

Briefing: DWP budget 2015/16

27 November 2014

The Dorset Waste Partnership (DWP) is taking steps to manage significant budget pressures and maximise savings in the next financial year.

In October, the DWP proposed a draft budget of £30.5m for 2015/16, in line with its Medium Term Financial Plan.

Based on the latest known information, the DWP now expects the budget needed to maintain service levels next year to be around £32m.

Waste management is becoming increasingly challenging for local authorities, with rising disposal costs and falling income from recycling. Total household waste has grown due to the economic recovery while market prices for recycling have fallen to zero and are set to become a cost.

The DWP expects costs for the current year (2014/15) to be around £2m in excess of the budget. Pressures this year also include the cost of hiring vehicles to provide the collection service while the DWP reviewed its procurement options.

The DWP is continuing to work with its partners and the Joint Committee to develop plans to achieve between £750,000 and £1m of savings in order to achieve a budget of £32m next year.

Formed in 2011, the DWP is three years into a five-year invest-to-save programme of transforming waste services in Dorset, which has so far:

- increased Dorset's recycling rate to 61.8% in the first half of 2014/15, with the aim of achieving 68% by 2018/19 (England's top recycling rate is 65.7%)
- reduced landfill waste to 18% in the first half of 2014/15
- achieved 89% customer satisfaction with the new collection service a year after roll-out (based on 5,000 survey responses)

Notes on the above

The value of the comingled materials collected at the kerbside is currently zero, after the cost of transporting the materials to Shotton are included. The DWP anticipate the value of this material will be negative (a cost) in the new year.

The separately collected glass currently has a value of a bit over £15/tonne after transport costs, but DWP anticipate that the value will decrease in the new year, probably to zero.

There are other materials still receiving an income: separately collected paper, plastic bottles and cans from bring banks and HRCs, but these are in increasingly small amounts and their significance is dwarfed by the price decrease for the comingled materials.

Landfill costs are currently about £115/tonne (£80 landfill tax plus about £35 gate fee). These costs will rise by at least RPI in the future.

Dorset's recycling & composting rate was 61.8% in the first half of 2014/15 and our target is to achieving 68% by 2018/19. This would make us the highest performing area in the country.

This downturn in the value of recycled material presumably reflects world demand and in particular China slowing down

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