

Portfolio Holder Decision – Fees and charges report for Waste Management 2023/20244

Portfolio Holder	Portfolio Holder for Environment, Climate & Culture
Date of decision	17th February 2023
	Signed

Recommendation

- 1) Approval be given for the changes to waste fees and charges from 1 April 2023, as set out in the Appendix to this report.

Reasons for decision

1.1 The County Council's constitution requires approval of fees and charges by the relevant portfolio holder prior to their application. The purpose of this report is for the portfolio holder to consider and approve the proposed fees and charges for 2023/24.

1.2 The County Council, as a Waste Disposal Authority, can apply charges to certain waste materials e.g. commercial waste, which is accepted at our waste transfer stations and in smaller quantities at our household waste recycling centres (HWRCs). There is a well-established system of making charges and these charges need to be adjusted for 2023/24. This report sets out the approach to this, gives details on how the charges are calculated, and presents the fees and charges recommended for 2023/24.

1.3 Waste management fees and charges for non-household waste need to be adjusted to ensure they reflect current market conditions and continue to ensure that the County Council's costs for this waste management activity are covered. Appendix A sets out the charges recommended for 2023/24.

Analysis

2.1 Warwickshire County Council as a Waste Disposal Authority has the duty to provide "free to access" HWRCs for the deposit of household waste by householders. Commercial waste and certain types of waste which are not classified as household (for example where a householder has a large quantity of rubble or wants to bring waste in a commercial vehicle such as a van) is chargeable.

2.2 Two of our HWRCs - Princes Drive and Hunters Lane – have weighbridges and can charge by weight. The other HWRCs which do not have weighbridges allow commercial waste to be delivered and paid for on a by-volume basis.

2.3 The Appendix sets out the proposed fees and charges which take effect from 1 April 2023.

Method of calculation

2.4 Calculations are based on a DEFRA model which identifies that staff time is used for each transaction, so the pricing mechanism charges proportionately more for lower weight bands.

Charges by weight are banded in ten bands from 0 – 100kg to 900 – 1000kg. At the lower band, an administration multiplier of two 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 or disposal costs of each material have been calculated, as have the costs for haulage of each material to the treatment facility. These costs will increase in the next financial year; some are linked to RPIX (Retail Price Index excluding mortgage interest payments), landfill disposal includes landfill tax rises, some contracts are new rates and are fixed until contract end.

2.5 The gross figures are rounded up to the nearest 50p for use at Princes Drive and Hunters Lane weighbridge sites. For the non-weighbridge sites, the gross figures are used, along with 70% fill levels for each of the five 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.

2.6 A number of assumptions have been used in the calculated prices and further changes are anticipated during the year. One example of change is where a contractor goes into administration and contingency plans have to be put in place. In this case there can be uncertainty over the future costs of transporting and processing materials. Another example is the Bubbenhall landfill contract which uses RICS (Royal Institution of Chartered Surveyors) indices to calculate an annual increase, which is due to be calculated later in the year but is likely to be higher than RPI (retail price index).

2.7 In recent years, the price of plasterboard disposal has been aligned with that of general waste and we will continue this and also apply this to the vehicle size charges. This alleviates any operational issue of traders incorrectly declaring plasterboard as general waste to access a 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 monitor and review.

2.8 For the pay by item prices, £12 per item of large furniture for the non-weighbridge sites will continue. That assumes that the large item i.e. a mattress or bed base would not weigh more than 50kg. On site monitoring supports this assumption.

2.9 The Environment Agency are introducing additional stipulations around items containing Persistent Organic Pollutants (POPs) so that items such as sofas and other upholstered seating should be incinerated rather than sent to landfill. Therefore, we expect either to restrict this waste from commercial sources or to introduce an appropriate price when the full costs are understood.

2.10 The £12 charge for a load of paper or cardboard works well alongside our recycling permit. This means that small businesses have good access to recycling services. It is very rare that a load of paper or cardboard exceeds 1 tonne but to help operations and to limit additional cost liability the maximum load size will be capped at 1 tonne.

2.11 The minimum charge for disposal of a gas bottle, fire extinguisher or tyre was reduced to £5 in 2021, making the proper disposal of these items even more accessible, and we will continue to do this. Certain gas bottles that cost the authority more than £5 are charged at a higher rate based

on the Council's costs to dispose of the item. Other pay-by-item charges remain the same. Public weigh charges will remain at £10 plus VAT in line with other local weighbridges.

2.12 The cost of the commercial recycling permit increased from £40 to £50 in 2021. This was the first price rise since inception 5 years ago and will be kept at £50 for this coming year.

2.13 Last year a per bag charge was introduced for hardcore, bricks, rubble and soil. We will retain the £3 per bag charge for additional sacks of hardcore, bricks, rubble and soil material (up to 25kg per bag).

2.14 The orange sack scheme for businesses that generate small amounts of residual waste will remain at £4 per sack and are usually sold in 20 bag rolls for £80.

2.15 The Waste Management Service aims to offer the broadest possible range of recycling opportunities to the public, and also where appropriate, to the non-household and commercial sector. In order to continue to act commercially, we will seek to develop new trade services and will seek approvals to launch these at the appropriate time and using decisions under the Council's scheme of delegation.

Benchmarking

2.16 To ensure that prices are competitive with the marketplace, the proposed charges 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.

Financial implications

3.1 Prices are calculated based on a DEFRA model. The price is calculated using the disposal / reprocessing and haulage costs to the Council and the model adds the additional costs of site running costs, administration, and on-costs using an administration multiplier. Income gained supports the operation of waste sites and the delivery of services. The facility to recycle and dispose of a wide range of waste types are of benefit to the local economy. The public have a facility to dispose of non-household waste and local businesses can easily access competitively priced recycling and disposal services that ensure their compliance with waste legislation and the reduction of fly-tipping.

3.2 Table 1 shows the level of income from providing the opportunity for local small businesses to be able to deposit waste at our network of HWRCs. The income generated in 2020/21 was significantly lower due to lockdowns, but appear to have started to recover in 2021-22. The economic downturn and higher cost-of-living may have an impact on 2022/23 and 2023-24 figures. Our budgeted total income figure for 2022/23 is £234,100.

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

	Income 2019/20	Income 2020/21	Income 2021/22	Income YTD @31/12/2 2	Projected Income 2022/23	Budgeted Income 2022/23
HWRCs	£9,460	£2,697	£7,970	£7,579	£10,100	£9,100

Transfer Stations	£261,461	£207,866	£294,268	£170,323	£227,100	£225,000
Totals	£270,921	£210,563	£302,238	£177,902	£237,200	£234,100

3.3 The chargeable rates proposed in this paper will ensure that income keeps up with the rising costs of delivering services. Income from members of the public from item charges or charging by vehicle size is small and changes have been kept to a minimum to avoid confusion and discourage fly tipping. Most of the income received is at the waste transfer stations and the changes to rates at these locations is given in detail in Appendix A. Changes have been made to better reflect the Council's true costs, to remain competitive in the marketplace and to encourage responsible waste management including cheaper recycling options. During 2023/24 an in-depth review of our trade waste offer is planned, and we hope to find opportunities to increase income further.

Environmental implications

The Council's commercial waste service offers the facility for local people and businesses to recycle and dispose of their non-household waste in compliance with their waste duty of care and other environmental legislation. The Council offers local business the opportunity to recycle a wide range of materials that may not be accessible to them through standard collection 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, reducing the use of raw materials, and reducing carbon emissions.

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Assistant Director	David Ayton-Hill Assistant Director, Communities
Strategic Director	Mark Ryder Strategic Director for Communities
Portfolio Holder	Councillor Heather Timms Portfolio Holder for Environment, Climate & Culture

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

List of background papers

Appendix A – Detailed Fees and Charges for 2023-24

Members and officers consulted and informed

Portfolio Holder – Councillor Heather Timms

Corporate Board - All

Communities DLT

Legal – Nichola Vine

Finance – Andrew Felton

Equality – Jenny Kemp

Commercialism – John Stansfield, Commercial Lead

Democratic Services – Isabelle Moorhouse

Local Member(s): N/A