

## ANGUS COUNCIL

## INFRASTRUCTURE SERVICES COMMITTEE – 20 JANUARY 2009

## COMMERCIAL WASTE COLLECTION SERVICE PROVISION &amp; CHARGES – ANIMAL BY PRODUCTS

## REPORT BY THE DIRECTOR OF INFRASTRUCTURE SERVICES

**ABSTRACT:** This report seeks Committee approval for interim arrangements for the specialist commercial waste collection of animal by-products from the 1<sup>st</sup> April 2009, setting the charges in terms of commercial wastes Regulations for such a service and approving temporary exemption in terms of Council Financial Regulations to enable the utilisation of specialist contractors until tendering processes can be concluded.

## 1. RECOMMENDATIONS

1.1 It is recommended that the Committee agree:-

- (I) Approve an exemption from normal tendering requirements in accordance with Regulation 16.22.4(b)(ii) of the Council's Financial Regulations, in order to continue to utilise Binn Skips as a specialist contractor during the period 1<sup>st</sup> April 2009 to 31 September, 2009 for the collection and disposal of animal by-products from commercial premises requesting the Council provide such a service.
- (II) The undernoted charges from 1<sup>st</sup> April, 2009 to 31 September, 2009 for animal by-product wastes uplifted and disposed,

<b>Two Wheeled 240Lt bin</b>	<b>Current Charge</b>	<b>New Charge</b>
1 <sup>st</sup> bin	£15 (plus vat) per lift	£48 (plus vat) per lift
2 <sup>nd</sup> and each additional bin	£9 (plus vat) per lift	£24 (plus vat) per lift

## 2. INTRODUCTION

- 2.1 The Council as the waste collection authority under the Environmental Protection Act 1990 has a duty to provide, if so requested, a waste collection service to commercial premises.
- 2.2 The Act requires that the Council recover their reasonable costs in providing the service and to apply such charges that will cover both the collection and disposal of such wastes.
- 2.3 Currently the Council is contracted with a number of butchers to collect and dispose of animal by-products. This waste requires to be collected separately as commercial waste under the Animal By-Products (Scotland) Regulations 2003. As these regulations now impose stringent health and hygiene requirements for both collection and disposal the Council finds themselves unable to meet Regulation standards and thus the service is now undertaken on behalf of the Council by a specialist contractor.
- 2.4 To enable the Council to meet its current contracted commitments with butchers until the expiry of the current contract at the 31<sup>st</sup> March 2009, the Neighbourhood Services Committee approved at its November meeting exemption from normal tendering requirements and the appointment of Binn Skips as a specialist in the collection and disposal of animal by-products (Report 1093/08).

### **3. CASE FOR FURTHER EXEMPTION TO TENDER**

- 3.1 As previously stated the Council is obliged in Law to provide a commercial waste service if requested. It is now clear that as regards the collection of animal by-products the Council will have to externalise this function to specialists and on that basis it may be necessary for the Council to seek tenders for this work. There are a number of issues and challenges to achieving a successful tender not least in time for the new commercial waste charging period commencing on 1<sup>st</sup> April 2009. For this it will also be necessary to fix a charge rate and consult the butchers. There is no certainty as to the number of butchers who may take up the service nor indeed at this stage what interest there will be from specialist contractors tendering for the work.
- 3.2 A further situation that would influence any tender would be the outcome of forthcoming legislative change proposed by the Scottish Government and currently out for consultation.
- 3.3 There is the issue of fuel and incineration costs faced by any contractor and as matters stand at present it maybe difficult to get any contractor to commit to set charges over the term of the contact under the present economic climate.
- 3.4 For these reasons Members are asked to approve a further exemption from normal tendering requirements in accordance with Regulation 16.22.4(b)(ii) of the Council's Financial Regulations in order to continue utilising the services of Binn Skips as a specialist contractor for the collection and disposal of animal by-products for a six month period from 1<sup>st</sup> April, 2009 to 30 September, 2009.
- 3.5 This extended time will give officers the necessary time to undertake the tendering process and establish butcher interest in the service.

### **4. ANIMAL BY-PRODUCT COLLECTION AND DISPOSAL CHARGE**

- 4.1 It is necessary for commercial waste charges to be set in advance of the commencement of the financial year in order that clients can be notified/consulted and arrangements made for payment. Reviews of charges are customarily undertaken as part of each year's budget setting process. However as the Council has a statutory duty to fully recover its costs in relation to commercial waste there is little discretion in this area which would necessitate discussion through the forthcoming budget process and thus preclude the charges being set at the present time. Charges for commercial waste collection services (excluding animal by-product collection) were approved by Committee in November.
- 4.2 The proposed increases detailed in the recommendations would apply from 1<sup>st</sup> April, 2009 until 30 September, 2009

### **5. FINANCIAL IMPLICATIONS**

- 5.1 Binn Skips have quoted prices for the uplift, empty and disposal of a 240Lt wheeled bin with a further price for each additional bin at each separate premises. In overall terms the cost to the Council from Binn Skips for the six month period is of the order of £32,448 (£64,896 in a full year).
- 5.2 The level of additional income from levying this charge will be approximately £21,840 for a six month period (in a full year £43,680) which will ensure that costs are fully recovered through income.
- 5.3 The 2009/10 Revenue budget is likely to be finalised in the expectation that this income would be realised. The charges recommended are considerably higher than

the current charges; however these charges reflect the full cost to the Council from the specialist contractor including the high cost of disposal and administrative costs.

**6. EQUALITIES IMPLICATIONS**

6.1 The issues dealt with in this report have been the subject of consideration from an equalities perspective (as required by legislation). An equalities impact assessment is not required

**7. HUMAN RIGHTS IMPLICATIONS**

7.1 There are no human rights implications arising from this report

**8. CONSULTATION**

8.1 The Chief Executive, Director of Corporate Services, Director of Neighbourhood Services, Head of Law and Administration, Head of Finance and the Exemption Co-ordinator have been consulted on the contents of this report.

**E S Lawson  
Director of Infrastructure Services**

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

**E&CP/IW/GK**

**09/12/2008**