

CABINET

Charges for Bins and Boxes 14 February 2012

Report of Head of Environmental Services

PURPOSE OF REPORT			
To provide Cabinet with details of an option to introduce charges for wheeled bins and recycling boxes as part of the 2012/13 budget setting process.			
Key Decision	X	Non-Key Decision	Referral from Cabinet Member
Date Included in Forward Plan	20 th Jan 2012		
This report is public			

RECOMMENDATIONS OF HEAD OF ENVIRONMENTAL SERVICES

- (1) That Cabinet considers whether to introduce charges to householders for the delivery of wheeled bins and recycling boxes as part of the 2012/2013 budget.
- (2) That should Cabinet decide to introduce charges, it is recommended 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 2012/2013 financial year as soon as is practically possible.

1.0 Introduction

- 1.1 Cabinet previously considered this subject at the meeting of 15th Feb 2011 when the following was resolved-

'That Cabinet does not approve the introduction of charges to householders for the delivery of wheeled bins and recycling boxes as part of the 2011/12 budget but gives consideration to the possibility of introducing such charges as part of the 2012/13 budget proposals.'

- 1.2 The Council's corporate plan includes as an aim delivery of the objectives of the Lancashire Waste Strategy 2008-2020. This strategy contains challenging targets for reduction, reuse, recycling and composting of household waste.

The Council now has in place comprehensive 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 reduce, reuse and recycle it is important that we have in place policies that support this corporate aim.

- 1.3 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 extra green bins.
- 1.4 Householders are also encouraged to put their numbers on the bins. When new bins are issued the house number to which they belong is marked on the bin. This helps prevent other householders using the bins.
- 1.5 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.
- 1.6 Between January 2011 and December 2011, 4,470 replacement bins 4,332 replacement boxes and 5,000 replacement lids were delivered to householders. The actual cost of purchasing containers in this period was £110,000 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.
- 1.7 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 2010/11 521 unauthorised grey bins were recovered. Furthermore, it appears some people use recycling boxes and lids for purposes other than recycling.
- 1.8 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.
- 1.9 The table below gives an indication of what some other Councils currently charge or propose to charge-

Council	Replacement Wheeled bin (240litre)	Box	Box lid	Bin lid	New Developments
Blackburn	£10				£80.46
Blackpool	£15				£30.00
Burnley	£24.60	Free			£24.60
Chorley	£43.40	Free			£43.40
Fylde	£31.15	Free		£12.05	Developers responsibility

Harrogate	£59.50	£7.88	£4.52		
Preston	£11	Free			£11.00
Solihull	£26 – Supply £41.00 - Delivery	£3 – Supply £11.50 - Deliver y	0.50p – Supply £8.00 - Delivery		
Rosendale	£ 23	Free			£23.00
South Ribble	Free	Free			Developer Charge
Ribble Valley	Admin charge	Admin charge			£90.00 + VAT

1.10 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 administration. 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 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 £106,400 within the waste collection service.
- 2.3 It is proposed that this charge is introduced as soon as is practically possible in the 2012/13 financial year.

3.0 Details of Consultation

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

4.0 Options and Options Analysis (including risk assessment)

	Option 1: Introduce a charge	Option 2: Don't introduce a charge
Advantages	<ul style="list-style-type: none"> Fewer requests for bins. Saves costs 	<ul style="list-style-type: none"> Maintains status quo

	<ul style="list-style-type: none"> • Increased recycling rates. • Reduction in calls to Customer Service Centre. • Fewer receptacles left out in streets. 	
Disadvantages	<ul style="list-style-type: none"> • Customer dissatisfaction • Increased administration to deal with payment 	<ul style="list-style-type: none"> • No control over supply of bins and boxes which then impacts on overall waste budget. • Does not encourage recycling
Risks	<ul style="list-style-type: none"> • This option could lead to increased incidences of fly tipping 	This option could lead to not achieving recycling and waste reduction targets.

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, support our enforcement activities and potentially lead to enhanced recycling rates.

RELATIONSHIP TO POLICY FRAMEWORK

As outlined in the report

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.

The government has recently launched a consultation on how these fines are applied and at what level. The purpose of this consultation is to seek views on proposed amendments to Section 46 of the Environmental Protection Act 1990, which sets out the penalties which

local authorities may apply to householders who present their waste incorrectly for collection.

These amendments will abolish the criminal offence currently provided for in Section 46. A new, civil sanction will be put in place instead. Local authorities will continue to be able to issue fixed penalties in limited circumstances. "Harm to local amenity" will be introduced as a test before such a penalty can be imposed. The test aims to ensure that penalties are targeted at those who behave in a way which reduces the quality of their neighbours' surroundings.

This consultation lasts for eight weeks and closes on 9 March 2012.

FINANCIAL IMPLICATIONS

Section 93 of the Local Government Act 2003 provides power for local authorities to charge for discretionary services and the introduction of a delivery/admin fee falls within this jurisdiction.

The 2012/13 draft revenue budget for the purchase of replacement bins and boxes is £144,200 (including an inflationary amount of £4,200) which is significantly higher than the approved original budget for 2011/12 which was £81,700.

It is anticipated that the introduction of charging a delivery/admin fee will increase control and therefore ultimately lead to a reduction in numbers required. The reduction has been estimated at 31% which is in line with actual reductions achieved by Preston City Council when they went through a similar process. However, without charging it will remain very difficult to police and similar numbers to this year would again be expected.

The bins currently cost £18.30, the boxes are £2.80 plus £0.60 for the lid so whilst the delivery/admin fee levels outlined in section 2.0 of this report do not contribute towards the recovery of those costs, it allows for recovery of the overheads attached with their issue. The fee level would be reviewed annually as part of the budget process.

Therefore the recovery of overheads will be offset against the cost of waste collection. The cost of the replacement bins/boxes which is estimated to be in the region of £111,800 once inflation and the anticipated reduction in numbers are applied. The income achievable through charging is estimated at £74,000, leading to a £106,400 saving on next years draft revenue budget, assuming a full year of charging (allowing for getting the arrangements up and running, savings of around £50,000 would be assumed in the first year). However, it should be stressed that these costs/income levels are estimates and therefore uncertain at this moment in time. In their infancy, any significant variances will be highlighted in future monitoring/PRT reports and budget levels will be reviewed annually as part of the budget process.

The level of fees are considered to be set at low enough levels that it is not practical to introduce discounted charges for households of low incomes. However, where extreme hardship can be demonstrated it is expected that the fee would be waived.

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 Services have confirmed that an introduction of the proposals within the report would cause no significant problems.

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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