


## Portfolio Holder Decision

### Waste Management Fees and Charges 2024/25

<b>Portfolio Holder</b>	<b>Portfolio Holder for Environment, Climate &amp; Culture</b>
<b>Date of decision</b>	<b>16 February 2024</b>
	<b>Signed</b> 

#### 1. Decision taken

That the Portfolio Holder for Environment, Climate and Culture approves the proposed fees and charges for 2024/25, as set out in this report and Appendix 1.

#### 2. Reasons for decisions

- 2.1 Waste management fees and charges for non-household waste need to be adjusted to ensure they remain current and provide a level of income that covers the County Council's costs and allows a sufficient margin to cover price fluctuations across the year, as well as being acceptable in the marketplace.
- 2.2 The appendix sets out the background and more detail including the exact charges recommended for 2024/25.

#### 3. Background information

- 3.1 Warwickshire County Council, as a Waste Disposal Authority, has the duty to provide free to access Household Waste Recycling Centres (HWRCs) for the deposit of household waste by householders. The deposit of commercial waste and certain types of waste which are not classed 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.
- 3.2 Two HWRCs - Princes Drive and Hunters Lane - have weighbridges and can charge for non-household and commercial wastes by weight. The Council has recently taken over the management of the waste transfer station at Lower House Farm which also has a weighbridge. The other HWRCs, which do not have weighbridges available, allow commercial waste to be delivered and paid for on a "by-volume" basis. The Appendix sets out the proposed fees and charges for both measurement approaches to take effect from 1 April 2024.

### **Method of calculation**

- 3.3 In order to set the charges, the cost to the Council is calculated taking into account the treatment gate fee for each material and the costs for haulage of each material to the treatment facility. These costs will increase in the next financial year as a result of a number of factors; some costs are linked to RPIx (Retail Price Index excluding mortgage interest payments), landfill disposal costs have been calculated to include landfill tax rises, some contracts are subject to new rates and are fixed until contract end.
- 3.4 After gate fees and haulage costs, the next biggest cost is staff time. Although staff are predominantly working at a recycling centre to accept household waste, staff time is taken by weighbridge operation and staff advice and assistance per trader visit. Waste Management use a DEFRA model to calculate staff time is used for each transaction. Using that model the pricing mechanism charges more for lower weight bands. Charges by weight are banded in 10 bands from 0 – 100kg to 900 – 1000kg. At the lower band, an administration multiplier 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.
- 3.5 The gate fees, haulage, staff time and other associated costs and overheads (e.g. container provision, site operation costs) are covered by the administration multiplier outlined above.
- 3.6 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 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.
- 3.7 During 2023/24, approval was gained for commercial charges for upholstered domestic seating items (sofas etc) following the Environment Agency's changes to how we can dispose of these items. Previously these items were disposed of at general waste rates, but the changes have made disposal and transport to facilities able to treat them more costly. These charges are included within this report for 2024-25 and remain static given how recently they were calculated.
- 3.8 In recent years, the price of plasterboard disposal has been aligned with that of general waste and it is intended to continue this. We believe this alleviates 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.
- 3.9 We have also aligned the prices for hardcore, soil and garden waste.
- 3.10 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., a mattress or bed base would not weigh more than 50kg. On site monitoring supports this assumption.

- 3.11 The £12 charge for a load of paper or cardboard is capped at a maximum load size of 1 tonne, as the market rate for this waste stream has fluctuated significantly. 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 it is still affordable to continue this. Nitrous oxide containers from a household source can now be accepted free of charge from the public to facilitate safe disposal of these troublesome items. 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 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 this year.
- 3.13 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).
- 3.14 The orange sack scheme for businesses that generate small amounts of residual waste will remain at £4 per sack and are usually sold in rolls of 20 for £80.

#### **Notable changes**

- 3.15 Some material prices have increased significantly, notably the cost of plasterboard has increased as a result of higher contract prices incurred by the Council. The average weighbridge price has increased 23.6% and the average vehicle size charge by 87%.
- 3.16 We have matched the prices of hardcore to the prices of garden waste because customers often have mixed hardcore/ soil/ garden waste material. Operational colleagues requested this change to make it easier for both customers and staff to understand and apply charges. The weighbridge price of rubble/ soil has therefore increased by 29.7% while the price of garden waste is being kept at the same level. Consideration was given to increasing the weighbridge garden waste prices in line with inflation, but this is not considered necessary to cover staff, weighbridge and other ancillary costs.
- 3.17 A similar situation exists with the current wood contract which ends in June 2024. We have held this price and whilst increasing it in line with inflation was considered, running costs are covered at the current rates. Further, as it will be necessary to retender this contract during the 2024/25 financial year, and thus we do not yet have certainty over the new price it was decided to hold the current pricing at existing levels.
- 3.18 The 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. To continue to act commercially, we will seek to develop new trade services and will seek approvals to launch these at the appropriate time.

## Benchmarking

3.19 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.

## 4. Financial Implications

4.1 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 the 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.

4.2 Table 1 shows the level of income gained 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 was lower due to lockdowns, but sales then recovered. The figures in the table for 2023/24 are actual income figures up to and including 28 November 2023. The projected income for the financial year 2023/24 is approximately £240,000. This is below the level achieved for previous years and could be due to cost-of-living issues and people and businesses seeking to spend less and we are carrying out further investigation which we hope will give us a clearer picture. Our budgeted total income figure for 2023/24 is £164,258 and it is projected that this figure will be met.

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

	Income 2019/20	Income 2020/21	Income 2021/22	Income 2022/23	Income 1/4/23 to 28/11/23
<b>HWRCs</b>	£9,460	£2,697	£7,970	£12,173	£12,572
<b>Transfer Stations</b>	£261,461	£207,866	£294,268	£282,728	£130,969
<b>Totals</b>	£270,921	£210,563	£302,238	£294,901	£143,541

4.3 The new rates in 2024/25 will ensure that our costs continue to be covered and an appropriate surplus is made to cover fluctuations in costs across the year. Income

from members of the public from item 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 these rates are considered in detail in Appendix A. Changes have been made to better reflect the Council true costs, to remain competitive in the marketplace and to encourage responsible waste management including cheaper recycling options.

## 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 non-household waste in compliance with their waste duty of care and other environmental legislation. The Council offers local businesses 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. In addition, the pricing structure has been designed to encourage the correct disposal of materials, which has an overall benefit for the environment.

<b>Report Author</b>	Andrew Pau – Head of Waste Management and Country Parks Laura Vesty - Lead Commissioner - Waste Operations
<b>Director</b>	David Ayton-Hill - Director Of Economy And Place
<b>Executive Director</b>	Mark Ryder - Executive Director For Communities
<b>Portfolio Holder</b>	Cllr Heather Timms - 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 A - Detailed Fees and Charges for 2024-25 including changes.

### Members and officers consulted and informed

Portfolio Holder – Councillor Heather Timms

Corporate Board – 31 Jan 2024

Legal – Sioned Harper, Team Leader & Senior Solicitor, Legal Services

Finance – Rosemary Gowers, Accountant, Communities and Resources

Commercial – Janice Ogden, Commercial Team

Equality – Delroy Madden

Democratic Services – Nicole Conway

Councillors –

Local Member(s):