

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Housing, Environmental and Economic Development

Housing, Environment and Economic Development Committee: 5 May 2010

Subject: Statutory Performance Indicators - 08/09 Benchmarking- Net Cost of Refuse Disposal

1. Purpose

- 1.1** This report provides the Committee with information on the performance of the Statutory Performance Indicator (SPI) - Net cost of refuse disposal per premise as requested by the Audit and Performance Review Committee on 7 April.

2. Background

- 2.1** At the Audit & Performance Review Committee held on 7 April 2010, the Committee agreed that a report should be presented to the next Housing, Environmental and Economic Development Committee explaining the reasons why the SPI 'Net cost of refuse disposal' is no longer in the top quartile.
- 2.2** The net cost of refusal disposal per premise SPI had previously been in the top quartile of Scotlands Councils but in 2008/09 dropped out of the top quartile of performers.
- 2.3** Various cost elements make up this SPI including the Council's waste disposal gate fees, waste reprocessing gate fees, waste recycling gate fees and landfill tax. The net cost of waste disposal is divisible by the number of commercial, industrial and household properties provided with a refuse collection and disposal service by the Council.
- 2.4** In reporting years up to 2008/09, the Council reported the net cost of refuse disposal per premise but did not include the Strategic Waste Fund grants which had been ring fenced until the commencement of the concordat agreement in April 2008. From reporting year 2008/09, the ring fencing for this grant ceased and the funds were transferred into the Councils overall grant aided expenditure funding allocation. This resulted in a requirement to include this expenditure in the net cost of refuse disposal per premise SPI.
- 2.5** In addition the U K Government's Landfill Tax (LFT) increases by £8 per tonne annually. This 'escalator' increase is designed to discourage the landfill disposal of biodegradable waste and has increased the Councils waste disposal total gate fee from £29.18 per tonne in 2006/2007 to £62.68 per tonne in 2010/11

3. Main Issues

Additional annual cost burdens

- 3.1** In the March 2010 budget the Government announced a further increases in landfill tax of £8 per tonne/per annum until it reaches a 'floor' of £80 per tonne in 2014. The cost to the Council to landfill waste will therefore have increased by over 300% since 2006/2007.
- 3.2** The Council currently landfills around 68% of its waste. Landfill tax increases therefore have serious financial implications for the Council and a detrimental impact on its performance against this SPI.
- 3.3** Authorities who have improved their recycling performance have seen a decrease in their net cost per household for waste disposal as they have not had to meet the additional landfill tax burden.
- 3.4** In terms of controlling the costs reported through this SPI, the Council has approved significant service delivery changes in 2010/11 which will reduce the amount of waste which is landfilled. In addition, we have commenced discussions with partner authorities on joint working to secure longer term waste treatment solutions which may bring savings when measured against the cost of continuing to landfill waste. Any partnership working would be subject to Council agreement.
- 3.5** The Council has also been active in procuring cost effective reprocessing and recycling gate fees for a number of materials at charges that are lower than the current waste to landfill costs. This assists in maintaining the net cost of refuse disposal per premise at £0.41 per premise above the 2008/09 national average which was £83.97 per premise.

4. People Implications

- 4.1** There are no implications contained within this report.

5. Financial Implications

- 5.1** There are no financial implications contained within this report.

6. Risk Analysis

- 6.1** Planned annual Landfill Tax increases will continue to detrimentally affect the future performance of this SPI.
- 6.2** Projections associated with increasing the recycling rate through revised service provision are not achieved.

7. Equalities Impact

- 7.1** There are no new significant issues for potential equalities impact of this service.

8. Conclusions and Recommendations

- 8.1** The Council must now include all costs associated with the cost of the disposal of waste per premise.
- 8.2** The cost to landfill waste has significantly increased over the last five years and the Council has agreed a reviewed method of refuse collection to achieve improved recycling targets.
- 8.3** The Council is active in exploring solutions to reduce the amount of waste being landfilled with partner authorities further to meet zero waste targets.
- 8.4** Improved recycling rates will reduce waste disposal costs to the Council and may improve our SPI position nationally.
- 8.5** The Committee is asked to note this report.

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Date: 19 April 2010

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Appendices: None

Background Papers: Report to Audit & Performance Review Committee on 7 April 2010, entitled Statutory Performance Indicators - 08/09 Benchmarking

Wards Affected: All