

## THE EXECUTIVE

9 MARCH 2004

### REPORT FROM THE DIRECTOR OF LEISURE AND ENVIRONMENTAL SERVICES

<b>REVIEW OF CHARGES FOR THE COLLECTION OF TRADE AND OTHER WASTE, EMPTYING OF CESSPOOLS, VEHICLE CROSSINGS AND MOT's</b>	<b>FOR DECISION</b>	
<p><i>The Scheme of Delegation reserves the determining of fees and charges to the Executive.</i></p> <p><b><u>Summary</u></b></p> <p>This report proposes increased charges for the collection of trade and other waste, and emptying of cesspools; the construction of vehicle crossings; the carrying out of Ministry of Transport Vehicle Tests and other services which are in line with the Charging Policy for Council services.</p> <p>The charges have also been reviewed to take into consideration the increase in disposal costs through East London Waste Authority and Thames Water which the Council has to pay, and these increases will be passed to the relevant users of the service.</p> <p><b><u>Recommendation</u></b></p> <p>The Executive is asked to approve the increased charges as set out in this report.</p> <p><b><u>Reason</u></b></p> <p>The increases to these charges reflect the current costs of the services provided and increases in costs made to the Authority.</p>		
<b>Contact:</b> Mike Mitchell	Head of Environmental Management	Tel: 020 8227 2677 Fax: 020 8227 2221 Minicom 020 8227 3034 E-mail: <a href="mailto:mike.mitchell@lbbd.gov.uk">mike.mitchell@lbbd.gov.uk</a>

#### **1. Background**

- 1.1 It is normal practice to review all charges at this time, in order that increases can be made effective from the 1 April 2004.

#### **2. Collection and Disposal of Trade, Clinical and Other Waste**

##### **2.1 Overall Costs**

With effect from 1 April 2004 Landfill Tax will increase by £1.00 to £15.00 per tonne. The advice from The East London Waste Authority (ELWA) is that estimated charges for the transportation and disposal of waste will increase from £29.50 to £30.50 (3.4%). This will have the effect of increasing their charge from £43.50 to £45.50 per tonne.

- 2.2 A schedule of existing costs, charges and proposed charges for 2004/2005 is set out as Appendix A to this report. The increase in charges contained in this report includes departmental costs, materials, transport and the cost of disposal of the waste for which the net weighted average increase is 3.05%.

### **3. Clinical Waste Services**

- 3.1 A schedule of existing costs, charges and proposed charges for 2004/2005 is set out as Appendix A to this report. The increase in charges contained in this report includes departmental costs, materials, transport and the cost of disposal of the waste for which the net weighted average increase is 2.97%.

### **4. Cesspool Emptying**

- 4.1 The Authority provides a service to a decreasing number of sites where we empty cesspools. Of these, 12 are private and two are Borough cemetery sites. Of the private sites two are visited monthly and 10 visited once / twice a year. The two cemeteries are visited weekly.
- 4.2 As part of the Cemeteries Best Value Review, this aspect of cemeteries' costs was examined and the Review found that the cost of making these 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.
- 4.3 The cost of disposal of waste effluent for 2003/2004 was charged at £0.157 per litre. This charge is levied by the Thames Water Authority and is expected to increase to £0.159 for 2004/2005 (Approx. 1.5%).

- 4.4 Disposal charges will reflect any increases during the year 2004/05.

### **5. Reuse and Recycling Centre (RRC) (formerly Civic Amenity Site)**

- 5.1 With effect from 24 December 2002, Shanks Waste Services Ltd (SWS), under the Private Financing Initiative (PFI) contract with East London Waste Authority (ELWA), assumed responsibility for the Civic Amenity service. It is free of charge to the residents of the Borough, for the deposit of domestic and garden waste.
- 5.2 Shanks Waste Services Ltd., also provide for the deposit of commercial waste at the Reuse & Recycling Centre, but there is a charge for the service.

### **6. Vehicle Crossings**

- 6.1 The provision of a crossing facility for householders to park their vehicles off the highway is authorised by Section 184 of the Highways Act 1980. This Act gives the local Highway Authority the power to construct properly surfaced vehicle crossings over the footway and to charge the occupier of the premises with the cost.
- 6.2 The proposed charges include known inflation. Unfortunately, the new Highways Maintenance Contract awarded during the 2003/04 financial year increased the Schedule of Rates by almost 30% as a result of the prevailing market conditions in the highways civil engineering industry. This significant rise in unavoidable costs

for the Council has manifested itself in a reduction in the number of residents proceeding with vehicle crossings over the footway after receipt of the initial estimated quote. This has caused a significant increase in the amount of administration work being undertaken to process quotes and, in the event of proven breach of the Highways Act 1990, enforce the regulations where crossovers are needed.

- 6.3 In an effort to encourage residents to complete their application and proceed to a legal crossover, it is proposed that a charge of £25 for each estimate produced is introduced. The £25 charge will be offset against the final cost of the crossover. Officers are confident that this will reduce the number of estimates that are not proceeded with. This system is in operation in a number of other London boroughs and has proved very successful in encouraging residents to complete the works post-estimate.

## **7. MOT Vehicle Inspection**

- 7.1 Through the Council's Transport Workshop, MOT Inspections are provided in Class 4 and Class 7 categories. The Workshop is now also able to provide inspections in Class 5.
- 7.2 Class 5 and Class 7 MOT tests are charged at a rate determined by the Ministry of Transport and are in line with charges made by local garages. The Ministry of Transport suggested rate for Class 4 MOTs is £37.60, however, no local competitors in the area charge the full MOT rate.

## **8. Bulky Household Collections**

A separate report on this issue will be presented to the Executive at the end of May 2004.

## **9. Financial Implications**

### **9.1 Charging Policy Commission**

When considering the recommended increases, the Executive should have regard to the Fundamental Principles set by the Charging Policy Commission and approved by Assembly on 4 July 2001. The Interim Head of Finance for LESD is of the opinion that the proposed charges have regard to the Fundamental Principles. On 1 October 2003 the Assembly agreed that the Charging Policy Commission should be reconvened to assess the progress against its recommendations. The Charging Policy Commission will be undertaking further work over the next financial year and will be reviewing the basis on which existing charges are determined and the possibility of new charges.

### **9.2 Budget Strategy - 2004/05**

The budget strategy for 2004/05 provides for an increase of 2.5% on fees and charges. The Interim Head of Finance for LESD has reviewed the proposed changes in charges and confirms that, overall, this requirement has been met.

## 10. **Consultation**

The following people have been consulted on this report and have raised no objections:

Bob Cooper, Interim Head of Finance, LESD  
Laura Williams, Acting Head of Finance, LESD  
Philip Horner, Senior Accountant, LESD  
Terry Bevan, Transport and Waste Services

### **Background Papers**

- The Mayor's Municipal Waste Management Strategy
- Executive Minute 325, 18 March 2003 Fees and Charges