

DOMESTIC WASTE FEES AND CHARGES

Head of Service:	Ian Dyer, Head of Operational Services
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Appendices (attached):	None

Summary

This report proposes increases to the cost of Garden Waste recycling subscriptions and Bulky Waste collection charges with effect from 1 September 2022. This is proposed to help cover rising operational costs, such as for fuel, bins, AdBlue and staffing costs.

Recommendation (s)

The Committee is asked to:

- (1) Approve an increase to the cost of new and renewed garden waste subscriptions from 1 September 2022 as detailed in paragraph 2.4.1 of this report.**
- (2) Approve an increase to the cost of bulky waste collections from 1 September 2022 as detailed in paragraph 2.4.2 of this report.**

1 Reason for Recommendation

- 1.1 This increase is proposed to help cover increasing operational costs such as for fuel, bins, AdBlue and staffing costs.

2 Background

- 2.1 In line with the Council's established processes, all Waste fees and charges were proposed to the Committee at its meeting on 25 January 2022 and were ratified by the Council at its meeting on 15 February 2022.
- 2.2 Since that time, and especially since the Russian invasion of Ukraine on 24 February 2022, the UK has experienced significant inflation. For the Council, this has seen steep rises in the price of diesel, bins and AdBlue, for example. These are summarised below.

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- 2.3 In 2021/22 the average price paid by the Council for diesel was 117.8p per litre (ex-VAT). After the invasion of Ukraine, we saw diesel prices jump dramatically:

Fuel invoice period*	Average price per litre (ex-VAT)
Average 2021/22	117.8p (= 141.4p including VAT)
1 – 15 March 2022	137.0p
16 – 31 March 2022	149.2p
1 – 15 April 2022	147.1p
16 – 30 April 2022	147.6p
1 – 15 May 2022	149.5p
16 – 31 May 2022	150.7p
1 – 15 June 2022	156.4p (= 187.7p including VAT)

*Diesel for the Council's vehicles is bought using fuel cards and invoiced twice a month.

- 2.4 This latest diesel price is a 32.8% increase versus the average price for 2021/22:
- 2.4.1 If sustained, it represents a c.£60,000 increase in annual fuel costs across the Council's various refuse and recycling collections.
- 2.4.2 For Garden Waste collections, specifically, it represents a c.£11,000 increase in annual fuel costs.
- 2.4.3 For Bulky Waste collections, specifically, it represents a c.£1,000 increase in annual fuel costs.
- 2.4.4 It may be noted that prices rose further during the second half of June before appearing to stabilise at that new, higher level.
- 2.5 Similarly, the price of bins has risen sharply. In part, this results from rising oil prices: it may be noted that although plastic bins do contain some recycled content, they remain mainly composed of new, oil-derived plastic. This table shows the recent trend for garden waste bins, for example:

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Date of order*	Unit price per bin (ex-VAT)
Average 2021/22	£17.00
7 February 2022	£17.00
6 May 2022	£20.35
26 May 2022	£20.35

2.6 This latest price is a 19.7% increase versus the average price for 2021/22:

2.6.1 If sustained, it represents a c.£15,000 increase in annual bin costs across the Council's various refuse and recycling collections.

2.6.2 For Garden Waste collections, specifically, it represents a c.£6,000 increase in annual bin costs.

2.7 The price of AdBlue (the additive required to reduce emissions from diesel engines*) has increased by over 400% since the start of 2021/22 and is almost double the price in March of this year:

Date of order	Price per litre
April 2021	23p
June 2021	29p
November 2021	38p
March 2022	52p**
April 2022	99p
June 2022	99.9p

*AdBlue is used at an approximate rate of c.3 litres per 100 litres of diesel.

**We were forced to change supplier in March because our previous supplier could not obtain its AdBlue containers which were made in Ukraine.

2.7.1 If sustained, this represents a c.£3,300 increase in annual AdBlue costs across our various refuse and recycling services.

2.7.2 For Garden Waste collections, specifically, it represents a c.£600 increase in annual AdBlue costs.

2.7.3 For Bulky Waste collections, specifically, it represents a c.£120 increase in annual AdBlue costs.

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- 2.8 Together, these three issues alone, if sustained, will increase our annual costs by c.£78k across all our refuse and recycling services. For Garden Waste and Bulky Waste specifically, they will increase our costs by:

Item	Potential annual cost increase
Garden Waste only	c.£17,600
Bulky Waste only	c.£1,120

- 2.9 Consequently, this report proposes two measures to increase fee-based Waste incomes and help cover the costs of delivering services:

- 2.9.1 An increase of 3.2% (average) to new and renewed Garden Waste subscriptions effective 1 September 2022*. This equates to an increase of £2.00 for a standard, 240-litre brown Garden Waste bin:

Subscription type	Current approved 2022/23	Proposed for new subscriptions and renewals from 1 September 2022	% increase
Standard (240-litre) bin	£62.70	£64.70	3.2%
Small (140-litre) bin	£36.60	£37.80	3.3%
<i>Renewals only: no new subscriptions</i>			
Flats & Schools 240-litre bin	£62.70	£64.70	3.2%
Flats & Schools: 660-litre bin	£172.50	£177.95	3.2%
Places of Worship & Charities 240-litre bin	£49.50	£51.10	3.2%
Places of Worship & Charities 660-litre bin	£135.40	£139.70	3.2%

* It is not proposed to retrospectively apply these increases to new or renewed Garden Waste subscriptions prior to 1 September. Rather, these would apply only to new or renewed subscriptions from 1 September onwards.

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2.9.2 An increase of 2.3% (average) to Bulky Waste collections requested from 1 September 2022*. This equates to an increase of £1 for our basic Bulky Waste collection price (1 – 3 items):

Subscription type	Current approved 2022/23	Proposed for new prices from 1 September 2022	% increase
Up to 3 items (5 sacks = 1 item)	£43.80	£44.80	2.3%
4 – 6 items (5 sacks = 1 item)	£87.25	£89.25	2.3%
7 – 9 items (5 sacks = 1 item)	£131.00	£134.00	2.3%
10 – 12 items (5 sacks = 1 item)	£174.25	178.25	2.3%
Over 12 items	By quote	By quote	By quote

* It is not proposed to retrospectively apply these increases to Bulky Waste collections made before 1 September. Rather, these would apply only to new collections requested from 1 September onwards.

3 Risk Assessment

Legal or other duties

3.1 Equality Impact Assessment

3.1.1 No impact.

3.2 Crime & Disorder

3.2.1 No impact.

3.3 Safeguarding

3.3.1 No impact.

3.4 Dependencies

3.4.1 No impact.

3.5 Other

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3.5.1 These proposals are unusual in that they apply two increases during 2022/23 rather than the traditional single increase at 1 April. There would therefore be a difference between prices paid by some residents from 1 September onwards, compared to those paid by others prior to September.

3.5.2 Officers believe that these unusual measures are reasonable in the context of the highly unusual cost increases we are currently experiencing.

4 Financial Implications

4.1 The proposed increases to Garden Waste subscriptions would generate c.£11,096 additional income during the second half of 2022/23 (1 September 2022 – 31 March 2023) compared to the current approved subscription levels. This will cover the additional cost to the council of providing the discretionary additional waste services that are subject to fee income.

4.2 The proposed increases to Bulky Waste prices would generate c.£1,000 additional income during the second half of 2022/23 (1 September 2022 – 31 March 2023) compared to the current approved subscription levels.

4.3 The proposed increase in charges cover operational costs of these discretionary services including fuel and staffing costs.

4.4 **Section 151 Officer's comments:** Without mitigating action, the Council is facing a budget deficit of £2.6m by 2025/26. In this period of escalating costs, remedial action is required to ensure discretionary services can be provided within the resources available. The proposed increase to Garden and Bulky Waste collection fees reflects the rise in the cost of delivering these services.

5 Legal Implications

5.1 None.

5.2 **Legal Officer's comments:** There are no legal implications for the purposes of this Report.

6 Policies, Plans & Partnerships

6.1 **Council's Key Priorities:** The following Key Priorities are engaged: keeping our Borough Clean and Green, and Managing our Resources.

6.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.

6.3 **Climate & Environmental Impact of recommendations:** No impact.

6.4 **Sustainability Policy & Community Safety Implications:** No impact.

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6.5 **Partnerships:** No impact.

7 **Background papers**

7.1 The documents referred to in compiling this report are as follows:

Previous reports:

- None.

Other papers:

- None.