

# Report

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Report to:	<b>Community Services Committee</b>
Date of Meeting:	<b>4 February 2014</b>
Report by:	<b>Executive Director (Community and Enterprise Resources)</b>

Subject:	<b>Extension of Trade Waste Contract</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ advise on action taken, in terms of Standing Order No 36(c), by the Executive Director (Community and Enterprise Resources), in consultation with the Chair and an ex officio member, to further extend the contract for the collection, treatment and disposal of trade waste until 31 December 2014, due to the publication of The Waste (Scotland) Regulations 2012 and the subsequent ongoing review of the Council's waste collection operations to establish how best to meet these.

## 2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the following action taken, in terms of Standing Order No 36(c), by the Executive Director (Community and Enterprise Resources), in consultation with the Chair and an ex officio member, be noted:-
  - that the Trade Waste contract with Viridor Waste Management Limited be extended for a period of one year from 1 January 2014.

## 3. Background

- 3.1. A key element of the Waste Management Best Value Service Review in 1999 was to differentiate core activities and non-core activities. Trade Waste and Civic Amenity Services were identified as non-core activities and the potential to externalise these services was explored.
- 3.2. Following Open competition the Civic Amenity Services contract commenced 8 June 2001 for a seven year period with an option to extend for three years. The Trade Waste contract commenced 1 October 2001 for a period of seven year with an option to extend for three years. Approval was subsequently given to continue with the current arrangements and these now run until 31 December 2013.
- 3.3. The Civic Amenity Services contract has now been renewed through open competition and no further tender activities are envisaged before 2022.

#### **4. Current Position**

- 4.1. The Trade Waste contract remains to be re-tendered. This covers the collection, treatment and disposal of waste from all South Lanarkshire Council and South Lanarkshire Leisure and Culture's properties.
- 4.2. Council officers have worked with Viridor to establish routes around school start times and break times and have agreed a procedure for service requests for additional uplifts outwith school terms.
- 4.3. The Scottish Government published The Waste (Scotland) Regulation in May 2012 which places a legislative requirement on the Council to have separate collections for dry recycle and food waste in place from 1 January 2014, with an enhanced food waste collection regime by 1 January 2016.
- 4.4. Viridor was requested to introduce a recycling collection service, at no extra cost, from South Lanarkshire Council properties in October 2007. This scheme assists in meeting the Council's objectives within the Sustainable Development Strategy.
- 4.5. The Council is currently in discussion with Viridor concerning the introduction of a food waste uplift element to the service to meet 2012 Regulations. From 1 January 2014 this will see food waste collected from Council properties, generating in excess of 50 kilograms of food waste each week. Further work requires to be undertaken to assess the scale of changes necessary to meet the next target for food waste collection for properties generating in excess of 5 kilograms each week, which will come into force in January 2016.
- 4.6. The charge from Viridor is based on the number of uplifts and size of bin(s). The charge for each uplift from Viridor covers collection, treatment and disposal costs and the cost of the Waste Transfer Note, a statutory requirement for each property.
- 4.7. All other commercial waste companies charge an annual one-off fee of approximately £60 per premise to cover the Waste Transfer Note. This would equate to an additional annual cost of £28,140.
- 4.8. South Lanarkshire Council had an agreement with charitable organisations which allowed the organisation a free collection service. As part of the contract, Viridor agreed to continue with this working arrangement. Approximately 200 bins are uplifted per week with an annualised value of approximately £90,000. Further work requires to be undertaken prior to issuing a tender to determine the current scale and future scope of this service and how best to incorporate it in to the next round of contractual arrangements.
- 4.9. In order to have the appropriate collection schemes in place which meet the requirements of the new Regulations and to allow the current review of the collection of Council building waste arisings and charitable bodies waste arisings to be completed, Viridor should be invited to take up the offer of extending the Trade Waste contract for one further year, during which period a new contract is prepared to commence from 1 January 2015, through a competitive process. A timetable to achieve this has been prepared and a Prior Information Notice will be published before the end of 2013 alerting the market to this opportunity, with the subsequent Contract Notice published in early 2014.

## **5. Employee Implications**

- 5.1. There are no employee implications regarding the proposal

## **6. Financial Implications**

- 6.1. Financial implications will relate to annual inflation and increases in landfill tax

## **7. Other Implications**

- 7.1. The contents of this Report have been agreed with Legal Services.  
There is a risk that if this agreement is not extended that there could be disruption to trade waste collection services from January 2014.

## **8. Equality Impact Assessment and Consultation Arrangements**

- 8.1 There was no requirement to undertake any consultation in terms of the information contained in this report.

**Colin McDowall**

**Executive Director (Community and Enterprise Resources)**

3 December 2013

## **Link(s) to Council Objectives/Values**

- ◆ Sustainable Development
- ◆ Improve the Quality of the Physical Environment

## **Previous References**

- ◆ Executive Committee - 7 March 2012

## **List of Background Papers**

- The Waste (Scotland) Regulations 2012

## **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

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