

PERTH AND KINROSS COUNCIL**Environment Committee****1 June 2016****Introduction of a Trade Waste Permit System at Council Recycling Centres****Report by Director (Environment)**

This report outlines the background to the proposals for the introduction of a Trade Waste permit system at Council Recycling Centres. The system is being proposed to control the unlawful disposal of waste by businesses which is estimated to cost the Council in the region of £75,000 per annum. This reports sets out the policy, process and timescales. It also seeks approval for the introduction of a Trade Waste permit system and outlines the 'soft start' to its implementation.

1. BACKGROUND / MAIN ISSUES

- 1.1 The Refuse Disposal (Amenity) Act 1978 requires that Local Authorities provide sites where a person can dispose of refuse free of charge. The exception to this is refuse generated by business activities. Therefore, there is no obligation on Perth & Kinross Council to provide such sites for the disposal of trade waste.
- 1.2 Businesses are required by Duty of Care legislation to ensure their waste is disposed of in accordance with the law, and the Environmental Protection Act 1990 allows Local Authorities to charge for both the collection and disposal of business waste. Where businesses bring their waste to Recycling Centres, the collection element does not apply. However, Local Authorities can (and should) charge for the disposal element.
- 1.3 The following arrangements are currently in place for businesses:
 - All Recycling Centres in Perth & Kinross are licenced to take municipal waste (that includes business waste of a similar nature to household waste).
 - Businesses can dispose of residual waste and pay a fee at Recycling Centres, with the exception of Inveralmond Recycling Centre in Perth.
 - Trade waste over the weighbridge at Friarton, Perth was re-introduced in 2016 following approval of the report on the Environment Service Scheme of Charges 2016/17 (Report 16/13 – noted at Environment Committee 20 January 2016 and approved at Special Council Meeting 11 February 2016). This previous service was withdrawn due to the introduction of the Landfill Allowance Scheme. This had financial implications for the Council in terms of significant fines for exceeding landfill allowance tonnages. These have now been abolished.

- Businesses can also deposit timber, inert and garden waste at Friarton Depot and are charged accordingly through use of the weighbridge facility.
 - Businesses are also permitted to dispose of recyclates such as cardboard, cans, glass, paper and plastic bottles, free of charge at all Recycling Centres and Points.
- 1.4 The majority of businesses use Recycling Centres correctly and pay for the disposal of their waste. However, the Council's Recycling Centres are being targeted by some traders, claiming to be residents with household waste, in order to deposit waste free of charge. This provides these businesses with an unfair advantage over companies who are operating within the law, and paying commercial rates with the Council or other waste management providers. In order to ensure that there is a level playing field for businesses, the Council set out to find out the scale of the issue, develop a system that reduces unlawful disposal and treats business in a fair and equitable manner. Following reports of unauthorised disposal of waste by businesses from site operatives at Recycling Centres, a comprehensive survey of all vehicle movements at Friarton Recycling Centre was undertaken.
- 1.5 The survey concluded that a considerable quantity of commercial waste was being illegally deposited at Friarton Recycling Centre. Based on the findings of the survey, it was estimated that the total of unpaid disposal charges across the Council's Recycling Centres could be in the region of £75,000 per annum (Appendix 1 shows a detailed breakdown of the estimated cost).
- 1.6 Following on from the survey, potential options for restricting the unauthorised trade usage at Recycling Centres was investigated by officers in Waste Services and Operations.
- 1.7 The options appraisal included identifying and scoping a number of options. These options were subjected to a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis to ensure the options were fully understood in terms of restricting/ceasing the unauthorised trade usage at Recycling Centres.
- 1.8 The preferred options were:
1. Introduce a Permit System at all sites.
 2. Conduct cross referencing of company details during the permit application process against the Scottish Environment Protection Agency (SEPA) waste carriers database to ensure the business is appropriately licenced.
 3. Install barriers at Recycling Centres to allow attendants to stop vehicles and check permits and waste types.
 4. Permit the use of the Friarton weighbridge for residual waste

- 1.9 Barriers were installed as part of the development of the new Inveralmond Recycling Centre which opened in 2012. Based on the successful implementation, a decision was made to incorporate barriers at Recycling Centres across the Council area.
- 1.10 To date, barriers have been installed at Blairgowrie, Crieff, Friarton, Kinross, Pitlochry and Inveralmond Recycling Centres. Signage was ordered in March 2014 which coincided with a media release informing the public of the Council's initiative to increase recycling rates by allowing staff to stop vehicles and direct them appropriately.
- 1.11 In addition, there are existing procedures in place for residential landlords following enquiries to clarify their position in relation to waste disposal.
- 1.12 Under Schedule 1 of the Controlled Waste Regulations 1992, any waste emanating from a property whose primary purpose is a domestic residence should be regarded as household waste. Therefore, where someone owns a property and disposes of waste (furniture and furnishings) they can legally take that waste to a Recycling Centre and, based on the Residential Landlord procedure, dispose of it free of charge twice per rolling year.
- 1.13 However, where waste is removed on behalf of a tenant by the landlord, they are acting as a third party to remove the waste. For such a transaction, the landlord would require a Waste Carriers Licence and will be required to pay for the disposal of the waste.
- 1.14 In addition, if the landlord / owner carries out house clearances and / or general maintenance work on behalf of tenants or third parties, they would require a Waste Carriers Licence and will be required to pay for the disposal of the waste

2. PROPOSALS

- 2.1 The Council is striving to balance the need to support businesses, (by helping dispose of their waste legitimately), with the need to avoid indiscriminate and illegal disposal of waste by less responsible traders. By finding solutions to the acceptance of commercial waste and recyclates, the Council can improve services for local businesses and make it easier and more cost effective for SMEs to recycle.
- 2.2 Other benefits to ensuring that commercial waste does not enter sites unchecked include managing congestion on site and ensuring that the recycling rate at the centre is not affected – businesses can be encouraged to segregate their waste to ensure they meet the requirements under the Waste (Scotland) Regulations 2012. In addition, the safety of our site operatives is paramount and there have been incidences where operatives have challenged 'suspected' traders and difficult situations have occurred. Therefore, a clear and concise permit system will assist with protecting our operatives.

- 2.3 As part of the process of developing a permit system, initial consultation with relevant sectors, including comparator authorities, was undertaken. In addition, data was gathered from other sources including Waste and Resources Action Programme (WRAPs) Household Waste Recycling Centre (HWRC) Guidance Report (Updated January 2016). This report contains a section dedicated to the issue of managing commercial waste on sites. The report provides guidance of how such systems can be implemented.
- 2.4 From this consultation and guidance report, a number of basic requirements and principles for a permit scheme are listed below:
- For authorised users of Recycling Centres, the level of provision and service should not be diminished, i.e.:
 - Householders will be able to use all Recycling Centres and Points to dispose of, and recycle, their waste and recyclables without charge – no change to current service levels.
 - Businesses/Commercial traders will still be able to use all Recycling Centres and Points to recycle their glass bottles and jars, paper, card, metal packaging and rigid plastic containers – no change to current service levels.
 - Businesses/Commercial traders can continue to dispose of residual waste, wood, garden/green waste and inert materials at Recycling Centres, with the exception of Inveralmond and Friarton Recycling Centres, where businesses are directed to use the weighbridge at Friarton Depot. This service will be chargeable and will be on a similar scale to the current charging scheme. Commercial traders looking to dispose of materials out with this range will be directed elsewhere – no change to current service levels.
 - Businesses / commercial traders will be able to use the Friarton weighbridge to dispose of residual waste - introduced on 1 April 2016.
 - Permit system should be cashless, to minimise on-site administration risks of cash handling and potential delays.
- 2.5 Consultation and data gathering was also undertaken with neighbouring local authorities, where examples of best practice were identified. It was found that permit systems are relatively commonplace and a number of operating models exist, with many Councils choosing to charge businesses for using sites. See Appendix 4 for further information.

Permit System

- 2.6 A working group was set up with the remit of developing proposals for how a permit scheme would work in terms of policy, types of permits that would be available, the charging scheme and how the permit system would be enforced at Recycling Centres. Appendix 2 provides a concise visual overview of the

main issues and detailed information is provided in Sections 2.7 to 2.23 below.

Policy

- 2.7 All vehicles that could potentially be transporting trade waste, including all vans and vehicles towing trailers, will be stopped at the barriers by site attendants and asked to produce a permit.
- 2.8 If a permit cannot be produced then entry to the site to dispose of waste will be denied. The business will be provided with details of how to register for and obtain a permit. The site attendant will record the business details. Where the trader fails to register, the Council may follow-up and /or report any concerns to SEPA in full.
- 2.9 Householders whose main mode of transport is a van will be able to register for a Residential Exemption Permit. Traders who try to exploit this exemption system may have restrictions placed on the number of visits they may make in a set period of time, as per the landlords' procedures detailed in sections 1.11 – 1.14.

Permits

- 2.10 To be able to effectively implement the above policy, three types of permit will be made available, namely:
- Residential Exemption Permit
 - Business Waste Permit
 - Business Recycling Permit

Residential Exemption Permit

- 2.11 As stated in paragraph 2.9 above, the Residential Exemption Permit is to allow householders, whose main mode of transport is a van, to be able to use the Recycling Centres to recycle and dispose of waste without charge. The registration process is designed to be robust and will include a requirement for the resident to produce the following documentation on application:
- Vehicle registration documents
 - Proof of address
 - Letter of comfort from business/employer where a liveried business vehicle is used, giving permission to use the van for personal purposes
 - For sole traders, additional separate proof of waste disposal arrangements for their business will be required

- 2.12 There will be occasions when residents may hire a vehicle on a short term basis to undertake works on their property, for example. The system has been designed to allow for this.
- 2.13 A check will be made by the site attendant of the short term hire agreement. If this can be produced then the resident will be allowed to access the site to deposit waste and/or recycle. If this cannot be produced, then the vehicle will not be given access to the site.
- 2.14 If a hire agreement can be produced and this is for a period of longer than one week, then this will be deemed a long term hire agreement and will require the resident to apply for a Residential Exemption Permit.

Business Waste Permit

- 2.15 Businesses will be able to register for a Business Waste Permit. The registration process will consist of a cross check of its Waste Carriers Licence Registration against SEPA's online database.
- 2.16 Once this check has been completed, an annual Waste Transfer Note will be issued by the Council which can be used by businesses to evidence compliance with the Waste (Scotland) Regulations 2012. The regulations place a legal duty for any businesses that produce, handle or dispose of waste to hold a Waste Transfer Note under Duty of Care legislation. The Waste Transfer Note contains a written description of the waste which enables anyone handling it to do so safely and appropriately.
- 2.17 Business Waste Permits will be issued, and will be re-issued on a calendar year basis. The permits will be a credit card sized laminated document that can be carried easily.
- 2.18 The Business Waste Permit will be chargeable through a pre-paid voucher system. Once businesses have registered and received their permit, they will be able to purchase vouchers based on the waste type and the type of vehicle being used. The vouchers can be paid by invoice if the business has an account set up with the Council and if the sum is over £30, or by cash. The purchasing of vouchers will be handled by the Customer Service Centre or via Council offices and the businesses will be required to redeem the voucher to deposit trade waste at the Recycling Centres.

Business Recycling Permit

- 2.19 Businesses will be able to register for a Business Recycling Permit. This will be a non-chargeable service. The registration process will be the same as described in paragraphs 2.16 -2.18 and will consist of a cross check of the businesses Waste Carriers Licence against SEPA's online database.
- 2.20 Once this check has been completed, an annual Waste Transfer Note will be issued which can be used by businesses to evidence compliance with the Waste (Scotland) Regulations.

Charging Proposals

- 2.21 Types of vehicle which are included in the permitting system are:
- Light vans
 - Panel vans
 - Vehicles towing a trailer (including trailers up to 0.5 tonne)
 - Vehicles towing a trailer (including trailers over 0.5 tonne)
- 2.22 Appendix 3 summarises the current charges for residual and garden waste at Recycling Centres from 1 April 2016. These charges reflect the proposed permit costs and were agreed by the Council through the budget setting process.
- 2.23 In addition, and to provide a comprehensive trade waste service, the acceptance of trade waste over the weighbridge at Friarton, Perth has been re-introduced from 1 April 2016. This service was previously withdrawn due to the introduction of the Landfill Allowance Scheme which had financial implications for the Council in terms of significant fines for exceeding landfill allowance tonnages. This scheme is no longer in existence and the opportunity now exists to provide a comprehensive waste service to business customers who wish to transport their waste to the Friarton depot or one of our nine Recycling Centres.
- 2.24 The charging scheme for disposal of waste at Friarton Weighbridge will be based on the current charging scheme at 1 April 2016 (see Appendix 3). It takes into account any changes agreed by the Council through the budget setting process.
- 2.25 Traders who visit the Friarton Recycling Centre will be advised to visit the weighbridge. Only disposal of the recyclables outlined in paragraph 1.3 will be accepted at the Friarton Recycling Centre.
- 2.26 Only recyclates will be accepted at the Inveralmond Recycling Centre from businesses. Residual waste will have to be disposed of at Friarton, as businesses can access the Weighbridge and will be charged on a pay by weight basis. The use of the Friarton Weighbridge in Perth for disposal of residual business waste and bulky waste such as garden and timber ensures that Friarton and Inveralmond Recycling Centres are kept clear for use by households or businesses with a Recycling Permit.

Implementation of the System at Recycling Centres

Enforcement Approach

- 2.27 Prior to the implementation period, there will be a significant amount of work done to ensure that householders and businesses are aware of the changes.

- 2.28 Training involving relevant staff from Waste Services, Direct Services (Operations), Customer Service Centre and Finance will be undertaken prior to the 'soft start' of the system. A 'soft start' will be used at the point of introduction of the scheme, with those traders who are prepared to pay for waste disposal, being allowed on site for the first visit, thereafter they will be refused entry without a Permit. Traders will be supported by site operatives who will assist them in understanding how the new system will operate, throughout this period.
- 2.29 Residents with a van will also be allowed to access the site on the first occasion with a Disclaimer Form completed confirming the waste is from a household and not of commercial origin. Thereafter, they will be refused entry if a Residential Exemption Permit has not been obtained. Timescales for the duration of the 'soft start' are provided in Section 2.31. The soft start will ensure a sympathetic approach is taken by staff.
- 2.30 Staff will be briefed on the enforcement protocols that they will be responsible for implementing once the scheme is fully in place. The enforcement protocols will consist of the following:
- 1) Stop vehicle at barrier and identify if waste is domestic or commercial.
 - 2) Entry to the site to be refused if an appropriate permit or short-term hire agreement cannot be presented.
 - 3) Operative to record business/residents' details and advise of registration process and requirements. The driver will be advised that this information will be passed to Waste Services staff, and also SEPA if there is suspected inappropriate disposal of waste.
 - 4) Where suspected traders fail to register, Waste Services Officers may follow-up via individual or company details provided.
 - 5) Waste Services Officers report any concerns regarding suspected commercial vehicles to SEPA where traders fail to register.

Implementation Timescales

2.31 The proposed timescales for implementing the permit system are:

| | |
|--|-----------------------|
| Report to Environment Committee for approval | 1 June 2016 |
| Education and Awareness (including staff training) | June to December 2016 |
| 'Soft Start' | January – May 2017 |
| Full Implementation | 1 June 2017 |

2.32 The first stage of the implementation will be informing householders, as well as businesses, of the changes and of the timescales for implementation. Target business user groups will be retail, building, glazing, gardening, landscaping, small manufacturing, hotels and restaurants, and the professional and service sectors. Key messages will be distributed via the Council's social media forums, local press and radio. Direct mailings of

information leaflets will be issued to local businesses and be made available at sites in the weeks preceding, and during, the introduction of the scheme.

3. CONCLUSION AND RECOMMENDATION

- 3.1 The Council's Recycling Centres are being targeted by traders, claiming to be residents with household waste, in order to deposit waste free of charge.
- 3.2 This is providing an unfair advantage to these companies over responsible businesses which are operating within the law, and paying commercial rates with the Council or other waste management providers.
- 3.3 The Council estimates that traders are avoiding paying in the region of £75,000 per annum in disposal charges. The proposals contained within this report seek to counteract this.
- 3.4 It is recommended that the Committee approves:
- (i) the introduction of a trade waste permitting system from 1 June 2017 as outlined in the report; and
 - (ii) a soft start approach where operatives will assist residents and traders in understanding the system prior to full implementation with education and awareness being undertaken until the implementation date.

Authors

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Approved

| Name | Designation | Date |
|----------------|------------------------|------------|
| Barbara Renton | Director (Environment) | 2 May 2016 |

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

| Strategic Implications | Yes / None |
|---|-------------------|
| Community Plan / Single Outcome Agreement | YES |
| Corporate Plan | YES |
| Resource Implications | |
| Financial | YES |
| Workforce | None |
| Asset Management (land, property, IST) | None |
| Assessments | |
| Equality Impact Assessment | None |
| Strategic Environmental Assessment | None |
| Sustainability (community, economic, environmental) | YES |
| Legal and Governance | YES |
| Risk | None |
| Consultation | |
| Internal | YES |
| External | YES |
| Communication | |
| Communications Plan | YES |

1. Strategic Implications

Community Plan / Single Outcome Agreement

1.1 The proposals in this report relate to the delivery of the Perth and Kinross Community Plan / Single Outcome Agreement in terms of following the priorities:

- (i) Promoting a prosperous, inclusive and sustainable economy
- (ii) Creating a safe and sustainable place for future generations

Corporate Plan

1.2 The proposals relate to the achievement of the Council's Corporate Plan Priorities:

- (i) Promoting a prosperous, inclusive and sustainable economy;
- (ii) Creating a safe and sustainable place for future generations.

2. Resource Implications

Financial

2.1 Introducing the Permitting System should assist the Council with generating potential savings generated through avoided waste disposal charges (estimated at £75,000 per annum).

Workforce

- 2.2 The proposals in this report have no direct workforce implications. However, introducing a Permit System will support Operatives at Recycling Centres in taking preventative action and provide protection for them.

Asset Management (land, property, IT)

- 2.3 The proposals in this report have no Asset Management implications.

3. Assessments

Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.2 The proposals have been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:
- (i) Assessed as **not relevant** for the purposes of EqIA

Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.4 The proposals have been considered under the Act and no further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

Sustainability

- 3.5 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. Under the Climate Change (Scotland) Act 2009 the Council also has a duty relating to climate change and, in exercising its functions must act:
- In the way best calculated to delivery of the Act's emissions reduction targets;
 - In the way best calculated to deliver any statutory adaptation programmes; and
 - In a way that it considers most sustainable.
- 3.6 The implementation of this scheme will ensure businesses comply with relevant environmental legislation and regulations and ensure the Recycling

Centres can also function efficiently for the benefit of residents in Perth and Kinross.

Legal and Governance

- 3.7 The Head of Legal and Governance and Head of Finance have been consulted on the content of this report.

Risk

- 3.8 Risks associated with individual actions related to the Permit System will be identified and managed accordingly through project implementation.

4. Consultation

Internal

- 4.1 The report has been developed in consultation with the Business Support Team, Direct Services and the Customer Service Centre.

External

- 4.2 The proposals in this report have been developed based on initial consultation with relevant sectors and information collated from other Local Authorities. Reference has also been made to the Household Waste Recycling Centre (HWRC) Guide (WRAP, Updated January 2016) which can be accessed - http://www.wrap.org.uk/sites/files/wrap/INH0449_HWRC_Guidance_2015_7%20FINAL.pdf

5. Communication

- 5.1 As part of the Implementation Plan householders, as well as businesses, will be informed of the changes and of the timescales for implementation. Key messages will be distributed via the Council's social media forums, local press and radio. Direct mailings of information leaflets will be issued to local businesses and be made available at sites in the weeks preceding, and during, the introduction of the scheme. A detailed Communications Plan and timeline will be finalised on Committee approval and Corporate Communications Team will be consulted on the final plan.

2. BACKGROUND PAPERS

- 2.1 None.

3. APPENDICES

- 3.1 Appendix 1 – Calculation of potential avoided charges.
3.2 Appendix 2 – Concise Mindmap.
3.3 Appendix 3 – Current charges for Recycling Centres and Weighbridge.
3.4 Appendix 4 - Waste Managers Network – Trade Waste Access at Recycling Centres.