

# Report of the Strategic Director of Place to the meeting of Executive to be held on 7<sup>th</sup> February 2017.

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**Subject:**  
**Trade Waste Charges**

**Summary statement:**

This report seeks Executive approval to an increase in Trade Waste charges for 2017/18 financial year as required by financial regulations, as the proposals represent an above inflation increase, to take full account of and therefore fully recover waste collection, treatment and disposal costs of the service.

This Appendix is not for publication because it contains exempt information under Schedule 12A of the Local Government Act 1972 (information relating to the financial or business affairs of the Council), and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

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**Portfolio:**  
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**Overview & Scrutiny Area:**  
**Environment and Waste Management**



## **1. SUMMARY**

This report seeks Executive approval to an increase in trade waste charges for 2017/18 financial year as required by financial regulations, as the proposals represent an above inflation increase, to take full account of and therefore fully recover waste collection, treatment and disposal costs of the service.

## **2. BACKGROUND**

Under the Environmental Protection Act 1990, the Council is empowered to make arrangements for the collection of trade waste (Commercial Waste) if requested to do so by the occupier of premises. The Council has provided an in-house trade waste collection service for many years to the local businesses within the district and does so on a commercial basis levying a charge for the provision of this service.

The service historically increases charges each April, and invoices customers on an annual basis. The charges invoiced represent what the business customer pays for the emptying of a particular size of container or containers and the frequency of emptying required by the customer, irrespective of where the bin is located or the weight contained therein.

A review of the Trade Waste Service and how it may be improved, has been undertaken, and updates provided to the Environment and Waste Management Overview and Scrutiny Committee. In addition to efficiency and service improvements, part of this review considered the charges for trade waste services, and noted that the last detailed review of trade waste charges took place in 2011. There is therefore a need to re base charges to reflect changed circumstances and current service collection and waste treatment/disposal costs.

The Trade Waste Service needs to ensure that its charges reflect the true costs of collection and disposal given that it is operating in a commercial environment.

## **3. OTHER CONSIDERATIONS**

The local trade waste market is a competitive one, with several local and national players. The Trade Waste Service is in competition with the private sector but believes that the price increases proposed will not adversely affect its market position as the proposed price increases are skewed towards the smaller containers, which are less attractive to the larger trade waste operators than larger containers.

Given that the smallest businesses are traditionally the users of the smaller containers, (240Litre), and in order to recognise the impact that this could have on such businesses, consideration to bringing in the charges incrementally for this smallest container, over two years, has been given. This would ease the pressure on those existing smaller businesses who use this service. It is however proposed that the new prices would apply in full for any new customers.



#### **4. FINANCIAL & RESOURCE APPRAISAL**

The trade waste service has recalculated its costs of collection, treatment and disposal based on 2017/18 values for each of the range of trade waste container types offered by the service to its customers (eg 240 Litre wheelie bin to 1100 Litre container), and identified where charges for the service are not meeting the actual costs of providing the service.

The proposed revised charges are detailed in the Table in the not for publication Appendix 1. The Table provides 2 proposed options as discussed below.

The Table shows the proposed 2017/18 increase on current 2016/17 charges for a single emptying of each individual container provided by the service.

However, in respect of the 240L bin, as detailed above, proposal 2 staggers the increase for 240 litre bins over 2 financial years.

In order for the Trade Waste Service to meet financial targets for 2017/18, the current pricing structure needed to be reviewed. This review took into account all current costs, including costs of collection, employees, fleet costs (vehicles), supplies and depot costs. These costs have moved broadly in line with inflation since the last service review in 2011, however this was not the case for the costs of treating and disposing of the collected waste from trade customers. The waste treatment and disposal costs which the service has to pay are influenced by the levels of landfill tax. The Government's landfill tax in 2011 stood at £56 per tonne of waste, this has progressively risen to currently stand at £84.40 (2016), a rise of 50% which has therefore inevitably increased the cost of delivering a service.

#### **5. RISK MANAGEMENT AND GOVERNANCE ISSUES**

There are no significant risks arising from these proposals.

#### **6. LEGAL APPRAISAL**

Section 45 (1) (b) Environmental Protection Act 1990 ( the 1990 Act ) provides power for the Council to make arrangements for the collection of "commercial waste" if requested to do so by the "occupier of premises".

Section 45 (4) of the 1990 Act provides powers to the Council to make a "reasonable charge " for the collection and disposal of such commercial waste which is defined in section 75 of the 1990 Act as:

" household, industrial or commercial waste or any such waste".

The Council has the power to review and increase those reasonable charges from time to time.

It is for each Local Authority to decide how it wishes to deal with trade waste (commercial



waste). The Council has no legal obligation to provide a trade waste service however many do. As a minimum, the Local Authority must make information available on suitable waste carriers to enquirers. The provision of an in house Trade Waste Service that operates on a commercial basis is the Council's response to the requirements of Section 45 above.

## **7. OTHER IMPLICATIONS**

### **7.1 EQUALITY & DIVERSITY**

Providing a commercially competitive and financially sound trade waste service to the business community of Bradford district supports the equality and diversity policies by supporting the business community and offering standard pricing throughout the district.

### **7.2 SUSTAINABILITY IMPLICATIONS**

The management of waste, its storage, collection, treatment and disposal are important factors in promoting sustainability; the trade waste service provides a well managed waste service option to the local business community.

### **7.3 GREENHOUSE GAS EMISSIONS IMPACTS**

As a local service provider of trade waste services the Council ensures efficient collection systems and reduced waste miles and thus limits the greenhouse gas impact of waste collection from businesses.

### **7.4 COMMUNITY SAFETY IMPLICATIONS**

There are no community safety implications arising from these proposals.

### **7.5 HUMAN RIGHTS ACT**

There are no Human Rights implications arising from these proposals.

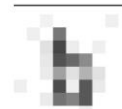
### **7.6 TRADE UNION**

There are no Trade Union implications arising from these proposals.

### **7.7 WARD IMPLICATIONS**

There are no Ward implications arising from these proposals.

### **7.8 AREA COMMITTEE ACTION PLAN IMPLICATIONS (for reports to Area Committees only)**



N/A

## **8. NOT FOR PUBLICATION DOCUMENTS**

### Appendix 1

This Appendix is not for publication because it contains exempt information under Schedule 12A of the Local Government Act 1972 (information relating to the financial or business affairs of the Council), and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

## **9. OPTIONS**

There are 2 options:

Proposal 1 - that the full price increase for all containers be applied in 2017/18, or

Proposal 2 - that the full price increase for all containers be applied in 2017/18 except for the 240L container which should be staggered over 2 financial years 2017/18 and 2018/19.

## **10. RECOMMENDATIONS**

It is recommended that option "Proposal 2" contained in the not for publication Appendix 1 that the full price increase for all containers be applied in 2017/18 with the exception of the 240L container which should be staggered over 2 financial years 2017/18 and 2018/19, be approved.

## **11. APPENDICES**

Not for publication Appendix 1 – Table of Trade Waste Charges Increase Calculations 2017-18

## **12. BACKGROUND DOCUMENTS**

None.

