

# CABINET

## Charges for Bins and Boxes Feb 15<sup>th</sup> 2011

### Report of Head of Environmental Services

|   |                           |                         |                                     |
|---|---------------------------|-------------------------|-------------------------------------|
| <b>PURPOSE OF REPORT</b>  |                           |                         |                                     |
| To provide Cabinet with details of an option to introduce charges for wheeled bins and recycling boxes as part of the 2011/12 budget setting process. |                           |                         |                                     |
| <b>Key Decision</b>   | <b>X</b>                  | <b>Non-Key Decision</b> |                                     |
|   |                           |                         | <b>Referral from Cabinet Member</b> |
| <b>Date Included in Forward Plan</b>  | 26 <sup>th</sup> Jan 2011 |                         |                                     |
| <b>This report is public</b>  |                           |                         |                                     |

#### RECOMMENDATIONS OF HEAD OF ENVIRONMENTAL SERVICES

- (1) That Cabinet approves the introduction of charges to householders for the delivery of wheeled bins and recycling boxes as part of the 2011/12 budget.
- (2) That Cabinet approves a charge of £15+ VAT for the delivery of a wheeled bin.
- (3) That Cabinet approves a charge of £4+ VAT for the delivery of a recycling box.
- (4) That the charge is introduced in the 2011/12 financial year as soon as is practically possible.

#### 1.0 Introduction

- 1.1 The Council's corporate plan and the Lancashire Waste Strategy have challenging targets for reuse, recycling and composting of household waste. The target for this year is 42%. By 2012/13 this rises to 50%. The Council now has in place arrangements which will in theory allow us to meet these targets. However, in practice we know that not all households make full use of these arrangements. In order to encourage households to recycle it is important that we have in place policies that support this corporate aim.
- 1.2 Households in the District are supplied with a 240 litre wheeled bin for

residual waste, a 240 litre bin for garden and food waste (or a smaller caddy for properties without gardens) and three 55 litre boxes for recyclable materials. Householders with special circumstances where they need extra capacity for residual waste can apply for a 140 litre extra grey bin and those with large gardens can, on request, be supplied with an extra green bin.

- 1.3 Customers request replacement or extra bins via the customer service centre. The reasons for such requests vary and include: extra capacity, bin lost, bin stolen and bin damaged. The current policy is that these are provided at no charge to householders.
- 1.4 In the year 2009/10, 6566 replacement bins, 6950 replacement boxes and 9550 replacement lids were delivered to householders. The actual cost of purchasing these was £113,263 for the bins and £41,318 for the boxes and lids. Further costs are incurred in administration, delivery, storage etc. The current policy means it is difficult to control this area of expenditure and this in turn creates pressures on the overall waste collection budget.
- 1.5 It is not always possible to check if a request for a replacement bin is genuine and it appears that some householders falsely claim they have lost their grey bin in order to receive an extra one. This enables them to deposit all their waste in grey bins and avoid the need to separate materials for recycling. Officers undertake random checks and targeted campaigns to identify any unauthorised additional bins and return them to the Depot. In the year 2009/10, 376 unauthorised grey bins were recovered. Furthermore, it appears some people use recycling boxes and lids for purposes other than recycling.
- 1.6 There are a total of fourteen waste collection authorities in the Lancashire Waste Partnership and nine of them levy a form of charge for the delivery of bins.
- 1.7 The table below gives an indication of what some other Councils currently charge or propose to charge-

| <b>Council</b> | <b>Wheeled bin<br/>(240litre)</b>                            | <b>Box</b> | <b>Food waste container</b> | <b>Box lid</b> | <b>Bin lid</b> |
|----------------|--|------------|-----------------------------|----------------|----------------|
| Blackburn      | £29  |            |                             |                |                |
| Blackpool      | £30  |            |                             |                |                |
| Burnley        | £23.40   |            |                             |                |                |
| Chorley        | £40  |            |                             |                |                |
| Fylde          | £30.15   |            |                             |                | £12.05         |
| Harrogate      | £44.50   | £6.95      |                             | £3.75          |                |
| Preston        | £10<br>(proposing to increase this charge to £25- see below) |            |                             |                |                |
| Solihull       | £25  | £11        |                             |                |                |
| Rossendale     | £22  |            |                             |                |                |

1.8 As can be seen there is quite a range of charges. At the higher end it appears that Councils are incurring a charge to cover the purchase of the bin / box. Effectively the bin / box becomes the possession of the householder. Officer advice is that this would cause major problems for us with enforcement. At the lower end the charge is for delivery and admin. The ownership of the bin / box remains with the Council. Officer advice would be that if a charge were to be introduced it is set as a contribution to the costs incurred in purchasing replacement bins/ boxes, storing them, administering them, delivering them etc. The bins / boxes would still remain the possession of the Council. The charge proposed is therefore at the lower end of the range.

## 2.0 Proposal Details

- 2.1 It is proposed that nominal delivery / admin charges of £15 + VAT for a wheeled bin and £4 + VAT for a recycling box are charged. This charge would contribute to the costs incurred by the Council in delivery, administration, storage and procurement of the boxes. This would be applied in all cases, including where householders move into a home and require bins / boxes. The only exception would be where the container is damaged in the collection process. The bins and boxes would remain the possession of the Council.
- 2.2 It is estimated that the introduction of this charge would result in a full year, saving of £63,000.
- 2.3 It is proposed that this charge is introduced as soon as is practically possible in the 2011/12 financial year

## 3.0 Details of Consultation

- 3.1 The outline of this proposal has been brought forward through this year's budget setting exercise.

## 4.0 Options and Options Analysis (including risk assessment)

|               | <b>Option 1: Introduce a charge</b>   | <b>Option 2: Don't introduce a charge</b>   |
|---------------|---|---|
| Advantages    | <ul style="list-style-type: none"> <li>• Fewer requests for bins.</li> <li>• Saves costs</li> <li>• Increased recycling rates.</li> <li>• Reduction in calls to Customer Service Centre.</li> <li>• Fewer receptacles left out in streets.</li> </ul> | <ul style="list-style-type: none"> <li>• Maintains status quo</li> </ul>  |
| Disadvantages | <ul style="list-style-type: none"> <li>• Customer dissatisfaction</li> <li>• Increased administration to deal with payment</li> </ul>   | <ul style="list-style-type: none"> <li>• No control over supply of bins and boxes which then impacts on overall waste budget.</li> <li>• Doesn't encourage recycling</li> </ul> |
| Risks         | This option could lead to increased incidences of fly tipping.  |   |

## 5.0 Conclusion

- 5.1 The introduction of charges to cover the costs of deliveries of wheeled bins and recycling boxes together with the associated administration will save costs and potentially lead to enhanced recycling rates.

### **RELATIONSHIP TO POLICY FRAMEWORK**

Corporate Plan-

Climate Change- Key Target NI 192 Household waste reused/ recycled / composted  
Statutory Services- Meet the Council's statutory requirements for service delivery.

### **CONCLUSION OF IMPACT ASSESSMENT**

**(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)**

The charge would be applied to all householders requesting bins and boxes.

### **LEGAL IMPLICATIONS**

The Council has a duty imposed under section 45 of the Environmental Protection Act (EPA) 1990 to collect household waste in its area. Section 46 of the EPA provides that the local authority can define the type, quantity and size of waste receptacles. In making requirements the authority may, as respects the provision of the receptacles determine that they be provided by the authority free of charge, propose that they be provided, if the occupier agrees, by the authority on payment by him of such a single payment or such periodical payments as he agrees with the authority, require the occupier to provide them if he does not enter into an agreement within a specified period or require the occupier to provide them.

Residents who decline to pay for the supply of a wheeled bin may be served with a Section 46 notice under the Environmental Protection Act 1990 and or other relevant legislation. The notice will require the provision by the householder of the necessary containerisation for their waste. Failure to comply with this notice may lead to the issuing of a fixed penalty notice and or prosecution by the Council

Retaining ownership of the waste receptacles, as proposed within the report, would enable the Council to control use of the bins with section 46 notices.

### **FINANCIAL IMPLICATIONS**

The 2011/12 draft revenue budget includes £81,700 for the purchase of replacement bins and boxes. As highlighted within PRT Quarter 3, high levels of requests to replace bins and boxes are currently being received and the current budget is deemed insufficient (by approximately £27,000 within 2010/11) to meet demand.

It is anticipated that the introduction of charging will increase control and therefore ultimately lead to a reduction in numbers required. However, without charging it will become increasingly difficult to police and similar numbers to this year would again be expected.

The bins currently cost £17.25, the boxes are £2.98 plus £1.37 for the lid so the fee levels outlined in section 2.0 of this report would help towards the recovery of those costs.

Therefore the residual budget required would only be for the shortfall between the delivery charge and the cost of the replacement bins/boxes and the full cost of those which were

damaged in the collection process. Although unquantifiable at this moment it is estimated that this cost would be in the region of £18,700 leading to a £63,000 saving on next years base budget, assuming a full year of charging.

It is also expected that a number of efficiencies will arise from this proposal i.e. lower call volume within customer services, fewer deliveries due to lower demand. Again, these are unquantifiable at this time but should any significant savings arise they will be highlighted in future monitoring/PRT reports.

#### **OTHER RESOURCE IMPLICATIONS**

##### **Human Resources:**

None

##### **Information Services:**

Implications for the customer service centre are outlined within the report. Information is awaited from IS on when this can be practically implemented.

##### **Property:**

Outlined within the report

##### **Open Spaces:**

None

#### **SECTION 151 OFFICER'S COMMENTS**

The s151 Officer would advise that these proposals be considered in context of the Council's priorities and its future financial prospects, as well as the need to be clear, efficient and fair in charging service users, balanced against the impact on Council Tax payers more generally.

#### **MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments

#### **BACKGROUND PAPERS**

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