

Appendix 6: Trade Waste Review (Risks)

Financial (rating medium)

- 1.1. It is likely that many businesses will not comply with the requirements of the Environment Act (Wales) 2016 until they are forced to. The timing of introducing our new source segregated service “offer” is therefore very important. If we evolve to the compliant model too early, customers may simply shop elsewhere with non-compliant operators and our income will reduce. In order to mitigate this risk, it may be necessary to delay the launch of our Trade Recycling Source Segregated Service or to subsidise it (with the £60K profit of the residual Trade Waste Service) for a significant period (12 months+) to encourage customers to stay with us and “do the right thing”. The benefit of the latter is that by being the first commercial source segregated provider we will have a Unique Selling Point, likely to attract new customers away from non-compliant operators once the legislation is enforced.

Financial (Medium)

- 1.2. By implementing one of the recommendations to “mandate” our customers to recycle through us (in order to improve recycling performance) we reduce the risk of failing to meet future statutory recycling targets but this could also increase the risk in the short to medium term of losing customers to the private sector who are exempt for recycling performance targets.

Financial (medium to low)

- 1.3. The WRAP Trade Waste Review has used a number of modelling assumptions that underpin the financial values and resource levels estimated in their report (around recycling tonnages). In order to enhance confidence around the financial modelling it will be prudent to carry out a weighing and fill level exercise on all trade recycling customers. However, due to the number of customers in current service suspension (due to Covid related closures, this has not yet been possible to carry out).