
TRADE WASTE FEES & CHARGES

Report by Depute Chief Executive - Place

EXECUTIVE COMMITTEE

31 January 2017

1 PURPOSE AND SUMMARY

1.1 This report proposes that the Council increases its Trade Waste Fees and Charges.

1.2 A review of the Council's current trade waste collection service has been undertaken by Waste Consulting Limited.

1.3 The review makes a number of recommendations including that the current pricing structure requires immediate review as the rates charged for some services are considerably below those charged by other Scottish Local Authorities.

1.4 Further to the review it is recommended that trade waste fee and charges are increased to ensure the Council is making a reasonable charge and recovering its costs in line with the Environmental Protection Act (1990).

1.5 It is proposed that a new post is created to support the implementation and ongoing delivery of the trade waste service. Part of the role will involve supporting traders in identifying the most appropriate waste services for their business to maximise recycling and diversion as we move towards the Scottish Government's vision of a Zero Waste Society.

2 RECOMMENDATIONS

2.1 I recommend that the Executive Committee agrees to:

(a) Implement the recommendations of the Trade Waste Review as outlined in section 3.

(b) Increase the fees and charges over a two year period as outlined in sections 4 and 6.

3 BACKGROUND

- 3.1 A review of the Council's current trade waste collection service has been undertaken by Waste Consulting Limited. This included a review of the fees and charges set by other Scottish Local Authorities (a summary of the results of which are shown in Appendix 1).

The lead consultant undertaking the review has significant experience of operating trade waste collection services for one of the UK's major trade waste providers.

The main purpose of the review was to identify potential savings available with a reorganisation of the trade service; encompassing the operational and financial aspects such as pricing.

- 3.2 The review makes a number of recommendations, some of which are detailed below:
- a) The current pricing structure requires immediate review as the rates charged for some services are considerably below those charged by other Scottish Local Authorities.
 - b) The recycling sacks price should be significantly increased in line with the general waste sack increase.
 - c) The current General Waste Sacks should be reduced in size to 70 litres from 120 litres in line with standard industry practice. This will enable customers to make direct cost comparisons between the Council's Recycling Waste Sacks, which are also 70 litres.
 - d) The colour of General Waste Sacks should be changed each year to ensure robust control for what is effectively a currency. Again this is standard industry practice.
 - e) The number of bin sizes should be reduced to 4: 1,100 litres, 660 litres, 360 litres and 240 litres. This will minimise the number of bins required in stock and maximise the potential to achieve discounts when purchasing bins.
 - f) A dedicated Trade Waste Officer should be employed working as part of the Operations team to liaise with customers, Business Support and the Operations team regarding the service provision. Their role should include, customer visits, contract monitoring, quotation provision and promotion of the service.
 - g) The implementation of an In-Cab monitoring / routing systems would provide a major advantage to the service so that changes can be made rapidly to the service provision maximising efficiency, reducing cost and freeing up back office resources.
- 3.3 Although Waste Consulting Limited has undertaken a review of Scottish Local Authority pricing it has not been able to determine the costs of similar services provided by the local market. This is due to the fact that the private sector does not make its prices publicly available and will only provide quotes following a site visit and discussion with the customer. Consequently there is a risk that the proposed price increases may exceed the local market. If this is the case the Council may expect to see a drop

in the number of contracts and its income. However, the income generated per customer will have increased and the efficiency of the service will have improved. Depending on the market reaction to the price increase it is possible the Council will need to revisit the pricing structure during the course of 2017/18.

- 3.4 The Council's only domestic charge, for Bulky uplifts, has been increased by 3% in line with other Scottish Borders Council Charges.
- 3.5 Under the Environmental Protection Act 1990, Part II, Section 45 the Council should make a reasonable charge for the the collection and disposal of the waste and it shall be the duty of that Authority to recover the charge.

4 FEES & CHARGES INCREASES

- 4.1 Further to the review, it is recommended that General Waste contracts fees and charges are increased by between 22% and 29%, to ensure the Council are making a reasonable charge and recovering its costs in line with the Environmental Protection Act (1990).

It is proposed that this increase is phased in over 2 years as outlined below (Appendix 2):

- Year 1 – 11 - 15%
- Year 2 – a further 10 - 13%

- 4.2 In addition, it is recommended that adhoc General Waste sack costs (includes collection, tipping etc) are increase by 39% from £1.80 to £2.50, based on other Local Authority charges and the cost of providing the service.

It is proposed that this increase is phased in over 2 years as outlined below (Appendix 2):

- Year 1 – 20%
- Year 2 – 16%

It is recommended that the bag size is decreased from 120l to 70l to follow industry standard and reduce Health & Safety risk around manual handling. This will take effect from April 2017.

- 4.3 Finally, it is recommended that all Trade Recycling services costs are significantly increased, to reflect the increased tipping costs following a significant price increase in the Council's Dry mixed Recyclate Treatment Contract price. Additional adjustments have been recommended by the Consultants and to ensure we are making a reasonable charge and recover our costs in line with the Environmental Protection Act (1990).

It is proposed that these increases are phased in over 2 years (Appendix 2).

5 COMMUNICATIONS AND SUPPORT

- 5.1 In order to support businesses as we move towards the Scottish Government's vision of a Zero Waste Society it is proposed that a new post is created from April 2017.
- 5.2 It is envisaged that the new post will have two key roles:
1. The promotion of the Council's trade waste services to maximise the efficiency of the operations. This will include assessing customer need, providing quotes and contract monitoring.
 2. Providing advice and guidance to traders in relation to:
 - Minimising waste, maximising recycling and diversion from landfill.
 - Waste management best practice and regulatory compliance.
- 5.3 In addition, the Council's Business Gateway will provide initial sign posting and support to ensure businesses get the support that they need.
- 5.4 A draft communication plan has been developed to ensure that businesses are aware of the increases in fees and charges. This will be communicated via the Council's website, Twitter, Facebook, SBConnect and the press.

6 IMPLICATIONS

6.1 Financial

Phased Introduction

If the fees and charges are phased in over a 2 year period from April 2017* it is estimated the Council will generate the following additional income:

- Year 1 (2017/18) - £121k
- Year 2 (2018/19) – an additional £105k

If this option is approved the contribution to the 2017/18 financial plan gap will be £45k rather than £121k (as outlined above) due to increases already accounted for in the indicative financial plan and implementation costs, the 2018/19 contribution will be £105k.

* Please note this only impacts those fees and charges increasing above 3%.

6.2 Risk and Mitigations

(a)

Risk	Mitigation
<p>If the Council chooses not to increase its fees and charges as proposed, it runs the risk of operating a trade waste service that is:</p> <ol style="list-style-type: none"> 1. Charging considerably below that of other Scottish Local Authorities. 2. Not recovering the costs of providing the service in accordance with the Environmental Protection Act 1990. 	<p>Increase the trade waste fees as proposed in section 4 and 6.</p>
<p>Based on current market conditions there is a high risk that the cost of treating the Council's recyclate will increase.</p>	<p>Revisit the pricing structure for kerbside recyclables during the course of 2017/18.</p>
<p>There is a risk that the proposed price increases may exceed the local market. If this is the case the Council may expect to see a drop in the number of contracts and its income.</p>	<p>Depending on the market reaction to the price increase revisit the pricing structure during the course of 2017/18.</p>
<p>There is a risk of increased fly tipping.</p>	<p>Monitor fly tipping following the implementation of the price increase with Neighbourhood Operations using 'fly capture' data.</p> <p>Implement a communications plan and provide support to traders to outline the services available.</p>
<p>There is a risk of negative publicity if the Council introduces a price increase.</p>	<p>Implement a communications plan and provide support to traders to outline the services available.</p>

6.3 Equalities

A 'Stage 1 Equality Impact Assessment' has been carried out on this proposal. It is anticipated there may be a negative impact for the Poverty Equality Characteristic for the following reasons:

- Traders may pass the additional cost of their waste services on to consumers, which has the potential to impact those groups on low incomes.
- Increasing the cost of bulky uplift collections may impact the affordability for groups on low incomes.

A new post will be created that will provide advice and guidance to traders to ensure they have the correct waste services, that they are minimising waste generation, maximising recycling and diversion of waste. This will help traders to minimise their waste management costs and consequently the cost that may be passed onto the consumer.

6.4 **Acting Sustainably**

The continued promotion of recycling and diversion from landfill through the proposed fees and charges will help ensure waste generated by traders in the Borders is managed in a sustainable manner.

For further information please see Appendix 3.

6.5 **Carbon Management**

- The proposed fees and charges continue to promote recycling over landfill in terms of cost over that of landfill. This will help to minimise waste to landfill and the carbon emissions associated with landfilling waste.
- The new post will provide advice and guidance to traders around waste minimisation, maximising recycling and diversion from landfill.

6.6 **Changes to Scheme of Administration or Scheme of Delegation**

No changes to the Scheme of Administration or the Scheme of Delegation are required as a result of the proposals in this report.

7 CONSULTATION

- The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR, the Depute Chief Executive Place, Communications and Marketing, Head of Economic Development and Function Manager (Place) and the Clerk to the Council have been consulted and any comments received have been incorporated into the final report.

Approved by

Philip Barr
Depute Chief Executive – Place

Signature

Author(s)

Name	Designation and Contact Number
Ross Sharp-Dent	Waste Manager 01835 824000

Background Paper :

Previous Minute Reference:

Executive Committee - 31 January 2017

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Jacqueline Whitelaw can also give information on other language translations as well as providing additional copies. Contact us at Scottish Borders Council, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA, Tel 01835 824000 ext 5431, email jwhitelaw@scotborders.gov.uk.

Appendix 1 – Comparison to Other Authorities

Trade General Waste Contract

Bin Size (Litres)	Cost per annum including bin rental			
	Scottish Borders Council 2016/17	Scottish Borders Council 2017/18	2015/16 Scottish Local Authority Average	2016/17 Scottish Local Authority Average
240	£247.00	£247.00	Not Available	£257
360	£262.00	£300.00	£328	£361
660	£526.00	£583.00	£613	£664
1,100	£815.00	£914.00	£997	£1,047

Trade Recycling Contracts

Bin Size (Litres)	Cost per annum including bin rental			
	Scottish Borders Council 2016/17	Scottish Borders Council 2017/18	2015/16 Scottish Local Authority Average	2016/17 Scottish Local Authority Average
240	£126.26	£155.00	£148	£173
360	£126.26	£194.00	Not available	£263
660	£353.94	£450.00	£338	£539
1,100	£600.42	£679.00	£538	£740

Note: Scottish Local Authority Prices excluded bin rental so have added SBC bin rental costs on so can compare figures

Trade Waste Sacks (minimum purchase 52)

Item	Scottish Borders Council 2017/18	2016/17 Scottish Local Authority Average
52 sacks	£112.00	£131.97

Trade Recycling Sacks (Minimum contract 52 bags)

Item	Scottish Borders Council 2017/18	2016/17 Scottish Local Authority Average
52 sacks	£63.00	£95.52

Food Waste

Bin Size (Litres)	Cost per annum including bin rental			
	Scottish Borders Council 2016/17	Scottish Borders Council 2017/18	2015/16 Scottish Local Authority Average	2016/17 Scottish Local Authority Average
140	£307.32	£317.00	£287	£223
23	£70.20	£72.00	Not Available	£72

Appendix 2 – Trade Waste Fees and Charges

SCOTTISH BORDERS COUNCIL							
FEE & CHARGES	2015/16 Charge (excl.vat)	2016/17 Charge (excl.vat)	Estimated Usage	2017/18 Charge (excl.vat)	Increase %	2018/19 Charge (excl.vat)	Increase %
Place - Neighbourhood Services - WASTE							
Waste Services							
Tipping Charges							
Charge per tonne (pro-rata)	£27.00	£29.00	3915	£30.00	3%	£30.00	0%
Soils/Green Waste/Paper & Cardboard	contact 01835-825111 for price						
Green Waste from Mansfield & Eshiels (minimum 1 tonne charge per month).	£34.75	£36.00	119	£37.00	3%	£37.00	0%
Mixed dry re-cyclate from Mansfield & Eshiels - includes similar materials as those collected at kerbside via Council re-cycling scheme (pro rata)	£16.00	£16.50	15	£22.50	36%	£28.00	24%
General Waste to Mansfield and Eshiels (pro rata)	£32.25	£35.00	558	£36.00	3%	£36.00	0%
Administration Charge - charged per invoice. Invoices are collated on a monthly basis.	£0.00	£0.00	314	£25.00	0%	£25.00	0%
Landfill Tax (Added to tipping charge)¹							
Charged by weight at site (per tonne, pro-rata)							
Active waste	£82.60	£84.40	8,000	£84.40	0%	£84.40	0%
Non active waste	£2.60	£2.65	2,500	£2.65	0%	£2.65	0%
Trade General Waste Contract (Bin)^{3 4}							
1100 ltr	£791.02	£815.00	323	£914.00	12%	£1,014.00	11%
660 ltr	£509.79	£526.00	202	£583.00	11%	£640.00	10%
360 ltr	£253.85	£262.00	310	£300.00	15%	£338.00	13%
240 ltr		£247.00	101	£247.00	0%	£247.00	0%
Trade General Waste Sacks							
Industrial and Commercial - per 52 sacks min purchase	£85.28	£93.60	713	£112.00	20%	£130.00	16%
Trade Recycling Contracts (Bin)^{3 4}							
1100 ltr bin rental		£600.42	14	£679.00	13%	£758.00	12%
660 ltr bin rental		£353.94	67	£450.00	27%	£547.00	22%
360 ltr bin rental		£126.26	34	£194.00	54%	£263.00	36%
240 ltr bin rental		£126.26	71	£155.00	23%	£183.00	18%

Appendix 2 Continued – Trade Waste Fees and Charges

SCOTTISH BORDERS COUNCIL							
FEES & CHARGES	2015/16 Charge (excl.vat)	2016/17 Charge (excl.vat)	Estimated Usage	2017/18 Charge (excl.vat)	Increase %	2018/19 Charge (excl.vat)	Increase %
Place - Neighbourhood Services - WASTE							
Trade Recycling Contracts (Bag) ^{3 4}							
Minimum (1 bag/week)	£41.00	£43.00	367	£63.00	47%	£83.00	32%
Small (3 bags/week)	£100.00	£104.00	398	£122.00	17%	£140.00	15%
Medium (7 bags/week)	£261.00	£269.00	170	£296.00	10%	£323.00	9%
Large (13 bags/week)	£500.00	£516.00	50	£531.00	3%	£531.00	0%
Large quantities from commercial producers will be priced on an individual basis, based on quantity & method of collection.							
Trade Recyclate Bags							
Minimum purchase 26 bags - additional to contract only	£19.50	£20.80	522	£31.60	52%	£41.60	32%
Food Contracts							
140 ltr bin		£307.32	76	£317.00	3%	£317.00	0%
23 ltr bin		£70.20	69	£72.00	3%	£72.00	0%
1 roll of 35 ltr compostable liners (25 liners/roll)		£3.15	622	£3.25	3%	£3.25	0%
Replacement key for 140 ltr bin		£5.00	6	£5.15	3%	£5.15	0%
Special Collections - Business							
Per hour - pro-rata ²	£104.50	£108.00	35	£111.00	3%	£111.00	0%
Minimum charge (20 minutes) ²	£36.00	£37.50		£39.00	4%	£39.00	0%
Special Collections - Domestic							
Up to 5 articles (including fridges and freezers)	£26.25	£30.00	2150	£31.00	3%	£31.00	0%
Recycling Permit		£340.00	5	£350.00	3%	£350.00	0%
Green, Construction and Recycling Permit		£875.00	5	£901.00	3%	£901.00	0%
¹ Fees set by national agency							
² Additional labour, plant and machinery charged at dayworks rates							
³ Annual charge based on one collection per week							
⁴ Includes Bin rental, disposal, service and landfill							

Appendix 3 – Sustainable Development Checklist

Report Title: Trade Waste Fees & Charges			
Author/Responsible Officer: Ross Sharp-Dent – Waste Manager			
Does the project or activity:			
	Yes	No	N/A
1 Economy and Work			
Create new jobs or safeguard existing employment		x	
Benefit small and/or locally-based business		x	
Increase employment/vocational training opportunities		x	
Link local production with local consumption	x		
Improve local business environmental awareness	x		
2 Community and Participation			
Involve the community in developing and implementing the project		x	
Take into account under-represented or excluded groups		x	
Take into account equal opportunities		x	
Encourage volunteering		x	
Improve community facilities		x	
Improve community quality of life		x	
Improve community capacity		x	
Encourage local action and decision making		x	
3 Transport			
Encourage walking or cycling		x	
Encourage use of public/community transport		x	
Improve access to facilities for those without a car		x	
Reduce travel requirements or encourage mode shift to more sustainable forms of transport		x	
4 Pollution			
Reduce/ prevent pollution, e.g. noise, air, water, land	x		
Reverse negative impacts of pollution, e.g. restore polluted environments		x	
5 Energy			
Maximise energy efficiency		x	
Generate energy from waste or renewable resources		x	
Contribution to carbon reduction targets		x	
	Yes	No	N/A
6 Waste and Resources			
Reduce waste and/or maximise resource use	x		
Encourage re-use and/or repair	x		
Encourage recycling and/or use of recycled materials	x		
Does a 'whole life costing' assessment support the favoured option		x	
7 Buildings and Land Use			

	Provide or improve local amenities		x	
	Re-use/conserv e buildings		x	
	Improve disabled access		x	
8 Wildlife and Green/ Open Spaces				
	Encourage use of green/open spaces for community benefit		x	
	Increase public access to green/open space		x	
	Improve access to green space where it is currently most limited		x	
	Encourage environmentally sensitive / sustainable land use and/ or land management		x	
	Increase or enhance semi-natural habitats		x	
	Increase biodiversity		x	
	Is a Strategic Environmental Assessment required under the EU SEA Directive		x	
9 Integration				
	Seek to combine social, economic and environmental issues into integrated solutions	x		
	Seek to use and nurture local talent and resources where possible		x	