

# TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Audit Committee
<b>Date of Meeting:</b>	14 December 2016
<b>Subject:</b>	Trade Waste Audit Progress Report
<b>Report of:</b>	Richard Kirk, Interim Head of Community Services
<b>Corporate Lead:</b>	Deputy Chief Executive
<b>Lead Member:</b>	Councillor J R Mason, Lead Member for Clean and Green Environment
<b>Number of Appendices:</b>	1

## **Executive Summary:**

To update the Audit Committee on the management response to the findings of the trade waste internal audit report, which was presented in June 2016. The update is being provided because elements of the trade waste system were deemed to be 'limited' and 'unsatisfactory' by Internal Audit.

## **Recommendation:**

**To CONSIDER the progress made in response to the recommendations stated in the 2015/16 annual report concerning the audit of the trade waste collection service.**

## **Reasons for Recommendation:**

The audit into the trade waste service identified a number of recommendations for consideration and these are being used to help drive forward service improvements; the bulk of this work is still underway and will continue into 2017.

## **Resource Implications:**

Trade Waste should be run on a commercial basis to ensure the service is competitive and income generating.

## **Legal Implications:**

Under Section 45(1)(b) of the Environmental Protection Act 1990 ("the Act") the Council has a duty to collect commercial waste from any premises where the occupier has requested it. Section 45(4) of the Act makes any person who has made such a request liable to pay a reasonable charge to the Council for the collection and disposal of the waste. The Council has a specific duty to recover the charge, unless it considers it inappropriate to do so.

The term "reasonable charge" is not defined in the Act or elsewhere. In this context it should be taken as meaning comparable with charges made by waste collection authorities performing the same service. There is no prohibition on making a profit from the service but the requirement for charges to be reasonable may act as a constraint on the level of income that can be obtained.

## **Risk Management Implications:**

Currently there are no staff dedicated to the management of the trade waste collection service. There is a risk that the audit recommendations may not be completed on time or in a

sustainable manner if this cannot be assigned to a role within the Council.

**Performance Management Follow-up:**

The finance and debt recovery concern is currently being managed jointly by Finance and Ubico, which is monitored by officers. Key Performance Indicators (KPIs) are included in the Environmental Services Partnership Board (ESPB) meeting with the Council and Ubico and at contract monitoring meetings with the Joint Waste Team.

Internal Audit will undertake a follow-up audit during quarter 4 of 2016/17 to evaluate the progress being made.

**Environmental Implications:**

As part of the review outlined in Appendix 1 Recommendation 1, a trade waste recycling service is being considered in the review, which will aim to provide a recycling service for trade waste customers within Tewkesbury Borough.

**1.0 INTRODUCTION/BACKGROUND**

1.1 Tewkesbury Borough Council has 481 customers using the weekly trade waste collection service generating an income of £270,000 per annum. The service operates a flexible arrangement for customers using pre-paid bags and 4 different sizes of bins charged at different rates depending on the needs of the customer.

1.2 The current service has an overspend of £5,000 at the end of quarter 2, with this expected to double by the year end. Fees for next year will need to be set to ensure that it remains a commercially viable service.

**2.0 PROGRESS UPDATE FOLLOWING THE AUDIT REPORT**

2.1 Since the completion of the report and presentation to the Audit Committee in June 2016, progress has been made by the Council, Ubico and the Joint Waste Team to identify improvements in the management of the trade / commercial waste collection.

2.2 Appendix 1 outlines the recommendations made following the audit of the target completion date set in the audit process and the progress made to date with some planned actions for further progress.

2.3 Internal Audit will undertake a follow-up audit during quarter 4 to evaluate the progress made.

**3.0 OTHER OPTIONS CONSIDERED**

3.1 None - but the proposed trade waste review to be undertaken by the Association of Public Service Excellence (APSE) on behalf of the joint commissioners (Tewkesbury Borough Council, Cheltenham Borough Council and West Oxfordshire District Council) and Ubico will consider options to allow the joint commissioners to make informed choices about how to continue the delivery of their trade waste services.

**4.0 CONSULTATION**

4.1 Update information has been received from stakeholders including internal departments at the council, the Gloucestershire Joint Waste Team and Ubico.

## **5.0 RELEVANT COUNCIL POLICIES/STRATEGIES**

**5.1** The following Council policies are relevant to this report:

- Council Plan 2016-2020;
- Environment Policy 2010-2020.

## **6.0 RELEVANT GOVERNMENT POLICIES**

**6.1** The following government legislation and guidance is relevant to this report:

- Waste Regulations (England and Wales) Regulations 2011 (Amended 2012);
- Environmental Protection Act 1990.

## **7.0 RESOURCE IMPLICATIONS (Human/Property)**

**7.1** Currently there are no staff dedicated to the management of the trade waste collection service. This is being considered in the context of the current staffing establishment and the wider needs of the service in relation to the administration of other waste related functions and may result in an expansion to service bid being submitted for consideration.

## **8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**

**8.1** Waste (England and Wales) Regulations 2011 (amended 2012) state that collections of the four main streams of recyclables (paper, glass, metal and plastics) should be offered or the collection provider (in this case the Council) must show that they are taking reasonable measures to follow the regulations from January 2015. The reviews by both the Council and Ubico will address this with both reviews considering the opportunities for the Council to offer recycling collections. Recycling collections for trade waste were considered out of scope of the waste review and vehicle procurement which went to council in February 2016.

## **9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)**

**9.1** The provision of trade waste collection arrangements to customers across the borough is a paid-for service, which is subject to competition from external service providers and, as such, must provide value for money in order to be attractive to both existing and potential customers.

**9.2** The provision of the trade waste collection service is subject to the following legislative requirements:

- Waste Regulations (England and Wales) Regulations 2011 (Amended 2012);
- Environmental Protection Act 1990;
- Health & Safety at Work etc., Act 1974;
- Health & Safety Executive Guidance Note "Waste and Recycling Vehicles in Street Collection" (Waste 04 (rev1)).

## **10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**

**10.1** None

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**Background Papers:** Internal Audit Annual Report 2015/16

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**Appendices:** Appendix 1 - Audit Recommendations and Progress Report