

Agenda Item No. 4(f)

DERBYSHIRE COUNTY COUNCIL

**MEETING OF THE CABINET MEMBER – HIGHWAYS, TRANSPORT AND
INFRASTRUCTURE**

23 January 2020

Report of the Executive Director – Economy, Transport and Environment

REVIEW OF CHARGES FOR COMMERCIAL WASTE

(1) **Purpose of Report** To report on charges proposed to the District/Borough Councils for the disposal of commercial waste in light of the recent changes to waste contracts.

(2) **Information and Analysis** At the meeting on 12 September 2019, the Cabinet Member approved the following waste recharge rates:

- The abandoned vehicle rate for 2019-20.
- The recycling credit rate for 2019-20.
- The excess mileage payment for 2019-20.

It was also resolved that following recent changes to the County Council's long term waste contract, the commercial waste disposal recharge rate proposed for 2019-20 would be reviewed and reported to a future meeting of the Cabinet Member.

Commercial Waste Disposal Recharge Costs

The District and Borough Councils, as Waste Collection Authorities (WCAs), have a statutory duty to collect, on request, commercial waste from a range of organisations, such as businesses, markets, Government offices, etc. They collect around 13,000 tonnes of commercial waste per year, approximately 4% of the total local authority collected municipal waste stream in Derbyshire. WCA costs (including disposal) are recovered from the organisations from which they collect the waste.

The majority of commercial waste in the County is collected and disposed of by private sector waste collection companies. Some commercial waste collected by the WCAs is, however, disposed of by the County Council through its waste management contracts. Up until 2 August 2019, disposal of this commercial waste was undertaken by Resource Recovery Solutions (Derbyshire) Ltd (RRS) under the Council's long term waste management contract. However, following termination of that contract on 2 August 2019

disposal arrangements have been provided by Renewi UK Services Ltd (Renewi) under the Council's Continuity Services Contract.

In accordance with legislation, contract costs for the disposal of commercial waste collected by the WCAs are initially met by the County Council and then recharged to the WCAs.

At a meeting on 26 June 2018, the Cabinet Member approved the commercial waste disposal recharge rate for 2018-19 (Minute No. 68/18 refers). The recharge comprises a gate fee and contractual disposal costs incurred by the County Council, together with an administration fee.

The costs incurred in disposing of waste under the new contract with Renewi have been examined in order to ensure that the Council would not be disadvantaged financially should the charges proposed in the 12 September 2019 report be introduced. This has been determined to be the case.

In light of the above, the following table details the rates charged for in 2018-19 and sets out proposed revised charges for 2019-20:

| Commercial Waste Recharge | 2018-19 | 2019-20 |
|---|----------------|----------------|
| Total per tonne (gate fee + contractual disposal costs) | £130.78 | £134.43 |
| Annual administration fee | £1,265 | £1,289 |

The commercial waste disposal recharge costs will, by necessity, require a full review once the current continuity services arrangements come to an end.

Cabinet Member approval for the new annual rates has historically been requested each year but, in line with the proposals in the 12 September 2019 report, it is proposed that, in future, approval will be sought on a bi-annual basis with the next 2020-21 rates implemented without submitting a report. It is anticipated that this will greatly reduce the time taken to process WCA recharges and receive their payments, particularly at the start of the year. This timescale will also broadly coincide with the current timetable for the Continuity Service Contract.

(3) Financial Considerations It is proposed that the commercial waste disposal recharge rate for 2019-20 is set at £134.43 per tonne, with an annual administration fee to each WCA of £1,289.

The proposed commercial waste recharges will ensure that all commercial waste disposal costs are recovered from the WCAs.

Other Considerations

In preparing this report the relevance of the following factors has been considered: legal, prevention of crime and disorder, equality and diversity, human resources, environmental, health, property, social value and transport considerations.

(4) **Key Decision** No.

(5) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(6) **Background Papers** Held on file within the Economy, Transport and Environment Department.

(7) **OFFICER'S RECOMMENDATIONS** That the Cabinet Member approves:

7.1 The commercial waste disposal recharge rate for 2019-20 at £134.43 per tonne plus an annual administration charge to each Waste Collection Authority of £1,289.

7.2 The submission of Cabinet Member reports requesting approval for proposed new annual commercial waste disposal recharges be undertaken on a bi-annual basis from 2019-20 onwards, to align with the approvals taken at the 12 September 2019 Cabinet Member meeting.

Mike Ashworth
Executive Director – Economy, Transport and Environment