

WASTE MANAGEMENT AND RECYCLING CONTRACT
REVIEW OF TRADE WASTE TRIAL AT BIDSTON HWRC
WDA/12/12

Recommendation

That:

1. Members note the success of the recent trial which allowed trade waste to be accepted at Bidston HWRC; and
2. Approve the continuation to accept trade waste at Bidston HWRC; and
3. Approve the implementation of additional trade waste recycling and disposal areas within certain HWRCs as described at paragraph 8.3.

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Report of the Chief Executive

1. Purpose of the Report

- 1.1 To report to Members the results of the trial which allowed local small businesses to deposit their trade waste (for a charge) within a dedicated area at the Bidston Household Waste Recycling Centre (HWRC) and;
- 1.2 To seek Members approval to continue to accept trade waste at Bidston HWRC and to implement additional trade waste recycling and disposal areas (Trade Waste Recycling Centres) within certain HWRCs on Merseyside.

2. Background

- 2.1 The Authority at its meeting on 4th February 2011 approved the implementation of a trial allowing acceptance of trade waste at the Bidston HWRC (WDA/05/11). It was resolved that the Chief Executive would report back to Members the results of the trial prior to any further implementation, which is subject to approval by Members.
- 2.2 Allowing trade waste to be accepted at HWRCs is made with the aim of reducing the Authority's operating costs by generating an income from profits made from the new service. This new service supports the Central Government requirement for Local Authorities to provide 'more for less' in provision of services amidst cuts to Local Authority funding and budgets.
- 2.3 As part of the Operational Review (Report WDA/11/10) the Chief Executive committed to examine the capacity and suitability for HWRCs to accept trade waste, considering also the likely costs for any infrastructure changes and any Planning requirements.
- 2.4 The trial was also introduced to offer a service to local small traders who have been displaced from using the HWRCs since the introduction of the HWRC Commercial Vehicle Permit Scheme.

- 2.5 The additional trade waste service at Bidston HWRC was also introduced to further minimise the amount of trade waste that is illegally deposited (as household waste) at the HWRCs. Reducing the amount of trade waste entering HWRCs improves recycling performance and congestion at the sites.
- 2.6 Acceptance of trade waste at HWRCs, thereby increasing local facilities to accept waste, will contribute to efforts to minimise the level of fly tipping in the area.

3. Review of the trial at Bidston HWRC and proposal to implement Trade Waste Recycling Centres within certain HWRCs on Merseyside

3.1 Review of the Bidston HWRC trial

- 3.1.1 The trial to allow trade waste to be accepted at Bidston HWRC commenced on Monday 20th June 2011. The review period considered the trial for a 7 months period, until the end of January 2012. It should be noted that the period of review covers the Autumn/Winter period when local waste arisings are at their minimum.
- 3.1.2 The purpose of the trial was to consider if there is a sufficient local market to sustain a trade waste service at the HWRCs and to consider if the proposed service may generate a profit and income stream to the Authority.
- 3.1.3 The trial was launched via a range of limited communications including media releases, newspaper adverts, posters, flyers, advertising banners and support from Wirral Chamber of Commerce.
- 3.1.4 An Access Policy and schedule of prices was established for the trial. Veolia established various methods of payment and were responsible for administering the service.
- 3.1.5 Veolia provided all labour, containers, signage, equipment hire and made arrangements for the waste to be recycled or disposed.
- 3.1.6 During the trial facilities to recycle rubble, plaster/gypsum waste, garden waste, timber, paper, cardboard, glass bottles and jars, cans, scrap metal, hard plastics, textiles, plastic film/sheeting and tyres were made available. Non recyclable waste was also

accepted for disposal at landfill. The schedule of prices to deposit waste at the facilities was structured to encourage recycling of waste and avoid more expensive disposal to landfill.

3.1.7 During the trial 170 trade waste deliveries were made to Bidston HWRC. Encouragingly, over the period of the trial deliveries have risen since commencement. Total waste delivered was 88 tonnes. 84.7% of the waste was recycled.

3.1.8 The trial generated a profit which shall be shared equally as part of an agreement between the Authority and Veolia.

3.2 Proposal to implement Trade Waste Recycling Centres within certain HWRCs on Merseyside

3.2.1 Although the trial generated fairly small quantities of waste it is encouraging that recycling performance reached 84.7% and a profit was achieved.

3.2.2 Discussions with Veolia with regard to the possibilities of implementing similar facilities or 'Trade Waste Recycling Centres' (TWRC) within other HWRCs have been encouraging and key points are summarised below:

3.2.2.1 Veolia will provide appropriate resources to market and advertise the new TWRCs. This will include utilising the services of a Veolia employed sales person to generate and maintain customers. Veolia will also advertise on the sides of the 29 transport trailers used for the Waste Management and Recycling Contract. MRWA will also assist with marketing the new service.

3.2.2.2 Veolia will provide all labour, containers, signage, equipment hire and make arrangements for the waste to be recycled or disposed.

3.2.2.3 Veolia will be responsible for administering the service.

3.2.2.4 The Authority and Veolia will equally share any profits generated by the new service. In the event of monetary loss Veolia will be solely responsible and

the Authority would not be exposed to such losses. Veolia will provide open book accounting to the Authority which the Authority will audit. Veolia will equally share any profits generated by the new service which will be net of the costs incurred for the marketing and operation of the scheme.

- 3.2.2.5 The introduction of TWRCs will be subject to a Veolia business case demonstrating profit at future sites.
- 3.2.2.6 Preferred future sites for TWRCs are: Bidston (to continue), new Huyton HWRC, New Kirkby HWRC, Southport HWRC and Sefton Meadows HWRC.
- 3.2.2.7 Veolia will submit their detailed site specific business cases to the Chief Executive for approval.
- 3.2.2.8 TWRC's will be provided as a Waste Management and Recycling Contract service.
- 3.2.2.9 Communications with members of the public will take place prior to the opening of any new TWRC.

4. Risk Implications

4.1 The following risks have been identified:

Identified Risk	Likelihood Rating	Consequence Rating	Risk Value	Mitigation
That trade waste is illegally deposited (as household waste) at the HWRCs at cost to MRWA	4	4	16	Provide alternative facilities to traders via implementing Trade Waste Recycling Centres at certain sites.
That the standard of service (recycling performance and congestion) at	3	3	9	Provide alternative facilities to traders via implementing Trade Waste Recycling Centres at certain sites.

the HWRCs is not optimised due to the illegal deposition of trade waste				
That fly tipping is not minimised due to unavailability of trade waste tipping facilities at HWRCs	2	3	6	Provide additional facilities via implementing Trade Waste Recycling Centres at certain sites.
That income is not generated from HWRCs and used to off-set MRWA's waste management costs	3	3	9	Implement Trade Waste Recycling Centres at certain sites.
That Central Governments 'more for less' requirement for provision of services is not achieved	4	2	8	Provide additional facilities via implementing Trade Waste Recycling Centres at certain sites.
That complaints are received from HWRC site users in the event that TWRCs are introduced at HWRCs	3	2	6	Effective management of site operations. Appropriate advice and communications to site users.

5. HR Implications

- 5.1 Minimal officer time from within the existing Authority establishment will be necessary to audit the new service and assist with marketing and promotion. The Authority's Contracts Section would lead in this respect.
- 5.2 Veolia are responsible for providing all operational and administrative staff as part of the service to the Authority.

6. Environmental Implications

- 6.1 There are no environmental implications associated with this report.

7. Financial Implications

- 7.1.1 Veolia are responsible for all necessary expenditure for provision of labour, containers, signage, equipment hire and cost of recycling and disposal of waste.
- 7.1.2 Income will be derived from site entrance fees and sale of recyclates.
- 7.1.3 The Authority shall not be liable in the event that losses are incurred as a result of implementing TWRC's.
- 7.1.4 The Authority is not required to make any additional budget provision to implement new TWRCs during 2012/13, any expenditure during 2012/13 would be met from the existing approved Waste Management and Recycling Contract budget for 2012/13. Should any future budget provision be necessary to provide and maintain the new service beyond 2012/13 this would be included within the Waste Management and Recycling Contract budget of the relevant year and presented for approval by Members.
- 7.1.5 Veolia will equally share any profits generated by the new service which will be net of the costs incurred for the marketing and operation of the scheme.

8. Conclusion

- 8.1 The trial allowing trade waste to be deposited (for a charge) at Bidston HWRC is considered successful, as a high recycling rate of 84.7% was achieved in addition to profit. These results were achieved during the Autumn/Winter period when waste arisings are at their lowest. The trial did

not have the benefit of a significant marketing campaign and had no assistance from a sales representative.

- 8.2 Should Members approve the continuation of the scheme at Bidston HWRC and the implementation of additional TWRCs, Veolia will on a business case basis continue to provide the service and introduce additional TWRCs at certain HWRCs on Merseyside, with agreement to share all profits equally with the Authority and shield the Authority should any TWRCs make a loss.
- 8.3 It is proposed that the TWRC at Bidston is allowed to continue and that the Authority allows TWRCs to be introduced at new Huyton HWRC, New Kirkby HWRC, Southport HWRC and Sefton Meadows HWRC subject to robust business plans.

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The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.