

Portfolio Holder Decision – Waste Management Fees 2020/21

Portfolio Holder	Portfolio Holder for Environment and Heritage & Culture
Date of decision	
	Signed

Decision taken
<ol style="list-style-type: none"> 1) Approval be given for the changes to waste fees and charges from 1 April 2020, as set out in the Appendix. 2) All charges continue to be reviewed annually to allow for future gate fee and/or haulage increases and inflation.

Reasons for decisions
<p>The Environmental Protection Act 1998 Section 51(1)(b) gives Warwickshire County Council as the Waste Disposal Authority the duty to provide free to access 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 Authority 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 these smaller sites.</p> <p>The launch of the extended commercial waste service in 2015 followed the development by Defra and WRAP¹ of a pricing model by size of delivery vehicle, which ensures that all costs associated in offering the service are covered whilst also ensuring small business are supported to dispose of their wastes correctly and cost effectively. Income from the service supports the 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 the County Council can prevent fly-tipping.</p>

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

Background information

The Appendix sets out the new fees and charges which take effect from 1 April 2020

Method of calculation

Calculations are based on a Defra model and were first used in 2015.

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. 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; as most are linked to RPIX², the average RPIX from the past 12 months (Dec 18 to Nov 19) has been used at 2.6%. 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.

This year, as there have been no changes in contracts, the charges have been calculated based on 2019/20 prices plus 2.6% (average RPIX over past 12 months). In the case of general waste, new prices have been calculated from scratch as there will be a new landfill tax from April 2020 and the Bubbenhall landfill contract uses RICS³ indices to calculate the increase, which is estimated at a higher 4.7%.

This year we will seek to alleviate the operational issue of traders occasionally incorrectly declaring plasterboard as general waste as general waste is cheaper to dispose of. This false declaration has also led 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 review the impact of this next year.

Due to densities, the by volume price for wood 2 years ago was more than general waste, which may have discouraged recycling. Last year and this year, the price has been dropped by 25% to bring it below the general waste price but still cover costs.

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, settee or bed base would not weigh more than 50kg.

The £12 charge for a load of paper or cardboard will be capped at a maximum load size of 1 tonne, as it is currently costing the council to dispose of this waste stream.

The minimum charge for disposal of a gas bottle, fire extinguisher or tyre will be reduced £5. This will make the proper disposal of these items even more accessible. Other Pay-by-item charges remain the same. Public weigh charges will remain at £10 plus VAT in line with other local weighbridges.

On the table of charges per item at Princes Drive and Hunters Lane (Appendix) additional text has been added to show more explicitly that fire extinguishers bare the same cost as gas bottles and ammonia fridges are the same as commercial fridges.

² Measure of inflation in the UK, equivalent to the all items Retail Price Index excluding mortgage interest payments.

³ Measure of inflation from Royal Institution of Chartered Surveyors

The cost of the commercial recycling permit will increase from £40 to £50. This is to cover administration costs and the costs to the council due to the current depression in the global cardboard and paper markets. This will be the first price rise since inception 5 years ago.

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 and the correct approvals will be sought for any alterations to the fees and charges.

Benchmarking

To ensure that prices are competitive with the market, 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

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 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.

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.

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

	Actual Income 2018/19	Budgeted Income 2019/20	Actual Income 2019/20 (as at 12 th March)	Forecast Income 2019/20	Budgeted Income 2020/21
HWRCs	£9,607	£13,605	£9,700	£13,605	£14,267
Transfer Stations	£334,903	£331,850	£250,393	£331,850	£331,850
Totals	£344,510	£345,455	£269,793	£345,455	£346,117

Environmental implications

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 business the opportunity to recycle a range of materials that may not be accessible to them through standard collection services. Providing 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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Lead Member	Portfolio Holder for Environment and Heritage & Culture

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

List of background papers
N/A

Members and officers consulted and informed
Portfolio Holder – Councillor Heather Timms
Corporate Board – N/A
Legal – Ian Marriott
Finance – Andy Felton
Equality – Keira Rounsley
Democratic Services – Paul Williams
Councillors – Councillor Heather Timms
Local Member(s): N/A