

To: ENVIRONMENTAL SERVICES COMMITTEE	Subject: Wastepaper Recycling - Agreement with Stirling Recycling Limited
From: DIRECTOR OF ENVIRONMENTAL SERVICES	
Date: 30th March, 1998. Ref: GB/MC	

PROPOSED DECISION

That the Committee accept the recommendation to enter into an agreement described as Option 2 with Stirling Recycling Limited regarding the collection and recycling of wastepaper from Paper Banks

FINANCIAL IMPLICATIONS

Assuming Option 2 is agreed to there will be no cost to the Council.

BACKGROUND

In the former Cumbernauld and Kilsyth and Monklands District areas paper banks were provided and services, free of charge, by Stirling Recycling Limited. After deduction of a handling charge, any revenue raised by recycling the collected wastepaper was passed on by Stirling Recycling to the former local authorities.

At reorganisation in April 1996, the market in wastepaper recycling was so badly depressed that there was no revenue income to pass to North Lanarkshire Council. However, to demonstrate their commitment to the principle of wastepaper recycling and to emphasise their desire to forge a partnership with North Lanarkshire, Stirling Recycling Limited continued to service the paper banks for little or no financial gain to themselves.

The banks collect approximately 225 tonnes of waste newsprint per annum.

REPORT

At the end of 1997 Stirling Recycling Limited notified the Department that they could no longer continue to provide this recycling service unless they received financial assistance from the Council, in the form of Recycling Credits. They Explained that failure to provide financial assistance would result in the existing Paper Banks being removed from their locations, although they did not wish to do so.

There was no legal obligation on the Council to pay a Recycling Credit to Stirling Recycling Limited and as there was no provision in the Department's budget to accommodate any such payment and Stirling Recycling were informed that no financial assistance could be given. In response to this information they duly removed their paper banks which had the effect of reducing the recycling facilities available to members of the public wishing to recycle newspapers and magazines.

In view of the negative effect that this reduction in facilities had on the Council's ambitions to improve the recycling statistics and in response to requests from members of the public who had queried/...

Queried the loss of the paper banks, further negotiations were entered into with Stirling Recycling Limited with the aim of finding a solution to satisfy both parties. Several options have been proposed by the Company and are outlined below:-

Option 1

An agreement whereby North Lanarkshire would pay a Recycling Credit of £5 and £10 per tonne. Initially the Credit would be £5 per tonne and this would be reviewed at mutually agreed intervals up to a maximum of £10 per tonne. The original paper banks would be re-sited and additional banks would be provided, if requested.

Option 2

An agreement whereby North Lanarkshire would make no payment to the Company and would receive no revenue from the Company irrespective of how buoyant the market may become in the future. Initially it was requested that this agreement would be for a five year period, but this has been negotiated down to a four year period. Again the previous banks would be re-sited and additional banks would be provided, if requested. There would also be a saving to the Council in landfill tax charges of £7 per tonne for each tonne recycled.

Option 3

An agreement whereby North Lanarkshire would provide their own Banks, service them and deliver the contents to Stirling Recycling Limited's premises at Gartcosh Works. The Council would receive payment of between £10 - £35 per tonne with the actual figure being reviewed annually. There is a capital cost to the Council with this option of providing the necessary paper banks.

CONCLUSION

As stated previously, Option 1 was discounted because of lack of revenue within the Department's budget for the financial year 1997/98. This would be the case for the financial year 1998/99 and would equally apply to Option 3 as the Council would be unable to purchase and service the paper banks. Therefore the agreement at Option 2 is the only realistic opportunity open to the Council if it is to improve the recycling statistics and offer improved facilities to the public.

RECOMMENDATIONS

That the Committee accept the agreement at Option 2 above for a four year period with Stirling Recycling Limited, Gartcosh Works, Gartcosh.

M. Kenzie L. Hutton