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**Report To: Safe Sustainable Communities Committee**

**Date: 9<sup>th</sup> March 2010**

**Report By: Corporate Director, Environment and Community Protection**

**Report No:  
ECP/ENV/AB10.37**

**Contact Officer: Kenny Lang**

**Contact No: Ext 5906**

**Subject: Commercial Waste Charging**

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**1.0 PURPOSE**

1.1 The purpose of this report is to advise committee of the increase in charges for Commercial Waste

**2.0 SUMMARY**

2.1 The Commercial Waste Service will face increased costs in 2010 to 2011 which are outwith the control of the service. These costs are directly as a result of increasing landfill costs. In particular Landfill Tax which increases to £48 per tonne from 1 April 2010 and further increasing by £8 per tonne each year until 2013.

2.2 The Council are required to provide a service to those businesses requesting that we do so on the basis of full cost recovery.

**3.0 RECOMMENDATIONS**

3.1 It is recommended that the Committee note the contents of this report and the impact of increases in costs outwith the Councils control

3.2 It is recommended that it be delegated to the Corporate Director Environment and Community Protection to determine reasonable commercial charges for the Commercial Waste Service in conjunction with Finance Services.

**Alan G Barnes  
Head of Environmental Services**

## 4.0 BACKGROUND

- 4.1 The Environmental Protection Act 1990 c(43) imposes a duty on Councils to provide a commercial waste collection service where requested to do so by businesses. Councils are required to make a reasonable charge on the basis of full cost recovery for this service.
- 4.2 Increasing charges for Commercial Waste to cover additional costs of the landfill tax increase of £8 per tonne would result in an estimated additional cost to our external customers of £28,500 and internal council services of £12,000 per annum. This equates to an average increase of 4.9%. The budget setting process also allowed for a 3% increase in charges for external customers. The gross income of £40,500 is in addition to this.
- 4.3 The net £28,500 income will fund the shortfall in achieving the savings proposal (ES1), implemented as part of 2009/10 budget to increase Trade Waste charges by £37,000 (7.5%) and only £7,000 being achievable.
- 4.4 A benchmarking exercise carried out by COSLA has shown that Inverclyde commercial waste charges are around 21% lower than the 2009/10 national average.

## 5.0 COMMERCIAL WASTE CHARGES

- 5.1 The increases in commercial waste charges proposed will ensure that the Council recover the increased costs in Landfill Tax set by the UK government.
- 5.2 The Government has indicated that landfill tax will continue to increase by £8 per tonne annually until 2013, where it will sit at £72 per tonne.
- 5.3 The table below shows the increase in charges, where as proposed, only an increase in line with landfill is applied;

Size	120L	240L	330L	660L	750L	1100L	1280L
2009/10	£2.00	£3.37	£4.11	£7.57	£8.28	£9.90	£11.34
Landfill	£0.08	£0.14	£0.20	£0.39	£0.44	£0.64	£0.75
New charge 2010/11	£2.08	£3.51	£4.31	£7.96	£8.72	£10.54	£12.09
Increase in rate per container	3.9%	4.0%	4.6%	4.8%	5.0%	6.1%	6.2%

## 6.0 FINANCIAL IMPLICATIONS

- 6.1 Financial implications – one-off costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
NA					

6.2 Financial implications – annually recurring income

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
Refuse Collection	Income	2010/11	(£40,500)		Gross Income
Internal Council Services	Trade waste charges	2010/11	£12,000		Cost to internal council services
Net Income			(£28,500)	To offset savings shortfall (see para 4.3)	

**7.0 CONSULTATION**

7.1 Consultation on this report has been held with Finance Services.

**8.0 REFERENCES**

8.1 COSLA Waste Network – Commercial Waste Charges 2009 -2010