

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 20 JANUARY 2015

REVIEW OF COMMERCIAL WASTE SERVICES AND CHARGES FOR 2015-16

REPORT BY STRATEGIC DIRECTOR – COMMUNITIES

**ABSTRACT**

This report brings forward proposals for adjusting charges levied by the Council for the collection and disposal of commercial wastes.

**1. RECOMMENDATION**

1.1 It is recommended that the Committee agrees to:

- (i) the application of reviewed charges for 2015/16, as detailed in Appendix 1;

**2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/COPORATE PLAN**

This report contributes to the following local outcome(s) contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

- Our communities are developed in a sustainable manner.

**3. BACKGROUND**

3.1 Existing collection services

The Council currently offers the following commercial waste services:

Materials collected	Receptacle	Frequency of collection	Availability
Paper, cans, plastics, glass and cardboard	Materials co-mingled in wheeled bin	Fortnightly	In all but the most rural locations
Glass (clear, green & brown)	Separate bins for each colour	Weekly	In all but the most rural locations
Cardboard	Flat-pack or option of a wheeled bin	Weekly	Towns only
Food waste	Wheeled bin	Weekly	In all but the most rural locations
General waste	Wheeled bin	Weekly in towns, fortnightly in rural locations	Full coverage across whole council area

Current statutory requirements

3.2 The Council, as the waste collection authority under the Environmental Protection Act 1990, has a duty to collect commercial and industrial wastes where requested to do so by premises in Angus.

- 3.3 The Act requires the Council to recover reasonable costs for both the collection and disposal of waste from a commercial or industrial premise.
- 3.4 In some cases the Council is only permitted to recover the cost of collection (and not disposal) from a premise, for example, residential homes, schools, or hospitals may only be charged for collection.

#### Current statutory requirements

- 3.5 The Waste (Scotland) Regulations 2012 introduced a mandatory requirement for businesses to present key recyclable materials and food waste for separate collection i.e. businesses are now legally required to recycle their waste.
- 3.6 The provisions of the regulations that are relevant to the Council's commercial waste customers are listed below.

From 1 January 2014:

- Businesses must take all reasonable steps to ensure the separate collection of metal, plastic, glass, paper and card.
- Businesses (except in rural areas) which produce over 50kg of food waste per week must take all reasonable steps to ensure that their food waste is collected separately.

From 1 January 2016:

- Businesses (except in rural areas) which produce over 5kg of food waste per week must take all reasonable steps to ensure that their food waste is collected separately.
  - Businesses (except in rural areas) may not deposit food waste in a public sewer, meaning the use of macerators will no longer be permitted.
- 3.7 With regard to food waste collections, businesses in Angus towns only are required to have a separate collection, as for the purposes of the regulations all other locations (with the exception of Barry), have been termed by Scottish Government as rural and are thus exempt from the requirements of the regulations.
- 3.8 The requirement for businesses to recycle key dry recyclables and food waste (where applicable) will be jointly enforced by local authorities and SEPA.

#### Commercial waste charging – exempt groups

- 3.9 The Environmental & Consumer Protection Committee agreed (Report No. 613/02) that charity, voluntary and youth groups should have a single bin collected without charge, and where additional containers are required, uplifts would be charged for.
- 3.10 Where a number of charity groups share premises there is an entitlement to a single bin for each charity group free of collection and disposal costs.
- 3.11 The entitlement to collection of a single bin corresponds to a 240 litre bin only, thus where a larger bin is required it would be charged at the current commercial waste rate.

## 4. PROPOSALS

### Commercial food waste collection service

- 4.1 The commercial food waste collection service is available in all but the most rural locations, with waste collected from 140 litre brown wheeled bins. In order to accommodate those customers who will be required to recycle their food waste from 1 January 2016, but will only be collecting smaller volumes, it is proposed that provision be made for the collection of 23 litre brown caddies (charges are detailed in [Appendix 1](#)).

### Co-mingled recycling

- 4.2 The co-mingled recycling service has been successfully introduced across the whole of Angus during 2014. At present the Council's general waste customers are offered co-mingled recycling collections free of charge and non-general waste customers are offered a reduced charge (for the collection element only).
- 4.3 There has been a significant increase in costs for processing co-mingled recycling, which is linked to changes in the commodity market for recovered materials. It is therefore necessary to introduce a charge for co-mingled recycling collections that will reflect this increase and cover the Council's costs (charges are detailed in Appendix 1). There will now be a relatively small charge for general waste customers and a charge for non-general waste customers that is still cheaper than general waste disposal.

### Communication of new statutory requirements

- 4.4 We propose to write to all relevant customers prior to 1 January 2016 to advise that we can assist with their obligation to recycle food waste (where over 5kg per week is produced). We will also communicate the new requirement through appropriate media channels in the lead up to 1 January 2016.

### Changes to charges and charging system

- 4.5 The commercial collection system is based on the use of differing sized 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.
- 4.6 Charges are based on an annual service beginning in April each year, payable either in full in advance, or by monthly direct debit.
- 4.7 A review of the existing commercial waste charging system has been undertaken taking into account changes to collection services. The proposed new charges for 2015/16 are detailed in Appendix 1.
- 4.8 The proposed new charges reflect the total costs to the council for collection, processing and disposal of waste and recyclables. A base increase of 5% has been applied for general and food waste across both disposal and collection costs. The disposal costs for general waste take into account the landfill tax element and the increase from £80/tonne to £82.60/tonne from 1 April 2015. The disposal costs for food waste take into account a significant increase in costs for treatment at the anaerobic digestion treatment facility. The 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.

## **5. RISKS**

- 5.1 There is the risk that the council may not be able to maintain its current market share due to increased costs for customers and competition from the private sector. A reduction in the customer base would lead to less income.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 The proposed charges for general waste collection are based on full cost recovery and have to be taken in the context of increases in fuel prices, landfill and incineration costs and increased landfill taxes (which will rise from £80/tonne to £82.60/tonne in 2015).
- 6.2 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 £40,000 in 2015/16 (which will off-set increased costs associated with service provision).
- 6.3 It is estimated that as a result of the proposed increase in charges, the additional income to the Council for food waste will be approximately £2,000 in 2015/16 (which will off-set increased costs associated with service provision).
- 6.4 The introduction of a co-mingled recycling bin charge is anticipated to generate in the region of £13,000, which will offset increased processing costs.
- 6.5 The total income generated from glass collection in 2015/16 is expected to be in the order of £17,300 (which will offset the costs of service provision).
- 6.6 The 2015/16 revenue budget is likely to be finalised in the expectation that the above income would be realised. It should be noted, however, that changes to the customer base will be inevitable and will have an impact on the actual income realised.

## **7. CONCLUSION**

- 7.1 The Waste (Scotland) Regulations require businesses to make use of recycling and food waste collections (in urban areas). Angus Council has a duty under the regulations to collect these materials, and is well placed to do so. Extension of the food waste service will assist local businesses, and the introduction of new charges for co-mingled recycling will allow the Council to more fully recover its costs for collection and disposal of commercial wastes.

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**NOTE:** The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above report are:

- Report No. 613/02