

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 14 JANUARY 2020

REVIEW OF COMMERCIAL WASTE SERVICES AND CHARGES

REPORT BY DIRECTOR OF 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 2020/21, as detailed in Appendix 1
- (ii) the restructuring of charges for mixed recycling so that rising disposal costs can be recovered
- (iii) the introduction of a bin rental service as detailed in section 5.

2. ALIGNMENT TO THE ANGUS LOCAL OUTCOMES IMPROVEMENT PLAN/CORPORATE PLAN

This report contributes to the following local outcomes contained within the Angus Local Outcomes Improvement Plan and Locality Plans:

PLACE

- A reduced carbon footprint
- An enhanced, protected and enjoyed natural and built environment

This report also aligns to the Council Plan 2017-2022 priority for the council to be effective and efficient, specifically for our services to represent best value and to be focused on the greatest need.

3. BACKGROUND

3.1 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.

3.2 The Act requires the council to recover reasonable costs for both the collection and disposal of waste from a commercial or industrial premise.

3.3 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.

3.4 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.

- 3.5 The provisions of the regulations that are relevant to the Council's commercial waste customers are listed below.
- 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 5kg of food waste per week must take all reasonable steps to ensure that their food waste is collected separately.
- 3.6 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.
- 3.7 The requirement for businesses to recycle key dry recyclables and food waste (where applicable) is jointly enforced by local authorities and SEPA.

4. CURRENT POSITION

Existing collection services

- 4.1 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	Full coverage across whole council area
Glass bottles and jars	Mixed coloured glass in a wheeled bin	Weekly	In all but the most rural locations
Cardboard	Flat-pack or option of a wheeled bin	Weekly	Towns only
Food waste	Wheeled bin or caddy	Weekly	In towns and villages
Garden waste*	Wheeled bin	Fortnightly	In all areas except the glens
General waste	Wheeled bin	Weekly in towns, fortnightly in rural locations	Full coverage across whole council area

*Commercial customers can make use of the chargeable household garden waste service.

Commercial waste charging – exempt groups

- 4.2 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.
- 4.3 Report 613/02 referred to exempt groups receiving a similar service to households and at the time of this report households received a weekly collection of a 240 litre general waste bin. The current household service is now applied for exempt groups who are offered free of charge waste and recycling collections on the same basis as households in their area i.e. fortnightly collection of a 140 litre general waste bin and a 240 litre recycling bin, plus food waste collections where applicable.
- 4.4 Where an exempt group wishes to receive weekly general waste collections or make use of a larger bin, collections would be charged at the current commercial waste rate. Similarly if a group wished to make use of the garden waste service they would be charged at the usual subscription rate.
- 4.5 Where a number of exempt groups share premises, each group would be entitled to the collections outlined in 4.3.

Charging system

- 4.6 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.
- 4.7 Charges are based on an annual service beginning in April each year, payable either in full in advance, or by monthly direct debit. The total commercial waste collection/disposal income for 2018/19 was £893,805.

5. PROPOSALS

Overview of charges

- 5.1 The proposed new charges for commercial waste services for 2020/21 are detailed in Appendix 1.
- 5.2 The proposed charges reflect the total costs to the council for collection, processing and disposal of waste and recyclables. A base increase of 3% (using the May 2019 RPI, as per the council-wide approach) has been applied to both disposal and collection costs across all services. 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.

Revised mixed recycling bin charges

- 5.3 In previous years the council has operated a two-tier system for recycling bin charges whereby those customers who contracted for both general waste and recycling would experience only a nominal charge for their recycling bin, and customers contracting for a recycling bin only would be charged at a higher rate for their recycling bin. This system was reasonable due to the relatively low cost to the council of disposing of mixed recycling at that time.
- 5.4 Disposal costs incurred for mixed recycling are now significantly higher as a result of a new disposal contract that commenced in September 2019. The baseline contract cost per tonne has risen by 77% (the contract is reflective of market conditions and prices experienced by other local authorities who have recently sought similar contracts). The revised charges for mixed recycling collections detailed in Appendix 1 therefore reflect the requirement to recover our higher disposal costs.
- 5.5 In order to more accurately reflect mixed recycling disposal costs it is proposed that the two-tier system is no longer used and that all customers are charged the same price (by bin size) for their mixed recycling bins. While the charges proposed for mixed recycling bin collections in Appendix 1 will increase fairly significantly for some customers, they are still less than the average prices charged by other Scottish local authorities (as per a recent comparison survey).

Introduction of a bin rental service

- 5.6 Many waste collection service providers provide a bin rental service to their customers so that the customer does not have to bear the up-front cost of bin provision in addition to waste collection and disposal costs – bin rental is a service not currently offered by Angus Council.
- 5.7 Given the cost of a galvanised steel 1280 litre bin (the council's preferred bin given its durability) is approximately £300, it is considered that it would be helpful to customers if the council were to provide a bin rental service. Importantly this may help attract new customers by providing them with a means of avoiding a large initial outlay on bins.
- 5.8 Rental charges would be based on cost recovery after one year for 240 litre wheeled bins and after two years for 1100 and 1280 litre bins. The proposed charges for bin rental are detailed in Appendix 1.

6. FINANCIAL IMPLICATIONS

- 6.1 The proposed charges for all commercial waste collections are based on full cost recovery for waste collection and disposal costs. Any additional income realised will be required to recover associated revenue costs e.g. the increase in mixed recycling disposal costs.
- 6.2 The introduction of a bin rental service will provide additional income from 2020/21 however this will be required to cover the costs of purchasing bins for rental. As described in section 5.8, it will be one or two years before there is full cost recovery for purchase of the bins.
- 6.3 Given that it is not known how many customers may make use of a bin rental service it is not possible to estimate the impact on the revenue budget however it is likely to be minor and all costs will be contained within the existing waste services revenue budget. The main potential benefit and increase in income generation will be from attracting new customers.

7. CONSULTATION

The Chief Executive, Director of Finance and the Director of Legal and Democratic Services were consulted in the preparation of this report.

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

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List of Appendices:

- Appendix 1 – Commercial Waste Charges for 2020/21