


## Portfolio Holder Decision Fees and Charges Report for Waste Management

<b>Portfolio Holder</b>	<b>Portfolio Holder for Environment, Climate &amp; Culture</b>
<b>Date of decision</b>	<b>18 February 2022</b>
	<b>Signed</b> 

### 1. Recommended Decision

- 1.1 Approval be given for the changes to waste fees and charges from 1 April 2022, as set out in the Appendix.
- 1.2 Delegate to the Strategic Director for Communities (acting in consultation with the Portfolio Holder for Environment, Climate and Culture) authority to modify charges for an existing waste type before the next annual review by up to 10% where changes in circumstances affect the costs to the County Council of disposal.

### 2. Reasons for decisions

- 2.1 The Environmental Protection Act 1998 Section 51(1)(b) gives the County Council as the Waste Disposal Authority the duty to provide free access to Household Waste Recycling Centres for the deposit of household waste by householders. Two of our HWRCs - Princes Drive and Hunters Lane - have had longstanding arrangements in place to accept non-household and commercial wastes on a chargeable basis. Charges are calculated by weight using calibrated weighbridges. In 2015, the County Council added to this service by allowing commercial waste to be delivered to all our sites; chargeable on a by-volume basis, due to the lack of weighbridges at the smaller sites.
- 2.2 The launch of the extended commercial waste service in 2015 followed the development by Defra and WRAP<sup>1</sup> of a pricing model by size of delivery vehicle, which ensures that all costs associated in offering the service are covered while also ensuring small businesses are supported to dispose of their wastes correctly and cost effectively. Income from the service supports the County Council's ability to deliver a comprehensive recycling centre service for householders and achieve income targets. The comprehensive drop-off charging scheme at all of our sites allows local people and small businesses to access compliant waste disposal services at locations around the county at a competitive cost. The service provides a wide range of recycling opportunities that are not readily available to businesses by other means. The availability and range of services are one way the County Council can reduce fly tipping.

<sup>1</sup> Defra – Department of Environment, Food and Rural Affairs; WRAP – Waste and Resources Action Programme

### 3. Background information

- 3.1 The Appendix sets out the new fees and charges which would take effect from 1 April 2022. All waste fees and charges will continue to be reviewed and approved by the Portfolio Holder at least annually to allow for future gate fee and / or haulage increases and inflation.

#### Method of Calculation

- 3.2 Calculations are based on a DEFRA mode and were first used in 2015.
- 3.3 Charges by weight are banded in 10 bands from 0 – 100 kg to 900 kg – 1000 kg. At the lower band an administration multiplier <sup>2</sup> of 2 is used and at the upper band an administration multiplier of 1.5 is used, with the administration multiplier evenly escalated with each band in between. Current costs for the treatment gate fee for each material have been calculated, as have the costs for haulage of each material to the treatment facility. These prices will increase in the next financial year; some are linked to RPIX<sup>3</sup>, landfill disposal includes landfill tax rises, and some material contracts will be new rates and may change within the year differently to the predicted price change. Providing the haulage service in house should save the Council money and reduce prices overall, however there is greater uncertainty as the Council is struggling to recruit drivers and officers have applied for a Market Supplement to their pay. In the meantime, the Council need to pay additionally for agency or contractor drivers to help provide the service and so this adds some uncertainty.
- 3.4 The gross figures are rounded up to the nearest 50p at Princes Drive and Hunters Lane weighbridge sites. For the non-weighbridge sites, the gross figures are used, along with an assumption of 70% fill levels for each for the 5 types of vehicle and average densities for the materials. The relevant administration multiplier is applied, and the gross values are rounded up to the nearest £1.
- 3.5 It is recommended that there is scope to make in-year delegated decisions to alter prices, if proved necessary. There is currently a lot of uncertainty in relation to HGV drivers and fuel prices and with running some of the service in house and other parts of the service with contractors there is uncertainty in the market. It is recommended that officers, in consultation with the Portfolio Holder, be able to make changes reflecting changes in costs but that this be limited to changes of no more than 10% and that delegated changes can only be made to charges for existing waste types and not to introduce new schemes charging for new waste types. Any other changes would require formal Portfolio Holder approval.
- 3.6 The landfill tax rate from April 2022 will increase by 1.96% to £98.60 per tonne and the Bubbenhall landfill contract uses RICS<sup>4</sup> indices to calculate the increase, which is due to be calculated later in the year but is likely to be higher than the 1.8% average RPIX.

<sup>2</sup> When a small quantity of waste is brought in, the cost to the council to ultimately dispose of this waste is 2 times the cost of the haulage and disposal alone. According to the Defra model, it is recommended to charge double to cover site overheads, consumables and staff for offering this service. When the waste brought in is a tonne or more, these costs as a proportion of the cost of disposal and haulage becomes more like half, so the multiplier reduces to 1.5 times.

<sup>3</sup> Measure of inflation in the UK, equivalent to all items Retail Price Index excluding mortgage interest payments.

<sup>4</sup> Measure of inflation from Royal Institution of Chartered Surveyors

- 3.7 In recent years the weighbridge price of plasterboard has been aligned with that of general waste and we will continue to do this. We believe this alleviated the operational issue of traders occasionally incorrectly declaring plasterboard as general waste to access the cheaper price, leading to potential contamination of the general waste. The price difference is so small that we will use the general waste price for plasterboard and will continue to review.
- 3.8 Our current wood contract saw a reduced cost for collection and reprocessing of wood, however the contractor has indicated the current price is below market value, so we have decided it is prudent to maintain the same wood price as last year rather than reduce the price.
- 3.9 For the pay by item prices, the £12 per item of large furniture for the non-weighbridge sites will continue. That assumes that the large item i.e., mattress, settee or bed base would not weigh more than 50 kg.
- 3.10 The £12 charge for a load of paper or cardboard will be capped at a maximum load size of 1 tonne, as recently the market rate for this waste has fluctuated significantly.
- 3.11 The minimum charge for disposal of a gas bottle, fire extinguisher or tyre was reduced to £5 last year, making the proper disposal of these items even more accessible, and it is still affordable to continue this. Other pay-by-item charges remain the same. Public weigh charges will remain at £10 plus VAT in line with other local weighbridges.
- 3.12 Last year on the table of charges per item at Princes Drive and Hunters Lane (Appendix) additional text was added to show more explicitly that fire extinguishers bear the same cost as gas bottles and ammonia fridges are the same as commercial fridges.
- 3.13 The cost of the commercial recycling permit increased from £40 to £50 last year. This was the first price rise since inception 5 years ago and will be kept at £50 this year.

#### **Proposed changes**

- 3.14 A proposed change for this year is to introduce a per bag charge for hardcore, bricks, rubble, and soil. At present traders / householders with above three bags (3 x 25 kg) have the option of paying over the weighbridge at Princes Drive and Hunters Lane Recycling Centres or paying for a vehicle load at non weighbridge sites. Being charged for a vehicle load when people have a couple of additional bags can lead to frustration and confrontation. We propose that a £3 per bag policy be introduced for additional sacks of hardcore, bricks, rubble and soil material.
- 3.15 The County Council already offer an orange sack scheme for businesses who generate smaller amounts of residual waste. Businesses can purchase 80 litre sacks at four recycling centres sold in batches of 20 at a cost of £60 (£3 per sack). The scheme is not very well used at present and little promotion is made of this service. It is proposed that this price be increased to £4 per sack or £80 for 20 and allow people to purchase the number of sacks they require rather than having to

buy 20. It is also proposed that all Warwickshire Recycling Centres are able to sell the sacks.

### Delegated Powers

3.16 The service aims to offer the broadest possible range of recycling opportunities to the public and to also offer those opportunities to the commercial sector where appropriate. In order to act commercially, we will seek to develop new trade services and will seek approvals to launch these at the appropriate time through senior leadership.

3.17 Costs for the disposal of waste streams can vary for several reasons, for example market fluctuations, new procurements, and indexation uplifts. For that reason, it may be necessary to change discrete prices in-year. This year, as detailed above, there are particular known events that may trigger this, and changes to fees and charges will be made under delegated powers (where available in accordance with Recommendation 1.2) or sought by means of a report to the Portfolio Holder where delegated powers are not available.

### Benchmarking

3.18 To ensure that prices are competitive with the market, and reasonable, the proposed changes have been compared to the charges of other local authorities. Bearing in mind the varying cost of waste treatment and haulage depending on availability and proximity, the proposed charges are broadly in line with our peers.

## 4. Financial implications

4.1 Prices are calculated based on a Defra model. They ensure that the true cost of waste disposal is covered, including the element of site running costs and administration. Income gained supports the operation of the sites and the delivery of services to the public. The facility to recycle and dispose of non-household waste means that local business can easily access competitively priced recycling and disposal services that ensure their compliance with waste legislation and the reduction of fly tipping.

4.2 Table 1 shows the level of income gains from providing the opportunity for local small businesses to be able to deposit waste at our network of HWRCs. The income gained in 2020/21 has been significantly lower because of the pandemic and it is not known what ongoing impact this will have on income in 2021/22.

Table 1: HWRC Trade Waste Sales, Fees & Charges Income

	Actual Income 2018/19	Budgeted Income 2019/20	Actual Income 2019/20	Budgeted Income 2020/21	Actual Income 2020/21	Budgeted Income 2021/22	YTD at 4/1/2022
<b>HWRCs</b>	£9,607	£13,605	£9,460	£14,267	£2,697	£11,100	£5,689
<b>Transfer Stations</b>	£334,903	£331,850	£261,461	£331,850	£207,866	£308,646	£172,493
<b>Totals</b>	£344,510	£345,455	£270,921	£346,117	£210,563	£319,746	£178,182

## 5. Environmental implications

5.1 The Council's commercial waste service offers the facility for local people and businesses to recycle and dispose of their waste in compliance with their waste duty

of care and other environmental legislation. It offers local businesses the opportunity to recycle a range of materials that may not be accessible to them through standard collections services. Providing local services that allow for the correct disposal of waste and the increased recycling of valuable materials benefits the environment by reducing pollution, the use of raw materials and carbon emissions.

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<b>Portfolio Holder</b>	Portfolio Holder for Environment, Climate & Culture

<b>Urgent matter?</b>	No
<b>Confidential or exempt?</b>	No
<b>Is the decision contrary to the budget and policy framework?</b>	No

#### List of background papers

Appendix 1

#### Members and officers consulted and informed

Portfolio Holder – Councillor Heather Timms

Corporate Board – Mark Ryder

Legal – Ian Marriott

Finance – Caroline Jones

Equality – n/a

Democratic Services – Isabelle Moorhouse

Councillors – Clarke, Chilvers, D’Arcy and Fradgley

Local Member(s): n/a

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