

Committee(s):	Date(s):	Item no.
Port Health and Environmental Services	1st May 2012	
Subject: The Controlled Waste (England and Wales) Regulations 2012	Public	
Report of: Director of the Built Environment	For Decision	

### **Summary**

The Government laid before Parliament on 15 March 2012 the Controlled Waste (England and Wales) Regulations 2012 revoking the Controlled Waste Regulations 1992 and for implementation on 6 April 2012.

The Regulations give local authorities powers to charge for waste disposal from a wider range of non-domestic premises than previously allowed and also reclassify some waste from 'household' to 'commercial' waste.

To ensure legislative compliance, and in keeping with the Government's policy that waste producers be responsible for their own waste management, changes need to be made in the provision of some waste collection and disposal services provided by the City of London. These changes are set out in this report which also proposes the revision of some charges as a consequence of the Regulations.

### **Recommendations**

It is recommended that your Committee:

- Notes that the offices of charities currently served by the City have been informed of the legislation change which requires them to arrange for their own commercial waste collections with effect from 6 April 2012.
- Approves the charging of non-wholly publicly funded educational establishments for both their waste collection and disposal with effect from 1 September 2012 using the schedule of rates attached as Appendix 3.
- Approves that wholly publicly funded educational establishments be charged for waste collection and disposal as from 2015 or as otherwise directed by the Government following its spending review.

## **Main Report**

### **Background**

1. Schedule 2 of the Controlled Waste Regulations 1992 (CWR) gave Waste Collection Authorities powers to charge for the collection of certain types of household waste. 'Household waste' is defined in the Environmental

Protection Act 1990 (EPA), and includes waste from some non-domestic sources, such as schools, hospitals, charities and camp-sites.

2. The CWR created a problem for local authorities because, whilst they were permitted to charge for waste collection, there was no provision in either the CWR or the EPA to allow waste collection authorities to charge disposal costs for such 'Schedule 2' premises. The costs of waste disposal have risen substantially since the Regulations were introduced and continue to do so. As a result large numbers of the non-domestic 'Schedule 2' premises sought waste services from local authorities in order to take advantage of taxpayer-funded waste disposal.
3. The Government proposed amending the CWR in 2010 with a public consultation exercise which closed on 14 January 2011. The Government laid before Parliament on 15 March 2012 the Controlled Waste (England and Wales) Regulations 2012, which revoke the Controlled Waste Regulations 1992, for implementation on 6 April 2012.
4. The 2012 Regulations now give local authorities powers to charge for 'household' waste disposal from a wider range of non-domestic premises than the 1992 Regulations allowed and also reclassify some waste which was previously household waste as commercial waste.

## **Current Position**

### **Places of Worship**

5. Waste from some 40 places of worship in the City remain as 'household' waste with no charge permitted for disposal costs and there will be no change to the services provided or charges levied by the City of London.

### **Charity Offices**

6. Waste from 37 offices (Appendix 1) in the City occupied by charitable organisations previously received a "household" waste service from the City for which up until 5 April 2012 only a collection charge has been permitted.
7. From 6 April the charity offices in Appendix 1 become commercial waste producers under the CWR 2012 and they have been informed that their collections have been transferred to Enterprise Managed Services Ltd.
8. No waste bags were sold to the charities after 30 March 2012 and the estimated loss of income to the City Corporation is £7,000 per annum. This will be offset by comparative savings in collection and disposal costs. As 'household' waste Enterprise previously collected the waste as the City's contractor, while the City received bag income and was responsible for the disposal costs. Since charities have become

Enterprise's commercial waste customers, Enterprise have become responsible for the collection and disposal costs as well as receiving the income.

9. Any City waste bags already purchased by the charities will continue to be collected by Enterprise Managed Services Ltd, (the City Corporation's current waste collection contractor) following which charities will then have to make arrangements for their waste collection with one of the many providers operating across the City. They may of course choose to purchase commercial waste sacks directly from Enterprise Managed Services Ltd, who, in support of their social responsibility pledge to the City, have volunteered a 20% discount on their standard prices.

### **Schools**

10. Waste from 11 schools and colleges in the City (Appendix 2) receive a waste service from the City of London for which currently only a collection charge is made.
11. All educational establishments within the City have recently been contacted regarding their waste management and as a consequence additional recycling collections have been introduced as shown in the table below. This waste currently incurs reduced disposal costs compared to disposal at the Energy from Waste plant and, as it will continue to be designated "household waste", will also contribute to the Corporations' household waste recycling targets.

Extra weekly collections	Service	Waste Type
9	1100 Litre Bin	Co-mingled recycling
2	660 Litre Bin	Co-mingled recycling
2	240 Litre Bin	Co-mingled recycling
12	Recycling Bags	Co-mingled recycling
4	140 Litre Bin	Food Waste

12. Waste from educational establishments continues to be classified as 'household waste' however disposal costs can now be charged in addition to collection costs. This change is consistent with Government policy of waste generators being responsible for meeting the costs associated with disposing of their waste. The one exception is that wholly publicly funded establishments may continue to receive free waste disposal pending a proposed Government spending Review in 2015. In the City there is only one wholly publicly funded school, Sir John Cass Primary School.

## **Options**

13. The remaining 10 non-publicly funded establishments can, from 6 April 2012, be charged for their waste disposal. Options for the City are:
1. To increase charges immediately to incorporate the full cost of waste collection and disposal in accordance with the schedule of rates set out at Appendix 3.
  2. To increase charges to incorporate the full cost of waste collection and disposal but to delay implementation of the new charges until 1 September 2012. This option is offered given the educational establishments involved would not have accounted for the proposed cost increase in school budgets for the 2011-12 academic year. This option is recommended.
  3. Not to increase charges.

## **Proposals**

14. That, in accordance with the spirit of the new regulations, charges be introduced for all non-publicly funded educational establishments in accordance with the 'polluter pays' principle. The introduction of these charges be delayed to commence in September 2012, at the start of the 2102/13 academic year
15. In 2015 the Government intends, following the completion of its spending review, to allow for wholly publicly funded schools to also be charged for the full cost of their waste disposal. It is recommended that the City introduce charging for the full cost of waste collection and from these school(s) from 2015, providing the expected regulatory changes allow for this.
16. Premises affected by increased costs will be advised by the City's recycling team on how better waste management can reduce disposal costs by undertaking efficient recycling and waste reduction.

## **Corporate & Strategic Implications**

17. The proposal outlined in this report supports key objectives within the Municipal Waste Strategy for the City of London 2008-2020, notably:
- To minimise the amount of waste produced in the City and increase recycling.
  - To raise awareness of the benefits of effective waste management and the waste hierarchy.

## **Implications**

18. Officers are currently seeking ways in which to increase the City's household recycling rates. The proposals in this report should assist in this matter as disposal costs are often seen as drivers of more effective waste management.
19. The proposed schedule of rates which incorporates waste collection and disposal costs for educational establishments, is shown in Appendix 3. These rates have been calculated on a full cost recovery basis. In most cases this results in an approximate doubling of the previous charges which were on a 'collection only' basis. As disposal of waste for recycling is approximately revenue neutral no charge increases are proposed for recycled waste other than bagged waste. In the case of both bagged waste for disposal and recycling prices had been held artificially low to compete with the large number of commercial bagged waste collectors operating in the City. Now that the City has sold its commercial waste business to Enterprise Managed Services Ltd (the City's waste contractor) the charges proposed seek to reflect the City's direct operational costs.
20. Whilst there will be a loss of income to the City Corporation of £7,000 per annum due to the reclassification of charities waste to 'commercial waste' this will be offset by a similar saving in collection and disposal costs. The income that will be received from non wholly publicly funded schools will be approximately £60,000 leaving a net surplus of £7,000 once collection costs of £25,000 and disposal costs of £28,000 are deducted. Overall these changes are likely to result in an increase in net income to the Cleansing local risk budget of £7,000 but this will depend upon whether all establishments continue to procure their waste services from the City.

## **Conclusion**

21. It is the Government's policy position that waste producers should have responsibility for the cost of their waste management and the cost should not be borne by the taxpayer. As the costs for waste disposal continue to increase year on year this becomes ever more important. Therefore it is proposed that the charges set out in this report be introduced but, in the case of non-publicly funded schools, deferred until September 2012 in recognition of the academic year.
22. Effective waste management can considerably reduce disposal costs for waste producers and City officers will continue to assist waste producers in the City to reduce waste and increase recycling.

## **Appendices**

- Appendix 1: Charity Offices
- Appendix 2: Educational Establishments
- Appendix 3: Proposed charges for Educational Establishments

**Contact:**

*Steve Presland / [steve.presland@cityoflondon.gov.uk](mailto:steve.presland@cityoflondon.gov.uk) /*

**Charity Offices**

1. Ancient Monument Society, St Ann's Vestry Hall, 2 Church Entry, Near Carter Lane, London, EC4V 5EU
2. Arab British Centre, Ground Floor, 1 Gough Square, London, EC4A 3DE
3. Benesco Charity Ltd, C/O Merjs Ltd, 4 - 10 Heneage Lane, London, EC3A 5DQ
4. Case Europe, Paxton House, 26-30 Artillery Lane, London, E1 7LS
5. City Temple Church Conference Centre, 31 Holborn Viaduct, London, EC1A 2DE
6. City YMCA, 2 Fann Street, London, EC2Y 8BR
7. Clc Bookshop, 3 - 4 Ave Maria Lane, London, EC4M 7AQ
8. Corporation of Trinity House, Trinity House, Trinity Square, London EC3N 4DH
9. Dr Johnson's House, Custodians House, 17 Gough Square, London, EC4A 3DE
10. Ethnic Minority Foundation, 9 Artillery Lane, London, E1 7LP
11. Fairtrade Foundation, Ibex House, 41 - 47 Minories, London, EC3N 1DY
12. Fight For Sight, 5<sup>th</sup> Floor, 9 - 13 Fenchurch Buildings, London, EC3M 5HR
13. Fleet Street Talks, Great St Helens Trust, 21 Fleet Street, London, EC4Y 1AA
14. Full Fact, 4 Dyer's Buildings, London, EC1N 2JT
15. Gresham College, Barnards Inn Hall, 20A Holborn, London, EC1N 2JD
16. Habinteg Housing Association Ltd, Holyer House, 20 - 21 Red Lion Court, London, EC4A 3EB
17. Hedley Foundation, 1 College Hill, London, EC4R 2RA
18. Home -Start UK, 1 Dyer's Building, London, EC1N 2JT
19. Justice, 59 Carter Lane, London, EC4V 5AQ
20. Marine Stewardship Council, 1 - 3 Snow Hill, London, EC1A 2DH
21. Money Advice Trust, 21 Garlick Hill, London, EC4A 2AU

22. National Churches Trust, 31 Newbury Street, London, EC1A 7HU
23. Protestant Truth Society, 184 Fleet Street, London, EC1A 2HJ
24. Richard Reeves Foundation, 2 Cloth Court, London, EC1A 7LS
25. Royal Literary Fund, 3 Johnson's Court, London, EC4A 3EA
26. Sedos c/o Ocean House, 10-12 Little Trinity Lane, London, EC4V 2AA
27. St Bride Foundation, St Brides Foundation Institute, 14 Bride Lane,  
London, EC4Y 8EE
28. St Ethelburga's Centre for Reconciliation and Peace, 78 Bishopsgate,  
London, EC2N 4AG
29. The City Arts Trust Ltd, Fitz Eylwin House, 25 Holborn Viaduct, London,  
EC1A 2BP
30. The Council of Christian And Jews Fund, 21 Godliman Street, London,  
EC4V 5NB
31. The Dutch Church Conference Centre, 7 Austin Friars, London, EC2N  
2HA
32. The Mission to Seafarers, St Michael Paternoster Royal Church, 18  
College Hill, London, EC4R 2RH
33. The National Association of Flower Arrangement Societies, Osborne  
House, 12 Devonshire Square, London, EC2M 4TE
34. The National Pro Bono Centre, 48 Chancery Lane, London, WC2A 1JF
35. The Public Catalogue Foundation Printed Catalogue Division, 8  
Frederick's Place, London, EC2R 8AB
36. The Street Child of Sierra Leone, 42-44 Bishopsgate, London, EC2N 4AH
37. Tommy's, Nicholas House, 3 Laurence Pountney Hill, London, EC4R 0BB



## **Educational Establishments**

1. Bishopgate Institute, 230 Bishopgate, London, EC2M 4QH
2. Sir John Cass Primary School, St James's Passage, London, EC3A 5DE
3. St Pauls Cathedral School, 2 New Change, London, EC4M 9AD
4. Bright Horizons Family Solutions Nursery, Bridgewater Square, London, EC2Y 8AH
5. Charterhouse Square School, 40 Charterhouse Square, London, EC1M 6EA
6. City of London School for Boys, 107 Queen Victoria Street, London, EC4V 3AL
7. City of London School for Girls, St Giles' Terrace, London, EC2Y 8BB
8. Guildhall School of Music and Drama, Silk Street, London, EC2Y 8DT
9. Guildhall School of Music and Drama, Sundial Court, 38/42 Chiswell Street, London, EC1Y 4XR
10. London Guildhall University & Sir John Cass College, London Metropolitan University, 31 Jewry Street, London, EC3N 2EY
11. London School of Business and Finance, Westgate House, 9 Holborn, London, EC1N 2LL

## Proposed charges for Educational Establishments

General Waste		Collection and disposal	Collection only
General waste bags	Sold in rolls of 50	£80.00	£31.50
1100 Litre general waste bin	Per collection	£12.50	£6.00
240 Litre general waste bin	Per collection	£4.00	£2.00
Co-mingled Recycling			
Recycling bags	Sold in rolls of 50	£42.50	£21.00
1100 Litre recycling bin	Per collection	£4.00	£4.00
660 Litre recycling bin	Per collection	£3.00	£3.00
240 Litre recycling bin	Per collection	£1.50	£1.50
Food waste for composting			
140 Litre food waste bin	Per collection	£11.50	£5.25

N.B. Recycling charges not increased as currently disposal costs are revenue neutral. In the case of 'Recycling bags' costs have increased to meet the full cost of collection as the previous price was that charged for commercial waste (before the City Corporation disposed of the business) and was being held low to compete with the local market. This also applies to the price of 'General Waste bags'.

Please note that waste services remain exempt from VAT charges in accordance with HMRC guidelines.