

THE EXECUTIVE

5 APRIL 2006

REPORT OF THE CORPORATE DIRECTOR OF CUSTOMER SERVICES

REVIEW OF ENVIRONMENTAL MANAGEMENT SERVICES CHARGES 2006/07	FOR DECISION
<p>Summary: This report seeks Executive approval to introduce increased charges for the collection of trade and other waste, the emptying of cesspools, and undertaking vehicle MoTs: The proposed charges have been set so that the full costs of providing these services are recovered, in line with the charging policy for Council services.</p> <p>The report also describes officers' intention to strengthen the commercial focus of, in particular, the Council's Trade and Bulky Waste operations, and aspects of the wider Environmental Management Services Portfolio, by the recruitment of a Commercial Services Manager to lead a more assertive management of trade waste contracts within the Borough.</p> <p>The report also describes a proposed incentive scheme for trade customers to recycle their waste.</p> <p>Wards Affected: none</p>	
<p>Implications:</p> <p>Financial: The proposed fees and charges will, overall, enable the Council to recover the full costs of currently providing these services.</p> <p>Legal: There are no specific legal implications arising from this report.</p>	
<p>Risk Management: If the Council does not agree the proposed levels of increase in these charges the full current cost of delivering the service will not be recovered.</p>	
<p>Social Inclusion and Diversity: None.</p>	
<p>Crime and Disorder: None.</p>	
<p>Recommendation(s)</p> <p>The Executive is recommended to agree the increase the charges for trade and other waste, the emptying of cesspools and the undertaking of vehicle MoTs as detailed in Appendix 1, effective from 1 April 2006 unless where otherwise stated.</p>	
<p>Reason(s) To recover the full costs of providing these services in accordance with the recommendation of the Council's Charging Policy Commission.</p>	

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1. Introduction and Background

- 1.1 It is usual practice to review all charges at this time, in order that increases can be made effective from, or as soon as possible after, 1 April 2006.

2. Current Position

- 2.1 The schedule of the current and proposed charges is presented at Appendix 1 to this report.

3. Report Detail

3.1 Collection and Disposal of Trade Waste

- 3.1.1 Waste disposal charges will increase with effect from 1 April 2006 as Landfill Tax will increase by £3.00 to £24.00 per tonne. In addition, the advice from the East London Waste Authority (ELWA) is that estimated charges for the transportation and disposal of waste will increase from £33.00 to £36.00. The overall effect of these changes will increase commercial waste disposal charges from £54.00 to £60.00 per tonne (11.1%).
- 3.1.2 Although the disposal cost for commercial waste will increase by 11.1%, the overall increase in disposal charges is 78% because our trade waste tonnage has increased significantly over recent years, and ELWA's charges now reflect this increased tonnage.
- 3.1.3 Taking this increase in waste disposal costs, together with the increase in our own operational costs of 4%, it will be necessary to recover a further £70,000 from our trade and commercial waste customers in order for the service to break even. This will require an increase in fees and charges of 25%.
- 3.1.4 It is felt, however, that service efficiencies together with enhanced enforcement of trade waste agreements and expansion of the existing customer base would achieve a saving / additional revenue of £24,000, and therefore the remaining £46,000 would need to be recovered through increased fees and charges. The required increase would, therefore, be reduced to 17.5%.
- 3.1.5 It is proposed that the post of Trade Waste Manager (which will shortly be vacated) be redesignated Commercial Services Manager to ensure that, in addition to maximising the efficiency of the Council's Trade Waste Operations, additional value is brought to the wider range of Environmental Management Services ensuring that they would all benefit from the marketing perspective that a commercial manager would bring. It is anticipated that the new post would attract a salary in the region of

PO5 to be funded through existing budgets advertised in compliance with existing Council recruitment frameworks.

3.2 Incentives to Recycle Trade Waste

- 3.2.1 From 1 September 2006 the Council will be able to take advantage of the enhanced recycling facilities coming on line at the Frog Island BioMRF.
- 3.2.2. This will mean that recycled trade waste will be able to be collected in the same container as normal waste so therefore no extra cost will be incurred through collections.
- 3.2.3. Officers propose to introduce a 2.5% reduction in charges for trade customers who take advantage of this scheme and sort their waste into the orange recycling sacks. This incentive to recycle will be available from 1 September 2006 once the processing facilities at Frog Island are fully operational.
- 3.2.4 As part of the implementation of the Barking and Dagenham Waste Strategy officers will monitor the effectiveness of this incentive scheme and investigate the possibility of increasing the incentive to a level where we can offer a virtually free service for the recycled waste we collect.

3.3 Cesspool Emptying

- 3.31 The Authority no longer provides a commercial service in respect of cesspool emptying. Over recent years the number of private customer has gradually reduced as a result of the use of private contractors. The only remaining customers for this service are two LBB&D cemeteries which are visited weekly.
- 3.3.2 As part of the Cemeteries Best Value Review, this aspect of Cemeteries' costs was examined and the Review found that the cost of making permanent sewer connections would be in excess of £55,000. In addition there would be annual charges for sewage disposal. The recovery period would be in excess of 6 years depending on sewage disposal costs.
- 3.3.3 This service to the cemeteries will continue but charging will be through the use of internal recharges.

3.4 MOT Vehicle Inspection

- 3.4.1 Through the Councils Transport Workshop MOT inspections are provided in Class 4, Class 5 and Class 7 categories. The workshop can now also carry out MOT tests for motor cycles.
- 3.4.2 Class 5, Class 7 and motor cycle MOT tests are charged at a rate determined by the Ministry of Transport and are in line with charges made by local garages. The suggested rate for class 4 is £44.15, however no local competitors charge the full rate and as shown in Appendix 1 the Transport Workshop make a charge of £35 for this service.

4. Consultees

- 4.1 Steve Biggin, Group Manager Waste and Transport (Interim)
- Mickey Neale, Front Line Services manager (Acting)
- Phil Horner, Senior Accountant
- Gerald Krawczyk, Interim Head of Service

Background Papers Used in the Preparation of the Report:

None