

ANGUS COUNCIL

NEIGHBOURHOOD SERVICES COMMITTEE – 19 NOVEMBER 2009

COMMERCIAL WASTES – REVIEW OF CHARGES

REPORT BY THE DIRECTOR OF NEIGHBOURHOOD SERVICES

ABSTRACT: This report brings forward proposals for adjustment in the charges for collecting and disposal by the Council of commercial and industrial wastes.

1. **RECOMMENDATIONS**

1.1 It is recommended that the Committee:-

- (i) Agree the undernoted reviewed charges be applied from 1 April 2010 for commercial and industrial wastes uplifted and disposed of by the Council.

| | £ | £* |
|---------------------------------------|--------------------------|-------|
| Two wheeled 240 lt bin | 2.92 (plus VAT) per lift | 2.38 |
| Two wheeled 360 lt bin | 4.36 “ “ | 3.56 |
| Four wheeled 660 lt bin | 8.01 “ “ | 6.54 |
| Four wheeled 1100 lt container | 13.36 “ “ | 10.91 |
| Four wheeled 1280 lt container | 15.55 “ “ | 12.69 |
| Sack | 1.61 “ “ | 1.31 |

*current charge

- (ii) Agree the undernoted charge for commercial premises which in terms of the charging regulation may only be charged for collection

| | £ | £* |
|---------------------------------------|--------------------------|------|
| Two wheeled 240 lt bin | 1.75 (plus VAT) per lift | 1.43 |
| Four wheeled 1100 lt container | 8.02 “ “ | 6.55 |
| Four wheeled 1280 lt container | 9.34 “ “ | 7.62 |
| Sack | 1.16 “ “ | 0.95 |

*current charge

- (iii) Agree that the commercial charge exempt groups including registered charities, voluntary and youth groups, continue to have a single bin/container uplift at no charge as per the arrangements detailed in paragraph 4 of this report, and that additional bin/containers are charged at the appropriate commercial collection rate.

- (iv) That the Committee agree to apply the undernoted charge from 1st April 2010 for glass bottle collections from commercial services, pubs, hotels, catering etc.

| | £ | £* |
|-------------------------------|-------------------------------|-------|
| Two wheeled 240 lt bin | 24.00 (plus VAT) per bin/year | 22.00 |

*current charge

2. **BACKGROUND**

- 2.1 The Council, as the waste collection authority under the Environmental Protection Act 1990 has a duty to charge for the collection of commercial and industrial wastes.
- 2.2 The Act requires that the Council recover their reasonable costs for the service, both collection and disposal of wastes as requested to be collected by commercial and industrial concerns.
- 2.3 There are some commercial groups where the council is only permitted to recover their costs of collection as in the case of residential homes.

3. **COMMERCIAL WASTE COLLECTION CHARGES**

- 3.1 The commercial collection system provides for the use of two wheeled bins and four wheeled containers. All bins and containers are charged per lift to reflect the variable frequency of collection days on offer. A sack system is provided as an alternative only in approved situations, such as difficult access or limited storage areas.
- 3.2 Charges are based on the annual service, payable in advance from April each year.
- 3.3 The proposed increases detailed in the recommendations would apply from 1 April 2010.
- 3.4 These new charges reflect the full costs to the Council in collecting trade wastes and as appropriate, also the cost of disposal. Current indications are that the Landfill Tax element of these charges will increase by 20% from the current sum of £40/Tonne to £48/Tonne from 1st April 2010. Also transport and labour costs are expected to increase over the period April 2010 to April 2011 and an allowance of 2.50% has been applied in this respect. The recent Best Value Review of Waste Management has highlighted the need to ensure all costs are being recovered and these charges will be subject to a cost review exercise prior to setting the charges for 2011/12.
- 3.4 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 and arrangements made for payment amendment. Reviews of charges are customarily undertaken by departments as part of each year's budget setting process in order that any service implications can be scrutinised by officers and members. Such reviews of charges are approved at the special budget setting committee meetings held in February. 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.

4. **COMMERCIAL WASTE CHARGING - EXEMPT GROUPS**

- 4.1 The Environmental & Consumer Protection Committee agreed (Report No 613/02) that charity, voluntary and youth groups continue to have single bin/container uplift at no charge and in the same way as domestic premises wishing additional bins/containers would be required to pay for additional bins at the current commercial waste charge per bin type and lift.
- 4.2 The application of the policy is premises or site specific and where a number of charity groups share premises there is an entitlement to a single bin for each charity group free of collection costs.
- 4.3 It is intended that this arrangement remains in place.

5. GLASS WASTE COLLECTION CHARGE

- 5.1 Angus Council recovers for recycling something in the order of 3,113 tonnes of glass per year. Some 653 tonnes is estimated to be collected from pubs, hotels and other commercial catering establishments.
- 5.2 While this generates income to the Council and savings in disposal at landfill, this falls considerably short of the overall cost outlay involved in the physical collection, handling and dispatch to processor.
- 5.3 While the Council wish to encourage recycling, it has to be borne in mind that there is also a duty on the Council to charge for commercial wastes collected.
- 5.4 The charge of £24.00 per bin per year proposed (an increase of around 9%) reflects the collection cost element and as this is less than the normal commercial waste collection charge should encourage glass recycling to continue. The recent Best Value Review of Waste Management has highlighted the need to ensure all costs are being recovered and these charges will be subject to a cost review exercise prior to setting the charges for 2011/12.

6. ANIMAL BY-PRODUCTS COLLECTION CHARGE

- 6.1 It is normal for the Council to include within this report a review of charges levied for the collection and disposal of animal by-products which are collected separately as commercial wastes under the Animal By-products (Scotland) Regulations 2003. As these Regulations impose stringent health and hygiene requirements for both collection and disposal the service is now undertaken on behalf of the Council by a specialist contractor. Should a request be made to the Council then all costs would be recoverable on an individual basis.

7. FINANCIAL IMPLICATIONS

- 7.1 The charges proposed for general waste collection represent a 22.50% rise on current charges. This increase has to be taken in the context of increased landfill taxes (expected to rise by 20% from £40 per tonne to £48 per tonne) and increases in fuel prices, landfill and incineration costs.
- 7.2 It is estimated that as a result of the proposed increase in charges, the additional income to the Council from commercial general waste, exclusive of the expected landfill tax element, will be approximately £9,000 in the full year 2010/11.
- 7.3 The charge proposed for glass collections represents an increase of around 9% and it is estimated that this will result in additional income for the Council of approximately £2,000 in the full year 2010/11.
- 7.4 The 2010/11 Revenue budget is likely to be finalised in the expectation that the above income would be realised.

8. EQUALITIES IMPLICATIONS

- 8.1 The issues contained in this report fall within an approved category that has been confirmed as exempt from an equalities perspective.

9. HUMAN RIGHTS

9.1 There are no human rights issues arising as a consequence of this report.

10. CONSULTATION

10.1 The Chief Executive, Director of Corporate Services, Head of Law and Administration and Head of Finance have been consulted on the contents of this report.

Ron Ashton
Director of Neighbourhood 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.

NS/EMS/JRZ