

REPORT TO INFRASTRUCTURE SERVICES COMMITTEE – 12 MARCH 2020

TRADE WASTE CHARGES 2020 - 2021

1 Reason for Report / Summary

- 1.1 The report seeks approval to amend charges for the Trade Waste and Recycling Service for the financial year 2020/21 in line with statutory requirements to cover costs incurred in operating the service.

2 Recommendations

The Committee is recommended to:

2.1 Approve the increase in Trade Waste charges for 2020-21 to allow full cost recovery in line with Council policy: and

2.2 To note potential future impacts of Deposit Return Scheme.

3 Purpose and Decision Making Route

- 3.1 Local Authorities have statutory duties placed upon them. In relation to waste there are three main aspects to this;
- 1) Litter Authority;
 - 2) Waste Collection Authority (WCA); and
 - 3) Waste Disposal Authority (WDA)
- 3.2 This report is only concerned with the duties of the WCA and the WDA as these are the aspects that relate to trade waste.
- 3.3 The duties of a WCA are set out in Sections 45-49 of the Environmental Protection Act 1990 (EPA). With regard to the collection of commercial waste, there is no duty to collect the waste until the owner of the waste requests the authority to do so. The authority can make a reasonable charge for the collection and disposal of the waste collected unless it considers it inappropriate to do so.
- 3.4 Guidance issued on 'The Controlled Waste Regulations 1992' (which implement Sections 45-49), in circular 24/92 section 31 states the following:

"It rests with individual authorities to determine what is in each case a reasonable charge. However, in terms of charging policy, it is the Secretary of State's view that the charge set throughout Great Britain for the collection of waste should be realistic and should have a direct relationship to the cost of providing the service. The overall aim should be to achieve full cost recovery. In the Secretary of State's view, therefore, the 1992 Regulations should have nil net implications for local authorities' expenditure and manpower."

- 3.5 The duties of the WDA are set out in Section 53 of the EPA. In short, the duties of the authority are to arrange the disposal of waste collected by the WCA.
- 3.6 Any proposed increase in Trade Waste charges must be approved by Committee each year, unless the increase is less than the rate of inflation.

4 Discussion

- 4.1 The costs associated with carrying out this function have increased due to a combination of factors. The waste fees have increased due to the annual increase in landfill tax and gate fee costs. The recycling fees have increased due to the significant increased costs in processing.
- 4.2 The increase in charges in this report equates to an annual rise of £10.10 per annum (19p per week) for a standard 240L waste bin collection (most common collection container) and an annual rise of £15.72 per annum (30p per week) for a standard 240L recycling bin collection.
- 4.3 Table below show comparisons of 2019-2020 and proposed 2020-2021 charges. Annual charges noted are for weekly collection of each bin size. The Recycling Charges apply to Mixed recycling, and to Glass collections.
- 4.4 Waste charges are inclusive of landfill tax and gate fee. VAT is only chargeable where we are subcontracted to provide collections.
- 4.5 The annual charges comprise of collection costs as well as the external costs to the Service such as gate fee (waste), landfill tax (waste), and processing costs (recycling).

Annual Waste and Recycling Charges per bin:-

Bin size	Waste 2019-2020	Waste 2020-2021	Recycling 2019-2020	Recycling 2020-2021
105L	£101.53	£105.95	£63.08	£69.95
140L	£135.37	£141.26	£84.10	£93.27
240L	£232.06	£242.16	£144.17	£159.89
330L	£319.09	£332.97	£198.24	£219.84
660L	£638.16	£665.94	£396.47	£439.68
820L	£792.87	£827.38	£492.58	£546.27
1100L	£1063.60	£1109.90	£660.78	£732.81
1280L	£1237.65	£1291.51	£768.90	£852.72

Internal Skip charges:-

Skips (internal only)	Collection fee 2019-2020	Collection fee 2020-2021	Disposal or Processing fee 2019-2020	Disposal or Processing fee 2020-2021
Green Waste	£124.90	£128.65	£31.00	£31.00 (no change)
General Waste	£124.90	£128.65	£131.73	£135.35
Rent per week	£10.07	£10.37	-	-

- 4.6 The Council has a duty to recover costs associated with the provision of a service as per Council Policy. The proposed charges are comparable to the charges applied by local waste management companies and other bordering councils.
- 4.7 Trade Waste charges are collected annually by issuing an invoice via email or by post.
- 4.8 A Deposit Return Scheme (DRS) for Scotland is due to come into effect in 2021. Full details of the scheme are not yet known. One potential impact could be a further increase in processing costs of mixed recycling due to the removal of economically valuable materials (plastic bottles, cans) out of the current mixed recycling composition.
- 4.9 This will leave only materials such as paper, card, drinks cartons, plastic tubs, pots and trays in the mixed recycling that may cost the Council more to be processed, than at present which would have to be passed on to achieve cost recovery.
- 4.10 Due to them being in scope for the DRS, there will also be a significant reduction in the amount of glass bottles we collect from Trade Customers which we currently collect separately, the income from which subsidises the collection costs at present.

5 Council Priorities, Implications and Risk

- 5.1 This report helps deliver Council Priority 9 – Deliver Responsible Long-Term Financial Planning.
- 5.2 This report helps deliver Aberdeenshire Council Priority 11 – Protect our special environment, including tackling climate change by reducing greenhouse gas emissions, by having the charges for trade recycling collections kept at a lower charge than the trade waste collections to help encourage recycling.

5.3 The table below shows whether risks and implications apply if the recommendations are agreed.

Subject	Yes	No	N/A
Financial	X		
Staffing		X	
Equalities		X	
Fairer Scotland Duty		X	
Town Centre First		X	
Sustainability		X	
Children and Young People's Rights and Wellbeing		X	

5.4 An Equalities Impact Assessment is not required because the report concerns charging which does not have a differential impact on any of the protected characteristics.

5.5 The financial implications are that the Service would not recover the full cost of running the Trade Waste service if the revised charges were not approved.

5.6 The following Risks have been identified as relevant to this matter on a Corporate Level:

- ACORP001 Budget Pressures (Corporate Risk Register).

The following Risks have been identified as relevant to this matter on a Strategic Level:

- BSSR001 Balancing the Books - Directorate Risk Registers - without an increase in the charges made to businesses and organisations for the collection/processing/disposal/landfill tax of waste and recycling, the Council will not be able to recover the costs of providing this service.
- ISSR004 Climate Change - Keeping the cost of recycling lower than waste encourages more recycling.
- ISSR007 Reduction in Waste to Landfill - Keeping the cost of recycling lower than waste encourages more recycling.

6 Scheme of Governance

6.1 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and their comments are incorporated within the report and are satisfied that the report complies with the Scheme of Governance and relevant legislation.

- 6.2 The Committee is able to consider [and take a decision on] this item in terms of Section F.1.1d of the List of Committee Powers in Part 2A of the Scheme of Governance as it relates to Roads, Landscape and Waste Services.

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Report prepared by Louise Wightman Waste Management Officer (Trade)
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