

REPORT TO RESOURCES P.D.G.

REPORT OF: Executive Manager, Environment

REPORT NO: ENV654

DATE: 16th March 2017

TITLE:	Commercial Waste Service	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	For discussion	
PORTFOLIO HOLDER: NAME AND DESIGNATION:	Cllr Nick Craft – Executive Member Environment	
CONTACT OFFICER:	Ian Yates	
INITIAL IMPACT ANALYSIS: Equality and Diversity	Not Applicable	Full impact assessment Required:
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk The attached Business Case is exempt under Schedule 12A of the Local Government Act 1972 section 3.	
BACKGROUND PAPERS	Framework for assessing trading opportunities: http://moderngovsvr:8080/ieListDocuments.aspx?CId=495&MId=3339&Ver=4	

1. RECOMMENDATION

Members to consider the provision of a trade waste collection service to business customers and support the recommendations in the detailed business case.

2. PURPOSE OF THE REPORT

2.1 The purpose of this report is to present a proposal to introduce a trade waste collection service in South Kesteven.

3. DETAILS OF REPORT

3.1 Background

Under the Environmental Protection Act 1990 (EPA 1990), the Council has a duty to arrange for the collection of commercial waste. We currently discharge this duty by referring customers to private companies operating within the area. The EPA 1990 also imposes a legal responsibility of “any commercial activity” - whether run from home or its own premises - to manage the waste it produces. In practice this requires businesses to have trade waste agreements in place.

3.2 Opportunity

The opportunity therefore exists to build on the existing domestic waste collection services that the council provides by introducing a collection service to commercial organisations. As the majority of the infrastructure for delivering this business proposal is already in place, a hybrid model utilising existing assets and services, with only the requirement for a small investment in employees is required. No significant start-up capital is required.

3.2.1 Many local authorities provide a trade waste service offering good value to local businesses in their areas. Our local commercial waste market is active with four larger providers operating from outside the area and one smaller business within Lincolnshire.

3.3 Business Case

Delivering a trade waste service in a commercial environment is a new venture for the council, and to ensure its success in a competitive market will require our offer to be tailored to customer need. The attached confidential Business Case details the research undertaken analysing the market, the competition and the possible costs and associated sales.

3.3.1 Resources PDG have previously considered a range of questions to assist in deciding whether it would be appropriate for the Council to enter a market, these are attached at Appendix 1.

3.3.2 It is not possible to exactly determine the take up of the proposal as there are many influencing factors that are outside the council’s control. The market may adjust following the entry of a new competitor and prices could fall. Whilst this may mean that the new service loses potential income the business community will benefit from the lower prices. It is only by actually intervening in the market that we will be able to determine if the level of demand can sustain the new service by offsetting costs.

4. RESOURCE IMPLICATIONS

- 4.1 The confidential business case attached details the benefits and risks of the proposal. The intention will be to utilise the councils invest to save fund to provide initial funding for the early phase of the initiative.

5. RISK AND MITIGATION

- 5.1 These are detailed in the Business Case.

6. ISSUES ARISING FROM IMPACT ANALYSIS

- 6.1 The introduction of a commercial trade waste service would not require an impact assessment. This is a service being provided to organisations and not individuals.

7. CRIME AND DISORDER IMPLICATIONS

- 7.1 None

8. COMMENTS OF FINANCIAL SERVICES

- 8.1 A business case has been prepared and is predicated on the operating model of utilising the existing infrastructure and resources with only the requirement to invest in an additional resource to promote and market the opportunity. The charging model can only be based on cost recovery in accordance with the Local Government Act 2003.

9. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

- 9.1 The Local Government Act 2003 provides that a local authority can only charge where it is exercising a discretionary function. The general power to charge is subject to a duty to secure that, taking one financial year with another, the income from charges does not exceed the cost of provision. Depending on the success of the service alternative arrangements may need to be considered in the future.

Appendix 1

Opportunity to deliver value or improved outcomes for our communities

Does it deliver outcomes supporting the council's priorities?

Does it fit within the councils values / is it ethical?

Does it drive positive outcomes or improve efficiencies?

Opportunities and benefits from entering a market

Can we enter the market and gain a share with little or no risk?

Can we improve the offer by intervening in the market?

Would we be upsetting an existing market that is profitable?

Can we act as a catalyst for creating a new service/market?

Opportunity for financial benefits

Will it deliver a financial gain (profit)?

Will it contribute to fixed costs and maximise existing resources and assets?

What new skills will be secured?

Can we enter the market with little start-up investment?*