

INCREASE IN WOOD WASTE DISPOSAL CHARGE

Street Services and Waste



1. EXECUTIVE SUMMARY

This report outlines the need to increase the commercial waste disposal charge by £7 per tonne, in response to a rise in disposal contractor costs. If the Council were to absorb this cost, it would result in an unfunded annual pressure of over £62,000.

The report seeks approval to implement the charge increase in line with governance requirements and corporate objectives. It also considers financial implications, as well as alternative options.

2. BACKGROUND

Plymouth City Council provides a commercial waste collection and disposal service to businesses across the city. Wood is brought to the Chelson Meadow facility and the disposal element of this service is outsourced, and the contractor has recently increased their disposal rate by £7 per tonne.

Under the Council's fees and charges governance rules, new or amended charges must be approved through an Executive Decision.

Without an increase of customer charges, the Council would be required to absorb the cost increase, creating an unsustainable budget pressure.

3. PROPOSED CHANGES AND REASONS

It is proposed that the commercial waste disposal charge is increased by £7 per tonne, in line with the increased costs from the disposal provider.

Reasons:

- To maintain the small surplus currently generated by the commercial waste service, which supports reinvestment in waste or environmental services.
- To avoid a £62,574 annual unfunded budget pressure.
- To comply with the Council's fees and charges policy, ensuring commercial customers bear the cost-of-service delivery.
- To uphold the principle that commercial services should be financially sustainable.

4. ALTERNATIVE OPTIONS

Option 1: The Council absorb the £7 per tonne increase

- Impact: Would result in a £62,574 per year budget pressure with no identified funding source.
- Risk: Sets an unsustainable precedent and may lead to further financial pressures in other traded services.

Option 2: Increase by a lower amount

- Impact: Would reduce but not eliminate the budget pressure.
- Risk: Partial recovery still results in a deficit.

5. FINANCIAL IMPLICATIONS AND RISK

Absorbing the increased disposal cost would result in an annual pressure of £62,574.26 (equivalent to £5,214.52 per month). No budget is currently available to offset this cost.

Key risks if the increase is not implemented:

- Budget Pressure: Unfunded cost requiring cuts elsewhere.
- Potential precedence for absorbing future cost increases.
- Loss of surplus funds for reinvestment

Risk if implemented:

- Customer Retention: Some customers may seek alternative providers. However, the increase is proportionate and reflects external market conditions.

6. TIMESCALES

As soon as practicable following approval. Customer will be given 2 weeks' notice of the increase.