

**CABINET MEMBER FOR WASTE, PROPERTY, ENVIRONMENT AND DEVELOPMENT
CONTROL SERVICES – CLLR TOBY STURGIS**

WASTE MANAGEMENT SERVICE

OFFICER CONTACT: Tracy Carter 01225 713258 email: tracy.carter@wiltshire.gov.uk

REFERENCE: WPED-001-13

FEES AND CHARGES FOR WASTE MANAGEMENT SERVICES 2013/14

Purpose of Report

1. To seek formal approval for the new schedule of charges relating to:
 - (i) the collection of non-domestic household and commercial waste,
 - (ii) the collection and disposal of non-domestic household and commercial waste and
 - (iii) the provision of second garden waste bins and the collection of bulky household waste for 2013/14.

Background

2. Wiltshire Council implemented new harmonised fees and charges for waste collection, and waste collection and disposal in 2012/13 following a Cabinet Member Decision made on 9 July 2012. The charges were calculated to reflect the true operating costs associated with the provision of these services, together with the disposal and landfill tax costs that apply to every tonne of waste disposed of to landfill, where the Council has the powers to charge for these services.
3. All customers affected were advised of the new charges, and the basis of their calculation and were supplied with detailed factsheets, ahead of invoices being issued in early 2012. Despite these increases in prices the number of customers using the service has remained relatively static during the financial year 2012/13.
4. The aim to recover full costs where the Council has the powers to do so is now established. The fees and charges that relate to the collection of non-domestic household waste and commercial waste for which collection and disposal charges are payable, and non-domestic household waste and commercial waste where only collection charges are payable are subject to increases, in addition to an inflationary increase based on the Retail Price Index.
5. New legislation is now in force which specifies the types of organisation which can be subject to certain charge. The Controlled Waste Regulations 2012 provide local authorities with powers to apply disposal costs to a wider range of customers, to help avoid the previous situation where the local authority and its council tax payers would have borne these costs. The new categories for charging also seek to address known anomalies in the way the previous legislation had been interpreted by different local authorities. A report was approved by Cabinet on 6 November 2012 detailing how these charges would be applied for the 2013/14 financial year.

6. As a consequence of the new legislation, where we have previously charged on the basis of a customer being either a producer of Commercial Waste (where both collection and disposal charges would be payable), or a producer of “Schedule 2” waste (Household Waste for which a charge for collection may be made), we now have four customer classifications:
 - (i) Non-Domestic Household Waste Collection Only (HWCO)
 - (ii) Non-Domestic Household Waste Collection and disposal (HWCD)
 - (iii) Commercial Waste Collection Only (CWCO)
 - (iv) Commercial Waste Collection and Disposal (CWCD)

A list of the types of organisation covered by each of these classifications is set out in **Appendix 2**. The charges do not affect the waste and recycling service provided to domestic households except for the provision of second garden waste bins and the collection of bulky household waste.

Main Considerations for the Council

Charges

7. From April 2012, and following the introduction of new harmonised waste and recycling collections for Wiltshire householders, the collection of commercial and non-domestic household waste has been assigned to separate vehicles and crews, as many of these customers require and pay for a weekly collection service. This has enabled the Council to identify the true costs of providing these chargeable waste services.
8. When considering powers to set charges for services, legal advice highlights that “the Council has a fiduciary duty not to impose unnecessary burdens on its ratepayers”. In essence, whilst the Council has some degree of latitude with regard to charging, in the current economic climate it is difficult to conceive of a circumstance where charges would be set at a level that required council tax payers to effectively subsidise a service provided to commercial businesses and non-domestic household waste customers, especially when new legislation has extended the powers of local authorities to recover disposal costs when they had been previously unable to.
9. The recommended level of charging for 2013/14 should, therefore, continue to reflect the principle of being sufficient to recover all relevant costs where the council has the power to do so.
10. The attached schedule (**Appendix 1**) shows the current and proposed charges, for the different sizes of container in use, for commercial waste and non-domestic household waste customers. It also illustrates the magnitude of the proposed increases in percentage terms.

Environmental Impact of the Proposal

11. There is a risk that increasing costs of chargeable waste management services may result in increased fly-tipping. However, this risk is offset by the fact that we operate this service in direct competition with the private sector, so alternative service provision is available to waste producers should they decide that the Council’s charges are unaffordable.

Equalities Impact of the Proposal

12. The proposals would continue the established approach of providing harmonised fees and charges for chargeable waste management services, irrespective of where a customer is based within the county. Failure of the Council to recover the costs of delivery of these services, where it is able to do so, would place an additional pressure on the Council’s budget.

Risk Assessment

13. There is a risk that the Council loses commercial waste and non-domestic household waste customers because of the increase in fees and charges, resulting in failure to achieve income targets. There is also a risk of additional material entering the household residual waste stream via illegal use of household recycling centres. However, it is felt that that the HMRC ruling that local authority waste services remain chargeable at zero-rate VAT means that the council will still operate competitively against private sector providers.

Financial Implications

14. The financial implications of the fees and charges have been accounted for during the preparation of the Council's budget for 2013/14.

Legal Implications

15. The Council has a duty to provide for the collection of commercial waste and non-domestic household waste when specifically requested to do so. Legal advice on the Council's powers and duty to recover costs and avoid displacement of costs onto council tax payers has been incorporated into these proposals.

Options Considered

16. To:
 - (i) Continue to charge on the basis of full cost recovery for commercial waste collection only (CWCO), commercial waste collection and disposal (CWCD), non-domestic household waste collection only (HWCO) and non-domestic household waste collection and disposal (HWCD), as prescribed in the Controlled Waste Regulations 2012.

Reason for Proposal

17. Following a review of its then commercial and Schedule 2 waste collection services in 2011, a proposal was agreed to increase fees and charges to allow the recovery of the full costs of providing the service. Some of these fees and charges continue to be subject to increases in landfill tax and disposal costs, as well as rising operational costs. The principle of seeking to recover full costs where the Council has the powers to do so remains. Increases in addition to a standard inflationary increase may be required in order to ensure that these services are not subsidised by the Council or its council tax payers.

Proposal

18. That the proposed fees and charges for waste management services for 2013/14 set out in the attached schedule be approved.

The following unpublished documents have been relied on in the preparation of this Report:

None