

# AGENDA ITEM 7

## RURAL, ECONOMIC AND ENVIRONMENTAL AFFAIRS COMMITTEE

9<sup>th</sup> JANUARY 2013

### REPORT OF HEAD OF REGULATORY SERVICES

#### WASTE MANAGEMENT CHARGING OPTIONS FOR WHEELED BIN CONTAINERS

#### 1.0 PURPOSE OF REPORT

- 1.1 To seek Members determination in regards to introducing a charging regime for providing refuse and recycling wheeled bins to domestic properties

#### 2.0 RECOMMENDATIONS

- 2.1 **Members determine whether to charge for new and replacement bins, and if so in what form of charges shall be applied, having regard to the information contained within this report.**

#### 3.0 KEY ISSUES

##### Background (charging for waste containers)

- 3.1 At the meeting of 31<sup>st</sup> October, the Committee was advised of the situation regarding current charges for new and replacement bins and the difficulties encountered in securing payments from developers. The Committee resolved that a further report be brought back taking into account previous decisions made by this Committee and a full EIA being carried out.
- 3.2 The remainder of this report will not consider green waste collection. The 'opt-in' subscription based 'Melton Green Waste Club' facilitates the collection of domestic garden waste from any household in the Borough. Its delivery and the containers provided to enable participation is managed by Biffa Municipal Ltd directly and the wheeled bins provided for this service are done so independently of the Council.
- 3.3 Domestic waste (which includes refuse and recycling materials) is collected as a statutory obligation under legislation that requires the public health to be maintained. Legislation also permits a collection authority such as Melton Borough Council to insist this is done so in a container they prescribe. There are three main ways of looking to facilitate every household to have the required containers (wheeled bins) in regards to first bins, replacement bins or additional large/extra bins:
- To require residential developers to cover the cost of first bins
  - To provide first replacement or large/extra additional bins free of any direct charge, as this Authority has traditionally

- Authorities may seek to charge householders directly for first, replacement or additional large/extra bins (or any combination of these)

### 3.4 **Legislative context**

There is legislation that supports these three options. The provision of bins without charge exists as most Authorities deliver their waste management services in accordance with the Environment Protection Act (EPA) 1990 which has been interpreted as requiring the provision to householders of the required waste containers free of any direct charging policy. However, if a waste collection authority (WCA) so desires, it can use the same EPA legislation to require the customer to be directly responsible for the container provision, either obtaining one (purchasing one) through the Local Authority, or providing their own, to the Councils' required specification. Thirdly, that developers and builders might be required through planning legislation (the Community Infrastructure Regulations 2010 and section 106 of the Town and Country Planning Act 1990) to provide first bins for residential developments.

### 3.5 **Use of planning powers**

Regarding the option of requiring provision by developers and the information conveyed in the report of 31<sup>st</sup> October, (i.e. that developers have not provided bins for first residents and no costs have been recovered) it has been suggested that formal planning powers are used to ensure the charge falls to developers. Members are advised that a recent Counsel opinion sought by a neighbouring Authority regarding this option has advised against introducing such a developer charge or policy. In summary, the basis for this advice is:

- Bins are not 'infrastructure' as defined by the Community infrastructure Levy Regulations and accordingly cannot be covered by this charge.
- Bins cannot be required under section 106 because their provision is not necessary to make a development acceptable in planning terms and would therefore conflict with paragraph 122(2)(a) of the Community Infrastructure Levy Regulations 2010.

### 3.6 **Alternative approaches**

In view of the above and the experience to date in imposing charges on developers, Members may wish to consider alternative approaches. There appears to be two alternative options:

- To charge individual householders for initial provision, and/or;
- To charge for all provision, whether initial provision or replacement due to damage, theft, loss or additional capacity etc.

In both scenarios Members should consider whether concessions should be included based on either the circumstances of the provision and vulnerability of the customer. Details of a possible approach are set out in section 5 below.

3.7 A typical household provision currently requires 2 wheeled bins, a black one for refuse and a brown one for mixed recyclables. Both are currently provided free of any direct charge, with free replacements. The Council also provides additional containers to larger families or to those who can demonstrate a genuine and regular need, free of any additional charge.

### 3.8 **Other Local Authority Charging Regime Policies**

Members will be aware of a recent benchmark document tabled at the previous Rural Environmental & Economic Affairs committee meeting on 31<sup>st</sup> October 2012 which detailed the charging regimes from a considerable number of Authorities who apply charges for wheeled bins. This document is attached as **Appendix A**

### 3.9 **Additional Benchmarking Information**

The following Information regarding other local authorities charging policies has been obtained from a web based desk top study:

(i) Charging (General):

Of the 402 Councils registered with a leading, recognised and well supported web site 90 or (22%) charge in some way or another for containers.

(ii) Refuse Containers:

- 81 apply some form of charge.
- All operate an exclusion from any charging policy where the container is damaged or lost as a result of the collection crew or vehicle, and some waive charges where a police incident number is supplied as proof of theft.
- 29 stated they apply a charge to property developers or new home owners for a refuse container, although further investigation into the mechanism used to enforce this policy would indicate that nearly all of these ultimately place the obligation on the householder if an agreement with developers / builders has not been achieved .

(iii) Recycling Containers:

- 15 apply some form of charge.
- All operate an exclusion from any charging policy where the bin is damaged or lost as a result of the collection crew or vehicle, and some waive charges where a police incident number is supplied as proof of theft.

- 5 apply a charge to property developers or new home owners for a recycling container, although further investigation into the mechanism used to enforce this policy would indicate that nearly all of these ultimately place the obligation on the householder if an agreement with developers / builders has not been achieved.

(iv) Common Policies Regarding All Containers

- 10 offer charge reductions as a concession, based upon income related benefits.
- 11 charge for containers required for additional capacity.

### 3.10 **MBC reasons for wheeled bin requests**

The table below gives an indication of the typical reasons that residents might receive new, replacement or extra capacity/ large wheeled bins from an example of 100 requests.

<b>Reason For Request</b>	<b>%</b>
Extra Capacity or Larger bin due to family size or medical requirement	16
Loss or Damage to the Original not caused by the customer	52
Moved House: Householder request for bins when there are none at a property being moved into (whether new houses or existing)	26
Originals not delivered, failed delivery, problem with order to contractor.	6
<b>TOTAL</b>	<b>100</b>

### 3.11 **Alternative Charging options for Melton**

The list below identifies a possible MBC charging option for various containers under different circumstances. All charges are for 'delivery' and loan only as this allows the Authority to retain ultimate 'ownership' of the receptacles thereby retaining control over the bins usage.

- To apply a delivery and 'permanent loan' charge of £70 for the supply of a standard first set (x2) of wheeled bin containers to any occupiers or residents of any domestic property in the Borough who request wheeled bins, and/or
- To apply a delivery and permanent loan charge of £35 for a first single wheeled bin or additional larger bin or in the case of a replacement when the customer is at fault or has contributed to the requirement for a replacement.

- 3.12 A detailed list of proposed charging levels, exemption and concession criteria together with an FAQ is attached as **Appendix B** with further financial implications discussed within section 5 of this report.

#### **4.0 POLICY AND CORPORATE IMPLICATIONS**

- 4.1 The Council does not currently directly charge householders for any first, replacement or larger capacity containers. Should the Committee consider introducing charges the following practical and technical implications should be taken into account to ensure the charging regime is appropriate and does not conflict with any existing Council policy or direction.
- 4.2 The provision of a container, whether a plastic sack or a wheeled container for the collection of household refuse, is part of the statutory requirement to collect waste materials from domestic customers, without endangering public health (providing a wheeled bin or plastic sacks for refuse disposal/collection ensures such material is presented for collection in an acceptable manner). It is suggested that a temporary way of meeting this statutory duty if disputes/disagreements occur, is to supply the customer (at no charge) with black refuse sacks, the quantity being related to the length of time the dispute is expected to last.
- 4.3 By retaining ownership of containers the Council is better able to serve notice upon residents so as to require them to use them as they are intended to be used in the event of inappropriate use (e.g. use for green waste or inappropriate materials such as hot ashes).
- 4.4 The statutory duty to collect waste from customers, if to be effective and efficient, requires appropriate receptacle and for that reason it is desirable that customer have and use wheeled bins. The possible challenge to introducing a charge may result in increased enforcement resource and has the potential to disengage customers and foster a less co-operative community. These impacts may weigh against the benefits from the introduction of a charge.

#### **5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

- 5.1 There has been a significant budget requirement annually for new and replacement wheeled bins and recycling boxes with the budget allocation for 2012/13 being £54,000 with expenditure £33,000 to date (n.b. a difference arises from the cost of purchasing and annual expenditure arising from the bulk purchase of bins that can exceed annual demand.). In 2012/13 it is anticipated that 3300 bins will be provided at an overall cost (including delivery, which is separate to their purchase) of around £66,000. The introduction of a charging regime is expected to reduce these costs helping offset this expenditure.

- 5.2 New properties being built at this time are low with only 157 new properties registered in 2011/12. In 2012/13 it is anticipated to be 94. With an expectation of 114 being built in 2013/14.
- 5.3 The following list of options, potential outcomes and financial implications are identified for Member's consideration. These apply to the standard set of containers comprising 1 x Black 240 litre wheeled bin plus 1 x Brown 240 litre wheeled bin.
- i) **To apply a delivery and permanent loan charge of £70 for the supply of a standard set of containers to new home owners or tenants when they move into a property.**
- If introduced in April 2013 with estimates of 114 new homes an income up to **£7980** might be achieved
- ii) **To apply a delivery and permanent loan charge of £35 for the supply or replacement of either a residual waste container (black wheeled bin) or mixed recycling container (Brown wheeled bin) in the case of a replacement a charge will be applied when the customer is at fault or has contributed to the need for the wheeled bin**
- If introduced in April 2013 estimates of the likely income taking into account the difficulties expected regarding the determination of 'fault' or the apportionment of blame suggests an income likely to be in the region of **£1000 - £2000**.
- iii) **To apply a charge for the delivery and permanent loan for an additional/ larger capacity residual waste wheeled bin (black bin) due to the size of the family £35 and; For the supply and permanent loan of an additional Brown recycling wheeled bin – no charge (subject to assurance of regular use and need etc).**  
**Additional bins issued for medical reasons – no charge.**
- If introduced in April 2013 the likely income for iii) could reach up to £1000k
- 5.4 The total potential income (based on current understanding of house completion rates and demand for replacement bins) on the basis set out above could be **£11,000**. The difference between this sum and the total cost of bins is a consequence of charging only where the customer is at fault. Significant quantities of replacements are provided simply because existing bins have reached the end of their life or for loss not attributable to the resident.
- 5.5 It is of course an option to charge in full for new and replacement bins regardless of circumstances.

## **6.0 LEGAL IMPLICATIONS/POWERS**

### **6.1 Container charging**

Section 46 of the Environmental Protection Act 1990 makes provisions for receptacles for household waste. The Local Authority can specify the kind and number of the receptacle required for the occupier to place waste for collection. The Local Authority can provide the receptacles free of charge or propose a single payment or periodical payments for such receptacles or require the occupier to provide them.

6.2 Members may wish to consider whether exemptions or concessions as detailed within Appendix B should apply to any or all of the options listed at 5.3 ,which would be applied for example in respect of those dependent on any income related benefit. Members will note the suggestion that an exception to the charging regime be applicable for the provision of additional brown recycling wheeled bin(s) for large families or for exceptional recyclers, provided they are regularly maximising the use of their first (chargeable) brown recycling wheeled bin. This proposed exemption from payment is considered to accord with the Council's charging policy which includes concessions for those meeting the qualification criteria.

6.3 The Committee should also consider if concessions to charges should be permitted based on other criteria in the Charging Policy and the extent of the concession, which the policy indicates could be 50%:

- Full-time students
- Senior Citizens over pensionable age
- Individuals on low incomes in receipt of means tested benefit
- People with a disability in receipt of a means tested benefit
- Individuals receiving a 'carers allowance'

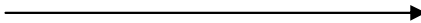
## **7.0 COMMUNITY SAFETY**

7.1 There are no direct community safety implications arising from this report.

## **8.0 EQUALITIES**

8.1 An Equalities Impact Assessment has been undertaken in connection with these options. This has indicated that some groups may be disproportionately affected because it is understood that they are generally over represented in low income groups (e.g. disabled and elderly). However, in essence the issue arises from ability to pay and comments made above regarding concessions (see paras. 6.2 and 6.3 above and Appendix B) regarding exceptions and concessions.

## 9.0 RISKS

Very High A				
High B	1	4		
Significant C	2,3,5	6		
Low D				
Very Low E				
Almost Impossible F				
	IV Neg- ligible	III Marg- inal	II Critica l	I Catast - rophic
				
	<b>Impact</b>			

Risk No.	Description
1.	Charges act as a disincentive to recycling that affects overall income from recycling credits
2.	Charges deter customers from requesting new bins/containers resulting in less than anticipated income and potential for increased fly tipping.
3.	Opposition to the introduction of charges
4.	Impact of transition : staff time implementing the charges and responding to questions and challenges
5.	Contamination of waste streams: customers divert recycling materials into household waste to avoid charges
6	Fialure to meet budget estimations

## 10.0 CLIMATE CHANGE

10.1 There are no direct climate change issues associated with this report.

## 11.0 CONSULTATION

11.1 No consultation has been carried out in regards to introducing a charging regime for wheeled bins. The proposal is however in light of a clear trend that sees an increasing number of Councils introducing wheeled bin charging regimes.

## 12.0 WARDS AFFECTED

12.1 All Wards are affected: the impacts would apply to the entire community.

Contact Officer: R Selvon, Waste & Environmental Maintenance Manager  
 Date: 18/12/12  
 Background Papers: Report to REEA Committee, 31<sup>st</sup> October 2012  
 Appendices: A: Other authority charging regimes  
 B: Proposed charges / exemptions / concessions /FAQ'  
 Reference: Council, C'tees & Sub-C'tees/REEA/2012-13/09-01-13/  
 Waste Management – Charging Options for Wheeled Bin Containers