COMMERCIAL WASTE – REVIEW OF CHARGES

REPORT BY 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. RECOMMENDATION(S)

1.1 It is recommended that the Committee:-

(i) Agrees that the undernoted reviewed charges be applied from 1 April 2012 for commercial and industrial wastes uplifted and disposed of by the Council.

<table>
<thead>
<tr>
<th>Proposed charge (£) per lift</th>
<th>Current charge (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two wheeled 240lt bin</td>
<td>3.50</td>
</tr>
<tr>
<td>Two wheeled 360lt bin</td>
<td>5.20</td>
</tr>
<tr>
<td>Four wheeled 660lt bin</td>
<td>9.40</td>
</tr>
<tr>
<td>Four wheeled 1100lt container</td>
<td>14.90</td>
</tr>
<tr>
<td>Four wheeled 1280lt container</td>
<td>17.30</td>
</tr>
<tr>
<td>Sack</td>
<td>1.90</td>
</tr>
</tbody>
</table>

(ii) Agrees that the undernoted charges for commercial premises which in terms of the charging regulations may only be charged for collection.

<table>
<thead>
<tr>
<th>Proposed charge (£) per lift</th>
<th>Current charge (£)</th>
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</thead>
<tbody>
<tr>
<td>Two wheeled 240lt bin</td>
<td>2.10</td>
</tr>
<tr>
<td>Four wheeled 1100lt container</td>
<td>9.50</td>
</tr>
<tr>
<td>Four wheeled 1280lt container</td>
<td>11.00</td>
</tr>
<tr>
<td>Sack</td>
<td>1.40</td>
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(iii) Agrees that the commercial charges exempt groups, including registered charities, voluntary and youth groups, shall continue to have uplifts of a single bin at no charge as per the arrangements detailed in paragraph 4 of this report and that additional bins are charged at the appropriate commercial collection rate.

(iv) Agrees to apply the undernoted charge from 1 April 2012 for glass waste collections from commercial services, pubs, hotels, catering etc.

<table>
<thead>
<tr>
<th>Proposed charge (£) per annum</th>
<th>Current charge (£)</th>
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<tbody>
<tr>
<td>Two wheeled 240lt bin</td>
<td>26.50</td>
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</table>

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 recovers its reasonable costs for the service, both for collection and disposal of wastes which are requested to be collected by commercial and industrial concerns.
2.3 There are, however, some commercial groups where the Council is only permitted to recover its costs of collection, for example, residential homes.

3. COMMERCIAL WASTE COLLECTION CHARGES

3.1 The commercial collection system provides for the use of two and four wheeled bins. All bins are charged per uplift 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, limited storage areas, or where only very small volumes of waste are generated.

3.2 Charges are based on an annual service, payable either in advance from April each year, or by monthly direct debit.

3.3 The proposed increases detailed in the recommendations would apply from 1 April 2012.

3.4 These proposed new charges reflect the full costs to the Council in collecting trade wastes and, where appropriate, the cost of disposal. Current indications are that the Landfill Tax element of disposal charges will increase by 14% from the current sum of £56/tonne to £64/tonne from 1 April 2012. However, given that labour costs are not expected to increase over the period April 2012 to March 2013 a base increase of 5.0% has been applied across both collection and disposal costs. The resultant revised charges have been rounded up to the nearest 10p in line with normal Council budget setting practice and, therefore, the actual percentage change will vary on individual charges. Application of the base 5.0% increase will be sufficient overall to cover the increased landfill tax that will apply to commercial waste disposed of to landfill (the remainder being disposed of at DERL, where disposal charges in line with inflation are expected to be contained within a 5% increase).

3.5 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 amendments. 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 uplifts of a single bin/container uplift at no charge and where additional containers are required, these would be charged at the current commercial waste rate 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, however, it should be noted that a capacity of up to 240l only will be uplifted free of charge for each charity or group.

5. GLASS WASTE COLLECTION CHARGE

5.1 As an average, over a five year period, Angus Council recovers approximately 3,040 tonnes of glass per year for recycling. 640 tonnes is estimated to be collected from pubs, hotels and other commercial catering establishments.

5.2 Whilst this generates income to the Council and savings in disposal at landfill, the income and savings fall considerably short of the overall cost outlay involved in the physical collection, handling and dispatch to the glass recycling processor.
5.3 Whilst the Council wishes 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 £26.50 per bin per year which is proposed, reflects the collection cost element. As this is less than the normal commercial waste collection charge, this should encourage glass recycling to continue.

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, if required, would be provided 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. **RISKS**

7.1 This report does not require any specific risk issues to be addressed.

8. **FINANCIAL IMPLICATIONS**

8.1 The proposed charges for general waste collection are based on full cost recovery and have to be taken in the context of potential increases in fuel prices, landfill and incineration costs and increased landfill taxes (expected to rise by 14% from £56/tonne to £64/tonne).

8.2 On the basis of a 5.0% increase in the current year’s anticipated income (projected to be £771,500), it is estimated that as a result of the proposed increase in charges, the additional income to the Council from commercial general waste will be approximately £38,500 in the full year 2012/13. This will fully off-set the projected increases in disposal costs which will arise from the increase in the landfill tax rate.

8.3 The charge proposed for glass collections is expected to result in marginal additional income for the Council of approximately £700 in the full year 2012/13.

8.4 The 2012/13 revenue budget is likely to be finalised in the expectation that the above income would be realised.

9. **HUMAN RIGHTS IMPLICATIONS**

9.1 There are no human rights implications arising from this report.

10. **EQUALITIES IMPLICATIONS**

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

11. **ANGUS COMMUNITY PLAN AND SINGLE OUTCOME AGREEMENT**

11.1 This report contributes to the following local outcome(s) contained within the Angus Community Plan and Single Outcome Agreement 2011-2014:-

- Angus has a sustainable economy with good employment opportunities;
- Our communities are safe, secure and vibrant;
- Individuals are supported in their own communities with good quality services.

12. **CONSULTATION**

12.1 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.
NOTE: The background papers outlined below, 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:-

- Report No. 613/02
Env.Management/NS/RA/DFI