

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting:	Cabinet Member for Streetpride
2.	Date:	15 February 2010
3.	Title:	Commercial Waste Collection: Price Review 2010/11
4.	Programme Area:	Environment and Development Services

5. Summary

This report outlines the prices to be charged to customers for the collection and disposal of commercial waste with effect from 1st. April 2010

6. Recommendations

6.1 CABINET MEMBER FOR STREETPRIDE IS REQUESTED TO APPROVE:

- A). THE PROPOSED PRICE CHANGES FOR IMPLEMENTATION FROM 1ST APRIL 2010.**
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7. Proposals and Details

7.1 Consideration has to be given to recovering our actual costs of operating the service whilst continuing to provide as wide a range of services as possible to meet customer requirements and comply with the duty imposed upon the Council by legislation.

7.2 **It is proposed to increase the scale of charges for Commercial Waste Collection by 6% overall.**(as shown in Appendix 1), This increase accommodates cost of living rises and incorporates the additional waste disposal costs resulting from the Government's further £8 per tonne on Landfill Tax, with effect from 1st. April 2010. The new prices also reflect the Government's decision to return the standard rate of VAT back to 17.5%

7.3 All waste currently collected on this service is taken to landfill for disposal. However, we are keen to promote commercial waste recycling and will continue to offer advice to local businesses on options for minimising their waste through recycling using other specialist organisations operating in the area. It is not feasible at the moment for our Waste Collection Operations Team to provide separate collections of other materials for recycling due to the complexity of collection arrangements and the prohibitive cost of acquiring specialist vehicles and equipment.

7.4 Each year a minority of customers fail to pay their accounts on time. This leads us to suspending collections and eventually terminating their agreement. At this stage the customer sometimes pays their bill and requests the agreement be reinstated. This incurs the Council with extra costs through additional administrative time and bin collection and delivery charges. **To persuade customers to pay on time and to cover our additional costs if we are asked to reinstate previously terminated agreements for non payment we intend to continue to levy a reinstatement fee:**

**£37.00 for agreements up to 360 litre wheeled bins (previously £34.00)
£88.00 for agreements above 360 litre wheeled bins (previously £84.00)**

The customer will have to pay this reinstatement fee and any outstanding debt in full before the agreement is restarted.

7.5 **It is proposed that the prices charged for the collection of waste from charities is increased by 2%.** The proposed revised scale of charges for the collection of waste from charities is shown in Appendix 2. These charges are in accordance with the Controlled Waste Regulations 1992 which allow the Council to raise a charge for the collection of charity waste but not for its disposal.

8. Finance

8.1 The aim is to accommodate cost of living rises and the Government's further £8 per tonne on Landfill Tax; and to take account of the Government's standard rate of VAT.

9. Risks and Uncertainties

- 9.1** Demand for the Commercial Waste Collection Service is price sensitive. Therefore, any increase in price significantly above the rate of inflation will seriously affect demand for the service and risk losing business to competitors.
- 9.2** The element of price increase due to the higher rate of Landfill Tax imposed by the Government will be incurred by all our competitors who use landfill as a means of disposal.

10. Policy and Performance Agenda Implications

- 10.1** The Commercial Waste Collection Service is available to all businesses within our community.
- 10.2** The provision of advice on commercial waste recycling and waste minimisation opportunities is focussed upon reducing our input to landfill. This directs the service towards achieving the strategic objective to deliver a long term approach to waste and recycling to minimise the need for waste disposal, which in turn contributes to the delivery of the Corporate Priority "Rotherham Safe".
- 10.3** Statutory recycling targets are based upon household waste only and therefore, the recycling of commercial waste does not count towards these targets. However, any commercial waste that is not sent to landfill will contribute towards achieving our targets under the Waste Emissions Trading Bill for diverting biodegradable waste away from landfill.

11. Background Papers and Consultation

- 11.1** The Commercial Waste Collection Service operates in the open market with competition from private sector companies.
- 11.2** APPENDIX 1 – Proposed Scale of Charges for Commercial Waste Collection –2010/11
- 11.3** APPENDIX 2 – Proposed Scale of Charges for Charitable Waste Collection – 2010/11
- 11.4** APPENDIX 3 – Commercial Waste Collection Service – Benchmarking information.

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