

EAST AYRSHIRE COUNCIL

CABINET REPORT – 22 APRIL 2009

COMMERCIAL WASTE & SPECIAL UPLIFT CHARGES

Report by Executive Director of Neighbourhood Services

1. PURPOSE OF REPORT

- 1.1 To advise Cabinet on the commercial waste and special household waste collection service and to seek approval for the revised charging structure.

2. BACKGROUND

- 2.1 With the successful introduction of kerbside recycling and development of the Council's network of Recycling Centres and Points, the authority has attained and exceeded all European and national recycling/composting obligations to date. The authority's current recycling rate currently stands at approximately 40%.
- 2.2 Although there has been a significant increase in the quantity of wastes diverted from landfill over the last 5 years, all Scottish local authorities are obliged to reach year on year waste recycling and landfill diversion targets up to 2025. Table 1 highlights the Council's national waste obligations below:

Table 1: Landfill Diversion/Recycling Targets for East Ayrshire Council 2006-2025

Target Year	Scottish Government Recycling/Composting Targets	EAC Performance	Biodegradable Landfill Allowance	EAC Performance	Percentage of Permitted Municipal Waste Used for Energy Recovery
2006	25%	32%	40,876	-	
2007	-	35%	33,775	29,858	
2008	30%	42%	32,232	26,600	
2009	-	-	30,699	-	
2010	40%	-	29,177	-	25%
2013	50%	-	19,451	-	↓
2020	60%	-	13,704	-	
2025	70%	-		-	

- 2.3 Landfill costs currently stand at £58.50 per tonne (£26.50 gate fee plus £32.00 landfill tax). These costs will rise as from 1st April 2009 to £67.50 (£27.50 gate fee plus £40.00 landfill tax).
- 2.4 As per Council policy, all services are required to ensure a consistent approach to the setting of charges, in this instance for the uplift of residual waste from commercial customers. East Ayrshire Council has a family of benchmarking partners, from which it is possible to compare like for like

services. Table 2 highlights the levels of charging for the uplift of residual waste from commercial businesses across our benchmark family. Clackmananshire Council, North Ayrshire Council and West Lothian Council who are included within the benchmarking family failed to submit their residual waste charges.

Table 2:

2008/09 RESIDUAL BENCHMARKING CHARGES (inc VAT)				
BIN SIZE	EAST AYRSHIRE	EAST RENFREWSHIRE	SOUTH AYRSHIRE	INVERCLYDE
TRADE SACK				
120	1.58	2.70	Service not provided	Service not provided
240	3.21	4.70	2.70	3.05
330/360	4.43	6.45	4.22	3.71
500	Service not provided	8.70	Service not provided	Service not provided
660	8.83	10.80	7.74	6.85
770	Service not provided	Service not provided	8.05	Service not provided
950	Service not provided	Service not provided	11.64	Service not provided
1100	Service not provided	15.65	13.51	8.96
1280	13.38	Service not provided	14.86	10.27
SKIP	144.88	Service not provided	189.01	Service not provided

2.5 As well as a commercial waste collection service, the Council provides members of the public with 2 Recycling Centres located at Western Road, Kilmarnock and Garlaff, near Cumnock. Both Centres cater for a wide range of recyclable materials including kitchen units and bathroom suites, which can be disposed of free of charge. In the circumstance where a member of the public is unable to transport these special items to a Centre a chargeable uplift can be arranged via the Cleansing Service.

2.6 In line with Audit Scotland's "Challenge of Charging", East Ayrshire Council follows published guidance when recommending charging for its services, as detailed with the background paper to this report. The Challenge of Charging checklist has been followed in the development of the proposed charges.

3. PROPOSAL

3.1 With waste recycling and biodegradable landfill diversion targets increasing year on year, local authorities are being encouraged to identify, develop and implement further waste minimisation and recycling systems.

3.2 One of the major contributors of municipal waste within the authority arises from commercial premises and enterprises. Recent Government analysis indicated that commercial waste accounts for approximately 15% of municipal wastes collected by Scottish local authorities, and should therefore be considered a focus for local authority recycling activities.

3.3 East Ayrshire Council presently has 2,063 commercial waste customers, all of whom have their residual waste uplifted by the Council. Of this total, 514 customers have their cardboard uplifted separately and 194 their glass and cans.

- 3.4 Through financial year 2007/08 East Ayrshire's total municipal waste arisings amounted to 73,808 tonnes. Based on the Government's assumption that 15% of the total waste collected arises from commercial businesses, this equates to 11,071 tonnes.
- 3.5 To minimise the quantity of residual waste arisings and maximise the quantity of recyclate collected from commercial and domestic premises, Cabinet is invited to revise the commercial waste/recyclate and special items charging mechanism.
- 3.6 The proposed charges reflect the increase costs associated with landfill disposal where appropriate and increased overheads. It is proposed to increase current residual uplift charges by a factor of 16.77%. This increase accounts for the increase in landfill tax, gate fee and overheads.
- 3.7 As recyclable materials, including special items such as kitchen and bathroom units, are not subject to landfill it is proposed to increase these costs in line with overheads at 3%. Proposed charges are illustrated in Appendix 1 & 2 to this report.
- 3.8 Under the Controlled Waste Regulations 1992 (CWR) local authorities are permitted to charge charity outlets for the uplift of wastes only and not disposal. In order to reflect this, Cabinet are recommended to apply a reduced charge of 50% to shops with charitable status.
- 3.9 East Ayrshire Council's Recycling Centre at Western Road was officially opened on February 2008. The Centre complements the domestic kerbside service and caters for a wide range of recyclable material including paper, timber, electrical equipment, cooking oil and unwanted paints. In order to maximise the volume of municipal waste diverted from landfill it is proposed to open the facility to commercial operators through a permit system. Under the permit system, local businesses will have access to the Council's recycling containers and will be charged an appropriate rate (to be determined at a later date) to cover associated transport and administrative costs. It is anticipated that this service will be made available to commercial operators within financial year 2009/10.

4. FINANCIAL IMPLICATIONS

- 4.1 The proposed charging mechanism is reflective of increased collection and disposal costs.

5. LEGAL AUTHORITY / IMPLICATIONS

- 5.1 Nil

6. COMMUNITY PLAN / POLICY IMPLATIONS

6.1 Revisions to the charging mechanism are consistent with the Community Plan – Improving the Environment, the EC Landfill Directive 1999/31/EC, National Recycling/Composting Targets and the Landfill Allowance Scheme (Scotland).

7. CONCLUSION

7.1 Through the successful introduction of kerbside recycling and improvements to the Council's Recycling Centre and Points, East Ayrshire Council has achieved a recycling rate of approximately 40% - exceeding all European and national targets to date. In order to attain future waste recycling and landfill diversion obligations, local authorities are obliged to continually identify and implement additional recycling opportunities and systems.

7.2 The Government has indicated that approximately 15% of municipal wastes collected by local authorities arises from the commercial sector. On this basis, 15% of municipal waste exceeded 11,000 tonnes in East Ayrshire during 2007/2008. Within the revised mechanism charges for the uplift of recyclables, including domestic kitchen units and bathroom suites, are not subjected to landfill tax or landfill gate fees, customers are therefore financially incentivised to recycle their waste.

7.3 The Cleansing Service proposes to apply a 50% charge to outlets with charitable status, which accounts for the uplift of waste only, as per the Controlled Waste Regulations 1992 (CWR),

7.4 In order to maximise recycling opportunities for commercial premises the Cleansing Service propose to introduce a permit system to the Western Road Recycling Centre, whereby local businesses will be able to utilise the recycling containers for their waste. It is anticipated that this facility will be available to local businesses during financial year 2009/10.

8. RECOMMENDATIONS

8.1 It is recommended that Cabinet:

- (i) approve the proposed charging mechanism as highlighted in Appendix 1 & 2; and
- (ii) approve the reduced waste charge to outlets with charitable status as per the Controlled Waste Regulations 1992;
- (iii) approve the use of a controlled permit system at Western Road Recycling Centre for commercial recycle;
- (iv) otherwise note the content of this report.

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CMCA/MR/DG

03 April 2008

LIST OF BACKGROUND PAPERS

1. Managing Charging – Services Manager's Checklist

Any person wishing further information should contact Malcolm Rae, Cleansing Services Manager, Neighbourhood Services on (01563-554054), e-mail: [malcolm.rae@ east-ayrshire.gov.uk](mailto:malcolm.rae@east-ayrshire.gov.uk)

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APPENDIX 1.

CLEANSING SERVICES CHARGES - 2009/2010					
BIN SIZE	UPLIFTS PER WEEK	EXISTING ANNUAL CHARGE (RESIDUAL) 2008/09 inc VAT	EXISTING ANNUAL CHARGE (RECYCLATE) 2008/09 inc VAT	PROPOSED ANNUAL CHARGE (RESIDUAL) 2009/10 inc VAT	PROPOSED ANNUAL CHARGE (RECYCLATE) 2009/10 inc VAT
120 L	1	£82.12	-	£93.58	-
	2	£164.98	-	£188.55	-
	3	£250.75	-	£286.57	-
240 L	1	£167.17	£108.66	£191.05	£109.54
	2	£332.87	£216.36	£380.42	£218.11
	3	£500.77	£325.50	£572.31	£328.13
	4	£667.94	£434.16	£763.36	£437.67
	5	£834.38	£542.35	£953.57	£546.73
330 L	1	£230.22	£149.64	£263.11	£150.85
	2	£458.99	£298.34	£524.56	£300.76
	3	£687.74	£447.03	£785.99	£450.64
	4	£917.96	£596.68	£1,049.09	£601.50
	5	£1,148.20	£746.33	£1,312.22	£752.36
660 L	1	£458.99	£298.34	£524.56	£300.76
	2	£917.23	£596.20	£1,048.26	£601.02
	3	£1,376.22	£894.54	£1,572.82	£901.77
	4	£1,835.20	£1,192.88	£2,097.36	£1,202.53
	5	£2,291.99	£1,489.79	£2,619.41	£1,501.84
1100 L/1280 L	1	£695.81	£452.28	£795.21	£455.94
	2	£1,391.62	£904.55	£1,590.42	£911.86
	3	£2,086.69	£1,356.35	£2,384.79	£1,367.32
	4	£2,779.56	£1,806.71	£3,176.63	£1,821.32
	5	£3,476.83	£2,259.94	£3,973.51	£2,278.21
CHAMBERLAIN	1	£602.78	£391.81	£688.88	-
	2	£1,204.94	£783.21	£1,377.07	-
	3	£1,806.48	£1,174.21	£2,064.55	-
	4	£2,411.14	£1,567.24	£2,755.58	-
	5	£3,013.30	£1,958.64	£3,443.77	-
Comm Sacks	1	£1.38	£0.90	£1.57	£0.91
Loose Card	Regular User	-	£108.66	-	£109.54
	High User	-	£216.36	-	£218.11
SKIP HIRE	Per Skip	£144.88	£94.17	£165.57	£94.93
Trade waste deposited at Transfer Stations will be charged at £105.45(inc VAT) per tonne with a minimum charge of £71.67 (inc VAT) per deposit.					

APPENDIX 2.

SPECIAL UPLIFT CHARGES 2009/2010			
	RATE	VAT	TOTAL
Kitchen Units & Bathroom Suites	37.92	5.69	43.61