

REPORT TO THE EXECUTIVE			Report No. 15	
Date of Meeting	24 th April 2008			
Title of Report	Commercial Waste Collection Charges 2008/09			
Portfolio	Waste & Sustainability			
Link to Corporate Priorities	Waste and Recycling; Budget			
Key Decision	Yes			
Executive Workplan Ref	N/A			
Public Report	Yes			
<p>Summary of Report</p> <p>To advise members of the increased costs associated with Commercial Waste and seek approval for the proposed increased charges.</p>				
<p>Officer Recommendations:</p> <p>That the Executive:</p> <ol style="list-style-type: none"> Note that the increase in costs, charged by Wiltshire County Council, for this service has increased in excess of the standard level of inflation assumed in the budget of 3%. Approve the proposed increase in charges as reflected in Appendix A. 				
Other than those implications agreed with the relevant Officers and referred to below, there are no other implications associated with this report.				
Financial Implications	Legal Implications	Community & Environmental Implications	Human Resources Implications	Equality & Diversity Implications
Yes	None	None	None	None
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1. Introduction

- 1.1 The commercial waste collection charges are increased on an annual basis. For the financial year 2008/09 there is a requirement for the charges to be increased above inflation due to the large increases in the disposal charge made by Wiltshire County Council (WCC). This increase reflects the accelerated increase in the Central Government Landfill Tax, and the charges made to Wiltshire County Council from their disposal contractor Hills Waste Solutions (HWS).

2. Options and Options Appraisal

- 2.1 Option 1 – To approve the increase in charges as outlined in Appendix A.
- 2.2 Option 2 – To restrict the increase in charges to inflation only (3%) and accept the budget pressure that would arise during 2008/09.

3. Background Information

- 3.1 Commercial Waste Collection is a mandatory service for a Waste Collection Authority (WCA) if requested to provide it by the occupier of a commercial premise in the area. It is the duty of the WCA to recover the cost of the collection and disposal of any waste collected from these premises, this should be on a full cost basis including contribution for administrative costs and depreciation. In addition DEFRA advise that charges relating to 'Schedule 2 – household waste for which a charge may be made' from the Controlled Waste Regulations 1992 should be on a comparative basis.
- 3.2 The occupiers of commercial properties have a legal obligation to employ a Registered Waste Carrier to dispose of their waste. There are private contractors that can offer this service and they do not have to use the Council's service.
- 3.3 There has been considerable progress during the past year in separating out the commercial which has resulted in one complete trade round plus two further rounds working two days on trade and three days on domestic.
- 3.4 It has not been possible previously to identify separately the full cost of providing the Commercial Waste Service. The information available now reflects that despite a 10% increase in disposal costs during 2007/08 this service is operating close to breakeven, with a projected income of £502,000.
- 3.5 An analysis of the figures for 2007/08 reveals that the Council provides a service to just over 1000 customers, collecting nearly 1600 bins per week. In addition to the bins the Council supply and collect over 22,000 sacks from smaller businesses, or businesses without space to store a wheeled bin.
- 3.6 The disposal cost for 2007/08 is estimated to be £280,000 based on £61.52 per tonne. This is expected to rise to £73.73 per tonne in 2008/09, an increase of almost 20%. This figure will be confirmed by WCC next month when the charge made by Hills Waste Solutions (HWS) has been agreed.
- 3.7 In addition to the increase in costs for disposal, the service has also seen increases in fuel costs in excess of 25%. Overall the full cost to deliver the service has increased from £515,000 in 2007/08, to a projection of £597,000 for 2008/09 an increase of 16%.

- 3.8 The proposed charges for 2008/09 reflect a 24-26% increase, which is a reflection of both cost increases and an element of cost catch up from prior years. Appendix A reflects that whilst the percentage increase may appear high, the charge itself will reflect favourable against comparative services provided by Salisbury District Council. The increase will also move some way toward the alignment of charges across the County.
- 3.9 In the past the Council has charged a lower price for additional collections to the same customer. As none of the other Wiltshire districts do this, it is proposed that North Wiltshire fall in line and charge one rate per lift.

4. Financial Implications

- 4.1 Failure to recover the full costs of commercial waste collections would lead budget pressures within the Cleansing and Amenities Service.

5. Risk Analysis

- 5.1 The risk of introducing a higher than usual increase in charges could mean that the Council lose some of its existing commercial waste customers. However, as these charges only cover the costs of providing the service, any reduction in income should be proportionate to a reduction in associated costs.
- 5.2 The risk of not increasing the charges would mean that the service would not be recovering its costs, thus putting pressure on other North Wiltshire District Council services.

Appendices:	<ul style="list-style-type: none"> • Appendix A – NWDC - COMMERCIAL WASTE COLLECTION CHARGES
Background Documents Used in the Preparation of this Report:	<ul style="list-style-type: none"> • Budget documents and previous years actual out-turns.

Previous Decisions Connected with this Report

Report	Committee & Date	Minute Reference
None		

NORTH WILTSHIRE DISTRICT COUNCIL – COMMERCIAL WASTE COLLECTION CHARGES

NWDC		Description	Salisbury DC		Proposed Charges NWDC 2008/09			
2007/08			2008/09		Commercial		Schedule 2	
Annual	Per Lift		Annual	Per Lift	Annual	Per Lift	Annual	Per Lift
£371.00	£7.13	1100 Litre Bin	£499.72	£9.61	£471.00	£9.06	£389.04	£7.48
£272.00	£5.23	500 Litre Bin	£431.08	£8.29	£338.00	£6.49	£261.77	£5.03
£164.00	£3.15	240 Litre Bin	£291.20	£5.60	£207.00	£3.98	£132.10	£2.54
	£1.20	Sacks		£1.21		£1.50		£1.47