



Commercial and Industrial Waste Sub-Strategy

Report by the Waste Strategy Manager

1.0 SUMMARY

- 1.1 The West Sussex local authorities work as a successful partnership in the prevention, collection, recycling and processing approximately 450,000 tonnes per annum of municipal solid waste. However, approximately 740,000 tonnes per annum is produced by the Commercial and Industrial (C&I) sectors in the county, 50% of which is landfilled.
- 1.2 The focus of the Joint Materials Resource Management Strategy (JMRMS) predominantly addressed the management of household waste and the development of robust collection schemes and the key infrastructure to support diversion from landfill. The Joint Commercial and Industrial Waste Strategy (JC&IWS) considers the next part of the JMRMS that addresses C&I waste, and looks to supporting local business, particularly Small and Medium Sized Enterprises (SMEs) in diverting waste from landfill.
- 1.3 This JC&IWS sets out a potential direction for the partnership's leadership on C&I waste, strengthening the JMRMS, to reduce the use of landfill.
- 1.4 The JC&IWS overall strategic aim is: "That West Sussex becomes a resource efficient County where waste material is either prevented from occurring or is physically recovered from all sectors and reintroduced to the market as either a resource, raw material, electricity or heat."
- 1.5 West Sussex Waste Authorities recognise that there is a need to move towards a more resource efficient approach to managing C&I waste within their areas to strive towards a zero waste economy. Aims and principles have been established to achieve this required step change through: education, information, re-use, recycling and recovery.
- 1.6 The initial three years actions within the JC&IWS will be delivered within the scope of the existing resources committed to waste management. Resources will be reviewed in line with the performance management framework, to support any policy developments.
- 1.7 It is proposed for all the West Sussex Waste Authorities to adopt the JC&IWS by end of March 2011.

2.0 BACKGROUND

- 2.1 The JC&IWS (see Appendix A) was developed as a partnership with Adur District Council, Arun District Council, Chichester District Council, Crawley Borough Council, Horsham District Council, Mid Sussex District Council, Worthing Borough Council and West Sussex County Council. It is proposed for all the West Sussex Waste Authorities to adopt the JC&IWS by end of March 2011.

- 2.2 The Strategy is supported by the Environment Agency, Better Tomorrows (Community Interest Company), the West Sussex Sustainable Business Partnership, Business Link and the various waste contractors used across the County – Biffa Waste Services Ltd, Greenstar Ltd (now part of the Biffa Group) Serco, Veolia, and Viridor.
- 2.3 The JC&IWS is a sub-strategy to the Joint Materials Resource Management Strategy (JMRMS), which was also developed in partnership between the same local authorities.
- 2.4 The focus of the JMRMS predominantly addressed the management of household waste and the development of robust collection schemes and the key infrastructure to support diversion from landfill. The JC&IWS considers the next part of the JMRMS that addresses commercial and industrial waste, and looks to support local business, particularly Small and Medium Sized Enterprises (SMEs) in diverting their waste from landfill.
- 2.5 The District and Borough Councils in West Sussex, as Waste Collection Authorities (WCAs), are required to facilitate trade waste collections, where requested to do so, (for a fee) as part of their service of collecting waste. This service provision is offered within a competitive market with private waste management companies. The County Council has a duty to receive and arrange disposal of any such waste collected under these arrangements.

3.0 CURRENT POSITION

- 3.1 The Local Authorities in West Sussex work as a successful partnership in the prevention, collection, recycling and processing approximately 450,000 tonnes per annum of municipal solid waste. However, approximately 740,000 tonnes per annum is produced by the Commercial and Industrial (C&I) sectors in the county, 50% of which is landfilled.
- 3.2 According to AEA Technology in 2009, C&I waste contributes 29% of the total waste in West Sussex, whereas the contribution from households is 17%.
- 3.3 Reliable data on C&I waste is difficult to ascertain, but it is estimated that the recession has caused a 20-30% drop in waste arisings. The Waste Forecast 2010 is currently being updated, and therefore the 2008/09 figures are as follows:

TREATMENT	TONNAGE p/a	PERCENTAGE p/a
For recycling/composting	250,000	33.8%
For landfill	374,000	50.5%
Other including energy recovery	116,000	15.7%
Total	740,000	100.0%

- 3.4 In view of the fragmented data surrounding C&I waste, Defra will be conducting a nationwide survey of C&I waste in 2010, for publication in 2011.
- 3.5 Adur and Worthing Council Services already collect commercial and industrial waste from large numbers of businesses throughout Adur and Worthing, including recyclable material. Adopting the JC&IWS will not require more finance or staffing resources from either Adur or Worthing Councils but will strengthen both Councils commitment to supporting local businesses, especially the SME sector.

4.0 DISCUSSION

4.1 National Drivers

- 4.1.1 In recent years there has been a raft of legislation aimed at encouraging more resource efficient use for unwanted resources such as materials, goods and products. This legislation is aimed at environmental protection, conservation and reuse of materials as well as avoiding the potential need to find new sites for landfill. It has been aimed at producers and consumers alike and seeks a radical change in resource use by 2020.
- 4.1.2 In November 2009, the Department for Environment Food and Rural Affairs (Defra) consulted on the possibility of changing the definition of municipal waste to bring it into line with European countries and will include biodegradable municipal wastes (BMW) that are similar in composition to household waste.
- 4.1.3 To ensure that local authorities comply with the requirements of the EU Landfill Directive, the Government introduced a system of tradable allowances (LATS) for the landfilling of BMW as part of the Waste and Emission Trading Act 2003. An allocation of the amount of BMW that can be landfilled each year from 2005/06 to 2019/20 was provided to the County Council.
- 4.1.4 Currently the implication of LATS on local authorities wishing to support the C&I waste sector in diverting waste from landfill, would place an additional financial burden on those authorities. This has historically led to authorities pricing the risk of exceeding allowances into their charges, thus making their rates uncompetitive when compared to the private sector.
- 4.1.5 However, a recent consultation issued by Defra, 'meeting EU landfill diversion targets', proposes not to extend the coverage of LATS as they acknowledge LATS may have understandably acted as a disincentive for local authorities to collect and treat C&I waste.
- 4.1.6 In March 2010, Defra issued a consultation on the introduction of restrictions on the landfilling of certain wastes. The aim of the consultation was to consider landfill restrictions for nine waste streams – electrical equipment, garden waste, paper and card, textiles, metals, wood, food waste, glass and plastics. The implications of this potential new legislation would be a key driver for C&I waste producers to actively seek alternative treatments to landfill.
- 4.1.7 Landfill tax is a tax payable for each tonne of waste sent to landfill and was introduced by the Government in 1996 as a way of encouraging more sustainable means of waste management through recognising the hidden financial effects of the environmental impact of landfill. The landfill tax is currently £48 per tonne for 2010/11, and it will increase by £8 per tonne each year until the tax reaches £80 per tonne by April 2014. After April 2014, there will be a floor of £80 per tonne, and the rate will not fall below this but could possibly increase. This increase in landfill tax will cause a significant increase in waste disposal costs and will provide a further incentive to move to more sustainable means of waste treatment in the near future.
- 4.1.8 The aim of the revised Waste Framework Directive (rWFD) is to promote waste prevention, increase re-use and recycling, and ensure better use of resources through recovery, while protecting human health and the environment. It re-enacts much of the existing WFD, but it contains a number of new features which could affect C&I waste:
- To apply the “waste hierarchy” as a priority order in waste prevention and management legislation and policy;

- To set up “separate collections” of waste for at least paper, metal, plastic, and glass by 2015 where technically, environmentally and economically practicable. This applies to both household and business waste; and
- To potentially apply a 50% recycling and composting target to C&I waste as part of municipal waste.

4.1.9 The rWFD places a new requirement on local authorities and private waste companies that collect waste from commercial and industrial premises to offer “separate collections” (which can be co-mingled collection) of paper, metal, plastic and glass by 1 January 2015. The terms on which the collection would be offered and its pricing would be left for commercial decision.

4.1.10 In June 2010 Defra announced a full review of waste policy in England, looking at the most effective ways of reducing waste and maximising the money that can be made from waste and recycling, that is ‘working towards a zero waste economy’. The review also covers new approaches to dealing with commercial waste and promoting ‘responsibility deals’, reducing the amount of waste generated by production and retail.

4.2 The Strategy

4.2.1 The JC&IWS sets out a potential direction for the partnership’s leadership on C&I waste, strengthening the JMRMS, to reduce the use of landfill.

4.2.2 The JC&IWS includes key policies, objectives and commitments for all the partners. It provides an action plan which follows the waste hierarchy of: waste prevention, reuse, recycling and composting, and recovery, to strive towards a zero waste economy.

4.2.3 The JC&IWS overall strategic aim is: “That West Sussex becomes a resource efficient County where waste material is either prevented from occurring or is physically recovered from all sectors and reintroduced to the market as either a resource, raw material, electricity or heat.”

4.2.4 The County Council and their partner Districts and Borough Councils recognise that there is a need to move towards a more resource efficient approach to managing commercial and industrial (C&I) waste within their areas and to strive towards a zero waste economy. Aims and principles have been established to achieve this required step change through:

- Education - Promote opportunities for education and examples of best practice within the business community in order to reduce the amount of C&I waste created in Sussex and to assist businesses in improving their financial efficiency;
- Information - Provide practical information to the business community to assist them in minimising resource use and achieving more resource efficient options for dealing with waste;
- Reuse - Increase the re-use of materials;
- Recycling - Increase composting and recycling. Initially, the JC&IWS will look to use the headroom available, due to a fall in household waste arisings, through the Recycling and Waste Handling Contract (RWHC) for the acceptance of C&I waste for at least the medium term; and
- Recovery - Increase the resource efficient recovery of remaining waste. The Warnham MBT facility will open in 2013/14 with spare capacity and again the opportunity would exist to offer this to deal with C&I waste for the medium term.

4.2.5 Due to the current review of waste policy and unknown outcomes of the recent consultations surrounding waste legislation and regulations, coupled with the arrival of the new Coalition Government and the Comprehensive Spending Review, it is proposed that the JC&IWS be a working document. The performance management framework developed to support the Strategy and its delivery, will include review periods built in every three years, to assess the strategic direction, any shifts in policy and legislation.

4.3 **Consultation**

4.3.1 West Sussex local authorities have been experiencing pressure from local SMEs to assist them to divert waste from landfill. SMEs within the County are keen to drive down the costs associated with waste management, and are therefore keen to recycle and avoid paying landfill tax. However, private contractors have little financial motive to offer recycling, so SMEs are limited in their ability to establish systems to recycle, aid economic development and ultimately strive towards a zero waste economy.

4.3.2 A 'Waste and Planning Roadshow' was held in January 2007, where key Members and Officers from the County, District and Borough Councils were brought together to debate and prioritise the issues relating to waste management in West Sussex. This event identified C&I waste as a key issue to be addressed, particularly as there are so many Small to Medium Enterprises (SMEs) within the County and many wish to recycle waste.

4.3.3 A workshop was also hosted by the partnership in July 2009 at which key stakeholders were invited to consider various issues relating to the development of the JC&IWS. A stakeholder engagement event was held in October 2009, to seek wider input and feedback to a draft Strategy. A second draft was then issued in January 2010 requesting further feedback from stakeholders. Since then, the partnership has been working with identified delivery partners such as waste contractors and trade associations, to finalise the Strategy and develop the associated action plan.

4.3.4 The JC&IWS has been developed through discussions with the Portfolio Policy Advisors, and was considered by the Minerals and Waste Development Framework Task Force in February 2010 and again in October 2010, following the change in policy under the new Coalition Government.

4.3.5 The West Sussex Inter Authority Waste Group (IAWG) has also been engaged in the process, particularly through the development of the supporting action plan for delivery and to develop some of the longer term strategic actions.

4.3.6 The JC&IWS forms part of a project within the Better Together, joint working initiative between the West Sussex local authorities, and as such has been supported by County Joint Leaders on 20th October 2010.

5.0 **FINANCIAL IMPLICATIONS**

5.1 The initial three years actions within the JC&IWS will be delivered within the scope of existing resources committed to waste management. The reality of the prevailing financial climate affecting all authorities in West Sussex is that the focus will be on those areas likely to generate income or savings through avoidable costs. For Adur and Worthing Councils this will undoubtedly be in the area of promoting the existing commercial recycling service already being offered.

5.2 The document will be reviewed on a three-yearly cycle to ensure that it continues to keep abreast of current events and opportunities. Further commitments would be highlighted and subject to further agreement before being adopted.

6.0 CONCLUSIONS

- 6.1 The adoption of the JC&IWS by Adur and Worthing Councils will support the partnership approach to dealing with waste management that has been instrumental in delivering the comprehensive services across West Sussex.

7.0 RECOMMENDATIONS

- 7.1 **The Cabinet Member is recommended to support the Commercial and Industrial Waste Strategy and commit to the key elements contained within it relating to Waste Collection Authorities.**
- 7.2 **That the Cabinet Member recommends the Commercial and Industrial Waste Strategy for adoption by full Council.**

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Background Papers: Joint Commercial & Industrial Waste Strategy for West Sussex 2010 – 2035

Appendix A Joint Action Plan 2010 - 2035

Schedule of other matters

1.0 Council Priority

- 1.1 To promote a clean and green environment – by encouraging local businesses to divert more of their waste away from landfill
- 1.2 To revitalise, regenerate and create lively economies – by seeking more efficient and affordable ways for businesses to deal with their generated waste, including avoidance where appropriate.

2.0 Specific Action Plans

- 2.1 **(A)** Aim 2 (d) reduce the amount of waste being sent to landfill
(B) Wider aims set out in the body of the report.

3.0 Sustainability Issues

- 3.1 As set out in the body of the report

4.0 Equality Issues

- 4.1 Matter considered and no issues identified

5.0 Community Safety issues (Section 17)

- 5.1 Matter considered and no issues identified

6.0 Human Rights Issues

- 6.1 Matter considered and no issues identified

7.0 Reputation

- 7.1 The adoption of the strategy is likely to have a positive impact on the Council's reputation in that it directly addresses a need identified by the business community over many years.

8.0 Consultations

- 8.1 As set out in the body of the report.

9.0 Risk assessment

- 9.1 Currently, the Council does not have any obligations or statutory duties to reduce the amount of C&I waste being sent to landfill. However, this emphasis may change under the current review of waste policy.
- 9.2 The review of waste policy and the revised EU Waste Framework Directive suggest that targets could possibly be established at either a national or local level in the near future.

10.0 Health & Safety Issues

10.1 Matter considered and no issues identified

11.0 Procurement Strategy

11.1 Matter considered and no issues identified

12.0 Partnership working

12.1 As set out in the body of the report