: [a.lewis@npt.gov.uk](mailto:a.lewis@npt.gov.uk)