



Consideration of Charging for Bulky Waste Collections

For consideration by:
Neighbourhood Services and Community Involvement
Scrutiny Commission

Date: 5th October 2016

Lead director: John Leach

Useful information

- Ward(s) affected: All
- Report author: Luke Crown, Service Development Manager (Waste Management)
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1. Purpose of report

- 1.1 To ask Members of the Neighbourhood Scrutiny and Community Involvement Commission for their views regarding the potential to charge for bulky waste.

2. Summary

- 2.1 The City Mayor and Executive have agreed a programme of spending reviews in order to help tackle the significant funding shortfall that Leicester City Council has been set by the Government to manage. This paper considers the opportunity to consider charging for bulky waste collections in order to help contribute to the Council's required savings.
- 2.2 The Council currently offers a bulky waste collection service that collects large items such as old sofas, fridges, furniture etc. The current service allows the following from each domestic property in the city:-
 - One free collection of up to 5 items of bulky waste, in every two month period; and
 - One free collection of up to 15 bundles or bags of garden waste, in every two month period.
- 2.3 A charge can be levied by the Council under the Controlled Waste (England and Wales) Regulations 2012 for this specific collection service.
- 2.4 It is intended to consult the public prior to a decision being made on this matter (subject also to discussions with Biffa Leicester) and Scrutiny's views are welcomed as part of this process.

3. Recommendations

- 3.1 The Neighbourhood Scrutiny and Community Involvement Commission is invited to comment on the proposal to charge for bulky waste collections.

4. Report/Supporting information including options considered:

- 4.1 The Council provides a range of waste services to residents in Leicester, including refuse bin and recycling bag collections from all domestic properties. Other services provided include clinical waste collection, garden waste collection, recycling banks, two recycling centres and a bulky waste collection. These services are delivered through a 25 year PFI contract in partnership with Biffa

Leicester, which commenced in 2003.

4.2 The Council currently operates two Household Waste Recycling Centres (HWRCs) which allow householders to dispose of household waste. The HWRCs are at Freeman's Common and Gypsum Close. The HWRCs accept a wide range of materials from cardboard to furniture and garden waste to rubble.

Bulky waste: current service and operations

4.3 The bulky waste collection service collects large items such as old sofas, fridges, furniture etc. The current service allows the following from each domestic property in the city:-

- One free collection of up to 5 items of bulky waste, in every two month period; and
- One free collection of up to 15 bundles or bags of garden waste, in every two month period.

4.4 If householders need additional collections, or have more items on any one collection, a charge is incurred. This is currently £15 for up to 15 items and £50 for between 16-30 items.

4.5 For those residents who cannot place their items outside their property for collection, the Council provides an assisted collection service whereby the collection crew enter the property to remove the items. This service is provided on request or when the customer service agent determines an assisted collection is required i.e. if there is no able bodied person in the household to place the items outside of the front of the property for collection. There is no additional charge for an assisted collection.

4.6 The collected waste is unloaded at Freeman's Common HWRC and the various waste streams are separated on site. A residual element is taken onto the Ball Mill, although most is taken to landfill or recycled. Approximately 3,000 tonnes of bulky waste are collected each year. There is a relatively high environmental impact due to the number of vehicles, associated mileage and high tonnage.

4.7 In 2015/16 there were 35,024 bulky collections made by the Council's contractor Biffa Leicester. Of these, 76% (26,686 properties) were customers only using the service once in the year. In 2015/16 only 1.13% (396) of collections incurred a charge, generating income of £6,790.

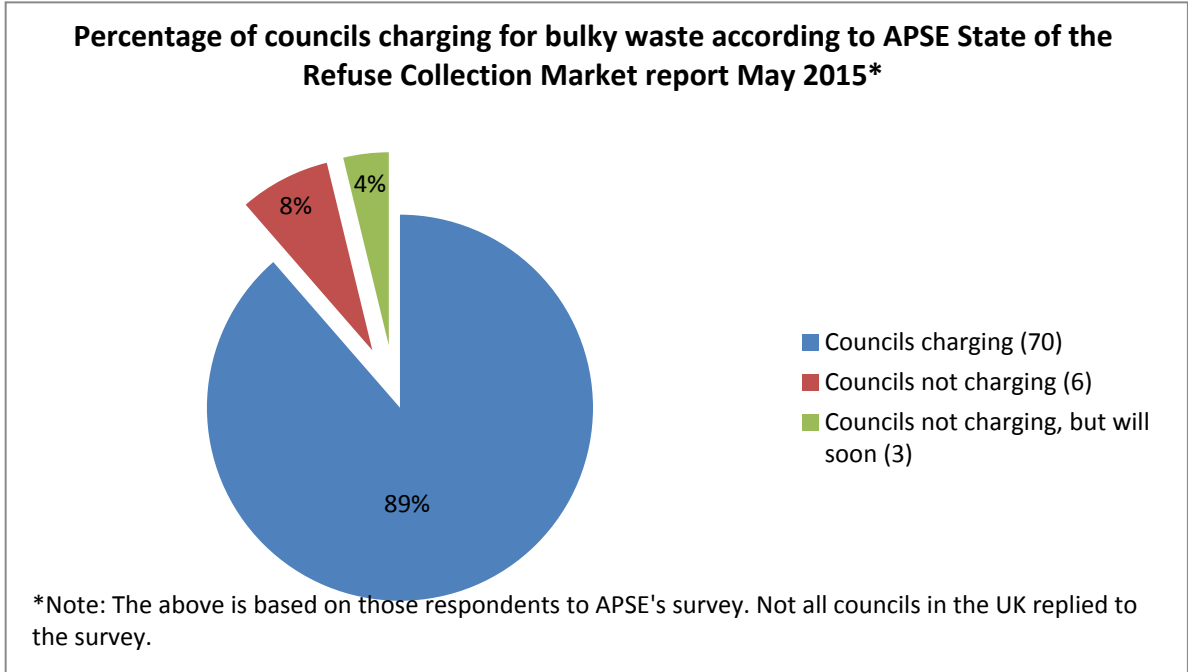
Potential service change and context

4.8 Research has been conducted to assess the number of other local authorities charging for bulky waste. A benchmarking exercise was undertaken analysing:-

- i. whether the councils charged or not for bulky waste collection; and
- ii. where they did charge, the scale of charges applied.

34 councils were analysed, of which 29 (85%) were charging – 9 of those had a concessionary element for customers in receipt of benefits. 5 offered 1 or more free collections before charging or were completely free.

4.9 According to the Association for Public Service Excellence 's (APSE) 'State of the Refuse Collection Market report May 2015", of approximately 100 councils responding to their survey, 89% of councils stated they charged for bulky waste collections.



4.10 Removing the free element of the bulky waste collection service could potentially raise between c.£50-£150k per annum depending on the pricing structure/option introduced and other potential savings such as landfill tax.

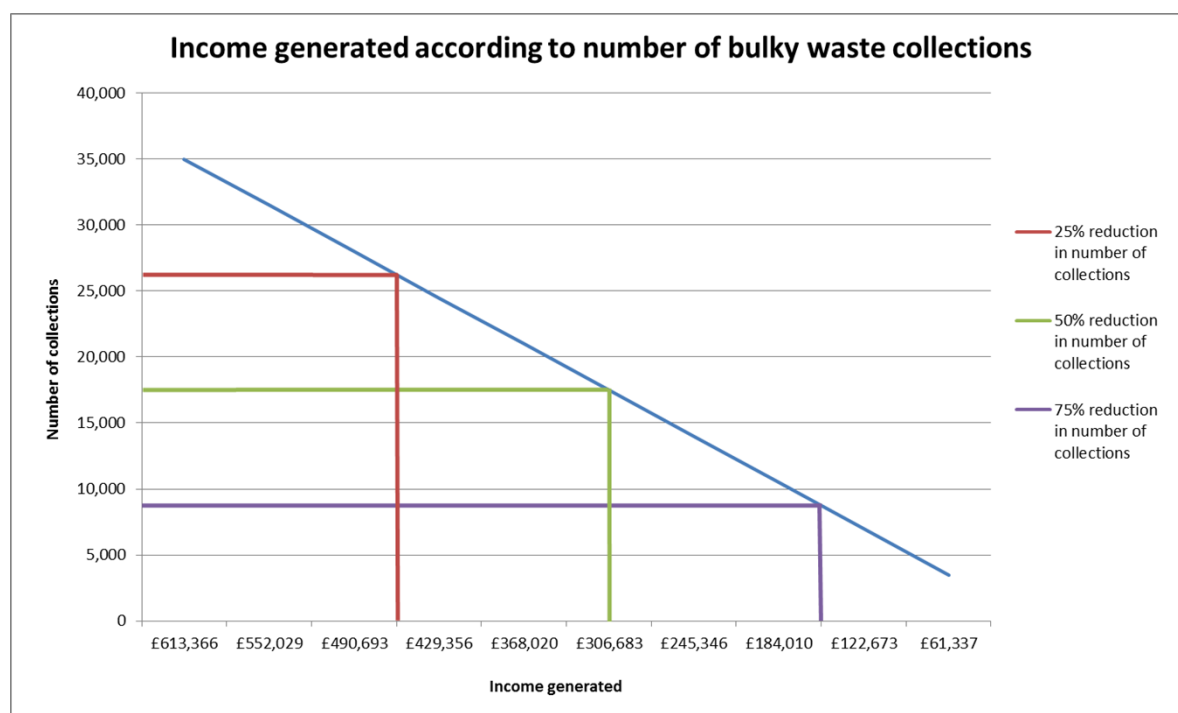
4.11 The proposal is that all free entitlements would cease and all customers would be charged for all bulky waste collections. The additional assisted collections service would continue at no extra cost, but customers offered the service would still need to pay the same collection charge as all other customers. Therefore, the service would be retained, but all collections would become chargeable.

4.12 Projected income is estimated to be as follows, but there are many factors that could alter this.

	75% reduction in collections
Income (£20 charge) per 5 item collection excluding LCC costs	£153,600*

* Costs incurred due to possible increased fly tipping have not been included. A reduction in the current number of collections could range between c.50-75%.
 Note: A number of councils were asked whether the number of collections decreases after the 1st year. Due to lack of data as a result of staff turnover at councils, this is unknown.

4.13 The graph below demonstrates how the number of collections affects the income received from a £20 charge.



4.14 Further potential savings may be achieved from a possible reduction in landfill tax, but it is not possible to determine what this would be as waste may be taken to the Household Waste Recycling Centres, which would still have to be paid for by the council. An efficiency saving could be achieved by Revenues and Customer Services' contact centre because the number of collections to be booked would decrease by potentially up to 75%. This would be an efficiency saving as opposed to a physical saving, of approximately £40k based on an estimated 75% drop in contact.

4.15 A range of charging models have been investigated, with and without concessions. Advice from Customer Services is that there are no services for which they take payments that offer concessions.

4.16 Modelling has shown that if the current allowance was reduced to 1 free collection per year, this would not result in sufficient revenue generation because currently 76% of customers only use the service once a year, therefore the majority of collections would be free. This would generate c.£20k per year based on a £20 charge.

4.17 There have been discussions with Revenues and Customer Services relating to the feasibility of introducing a concessionary element to bulky waste charging. Advice is that the Council is not permitted to use data collected for benefit purposes for other Council duties without the express written consent of each individual to access their information for this purpose - Department for Work and Pensions (DWP) data is limited by statute to the administration of Housing Benefit, Local Council Tax Reduction, Discretionary Housing Payments and Local

Welfare Provision only. Universal Credit is also limited in the same way. Therefore, the only way to introduce a concessionary element would be to require customers to submit paperwork showing the benefit(s) they are entitled to or to seek their explicit consent to access their information. This would be a very resource intensive process and would not be conducive to the aims of channel shift and the Customer Services Transformation Programme. It is therefore, considered unviable to offer a concessionary element as it would impact upon any potential savings due to the need for additional staffing resource. Appendix 1 (figure 4) highlights that 80 Lower Super Output Areas (LSOAs) out of 150 (53%) had between 20-50% of customers using the bulky waste service who were in receipt of housing benefit. Figure 3 in appendix 1 shows the areas where the bulky waste service is used the most. Heaviest usage is broadly in the west and north west of the City.

4.18 There are potential benefits in terms of channel shift, as seen in other services areas where charging regimes have been introduced. For example, calls to the Registrars service were successfully reduced following the introduction of a tiered charging policy. Here the purchase of a copy certificate was more expensive when requested by phone (£17) rather than online (£13). In this case a 39% decrease in calls to the Customer Service Line was experienced, supporting the aims of cutting costs through Channel Shift. It is proposed that this success could be emulated for bulky waste charging, but offering a price of £20 per collection online versus a £24 price for collections booked over the phone. A policy such as this has been adopted by Birmingham City Council for their bulky waste collection service.

4.19 In another report also on this agenda a proposal is raised to consider charging for DIY waste deposits at the recycling centres. If DIY waste charging is introduced, items such as wooden fence panels would no longer be collected on the bulky waste service if it is decided to keep bulky collections free of charge. Garden waste is currently collected on the bulky waste service. It is proposed to continue the allowance of up to 15 bags of garden waste to be collected but for the charge of £20. The proposal for non-garden waste bulky items is £20 for up to 5 items.

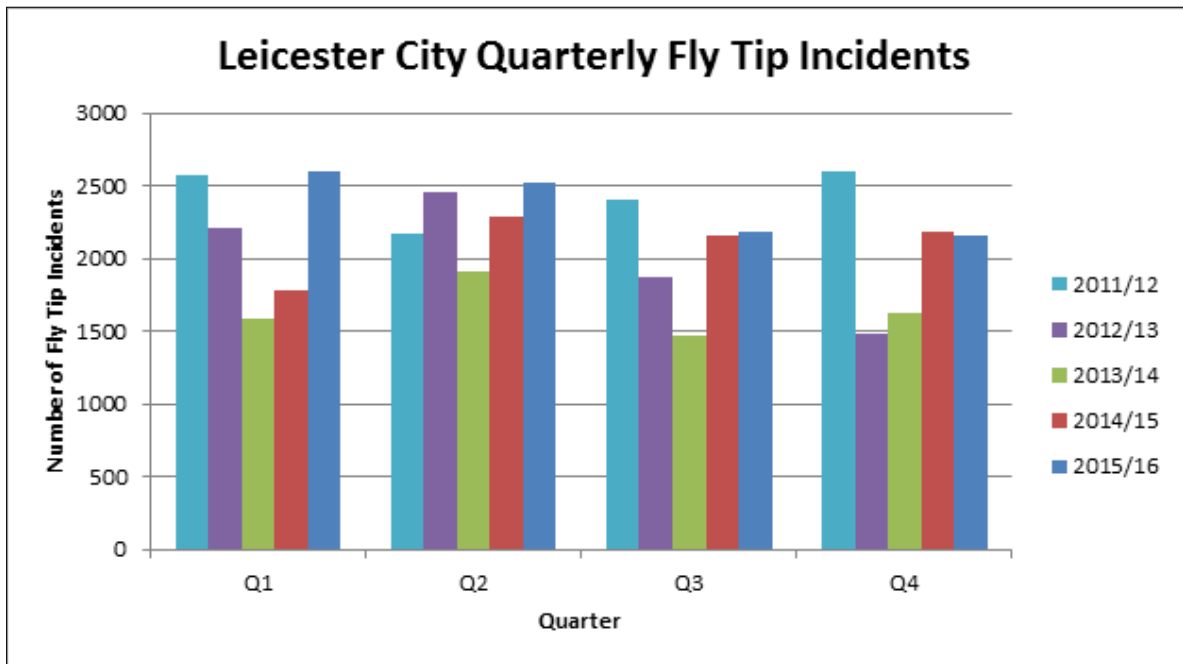
4.20 The table below details other services available that offer bulky waste collection. The key difference with these services is that they do not collect the range of items the council's bulky waste service does, nor do they allow up to 5 items or more to be collected. Shops also will only take old items if a new one is being purchased:

Shop/charity	Charge	Service	Items accepted
AO.com	From £19.99	Old item disposal when new item delivered	Large white goods
Currys	From £15		
John Lewis	£9 per item		
Argos	£9.99 per item		
Tesco	£9.99 per item		
Age UK	Free collection	Collection of good, reusable items only	Bulky items
LOROS	Free collection		Bulky items
British Heart Foundation	Free collection		Bulky items & white goods

4.21 If charging for bulky waste is not introduced, this would reduce the Council's opportunity to find savings within cleansing and waste services.

Fly tipping

4.22 Research has been conducted with other local authorities charging for bulky waste. Research indicates there is no clear correlation between introducing a charge and an increase or decrease in fly tipping incidences. In some local authority areas fly tipping has increased following introduction of a charge and in others it has decreased or stayed at a similar level. Figure 6 in appendix 1 demonstrates this variability.



4.23 In 2015/16 there were 9,449 fly tips in Leicester City, of which a large proportion (1,339) were in Stoneygate ward. The map in appendix 1 (figure 3) shows the number of fly tips in each ward, mapped against usage of the bulky waste service in 2015/16 at lower super output area (LSOA) level. The graph above shows the number of quarterly fly tip incidents in Leicester. Fly tipping has recently plateaued due to new initiatives to tackle the issue, such as focussing on the top 10 worst streets and ensuring the correct classification of side wastes at bring sites. The average cost of clearing a fly tip by Cleansing Services in Leicester City was £34 per incident in 2015/16. The total cost of clearing fly tipping was £322,239 in 2015/16. There is the potential for more backyard burning if a charge is introduced.

4.24 According to the Fly-tipping statistics for England, 2014/15 (DEFRA) release, incidents of fly-tipping had shown steady declines from 2007/08 until 2013/14 when there was an increase to 852 thousand incidents. The number of fly-tipping incidents increased again in 2014/15 to 900 thousand incidents. It advises that care should be taken when interpreting this increase as it may reflect improvements to the capture of fly-tipping incidents as well as genuine increases in the number of incidents. Some local authorities who had reported increases for

fly-tipping incidents explained the reasons for this were: the introduction of new technologies; such as on-line reporting and electronic applications, increased training for staff and a more pro-active approach to removing fly-tipping.

Communications

4.25 In conjunction with the changes to be made to 'The Furniture Bank' scheme, a 'hard stop' will be placed on the Customer Services Waste Management hotline. This will suggest donating items to charity for reuse in the first instance. Customers still wanting a bulky waste collection can then continue and pay for a collection. This approach will help maximise the number of items that are reused rather than recycled or disposed of via the bulky waste collection service and will be applied to all contact channels.

4.26 It is proposed that a communications and marketing plan would be developed to support the introduction of the changes. This would be done in collaboration with the Council's Communications Team.

Recycling rate impact

4.27 The introduction of charging for bulky waste could reduce the tonnage of waste going to landfill. However, an estimated reduction of 1.5% could be experienced on Biffa's contract recycling rate due to less overall material being collected. This could be more or less depending on the reduction of number of collections and wastes set out for collection.

Consultation

4.28 No consultation has been undertaken on the potential to introduce charging to date. However, it is proposed to undertake a public consultation exercise, recognising the challenges in doing this where feedback may centre on residents not wanting to pay a charge or stating that they wish to pay as small a charge as possible. The Council's Communications Team and the 'Fair and proportionate public consultation Officer's guide' have been consulted on how best to consult on the proposal, in order to make the consultation as meaningful as possible.

4.29 The legal implications to be considered are set out in 6.2.

4.30 Subject to the outcome of the consultation and the City Mayor's and Executive's final view on this matter, it is suggested that the new scheme could be introduced during Spring 2017.

5. Details of Scrutiny

This report is presented for the Neighbourhood Services and Community Involvement Scrutiny Commission's (NSCIC) consideration.

6. Financial, legal and other implications considered by the Executive

6.1 Financial implications

The authority currently provides a bulk waste collection service to residents of Leicester and generates revenue of approximately £7k per annum. A new charging structure for bulk waste collections would increase the revenue generated by this service, however many variables could affect the revenue generated. Income could be up to £150k p.a. as shown in the report, depending on the charging structure implemented and the decrease in the number of collections made. There is however also the consideration of the costs of collecting any additional fly tipped waste to be considered, the costs of which are unknown.

Colin Sharpe, Head of Finance
Ext 37 4081

6.2 Legal implications

General:

As stated in the report the Council is entitled to charge for this service under the permitting regulations quoted. There is no restriction on what this charge can be and how it can be implemented.

Consultation:

Legal advice is that consultation should be undertaken and that not doing so could leave the Council open to challenge on the introduction of any charges.

There is no general duty to consult in public law. Consultation is therefore the exception rather than the general rule, however there is a risk that the Council could be found to have been required to consult as a result of the nature of the decision and impact upon the public as a result of the introduction of charging and the potential charge for waste deposits of DIY waste at recycling centres (as detailed within a further report). Given the figures within the report the implications will affect a large number of the public who currently use the service for free.

The Courts have generally determined that the more serious the impact of a decision is on affected individuals, the more important it is that the right decision is reached and that those affected feel that their concerns have been considered by the decision-maker. Broadly, therefore, the more serious the impact, the more likely it is that fairness requires the involvement of affected individuals in the decision-making process by some form of consultation.

Consultation must be meaningful and conducted appropriately to be free from challenge. There is no set way to carry out consultation or requirements, but principles established in case law.

Meaningful consultation could potentially be undertaken in relation to the options of which services to charge for, the level of charge and the possibilities of there being concessions. However there is a risk in that if consultation is not meaningful there could also be a challenge.

Usually the following must be taken in to consideration when formulating the consultation:

- Consultation must be made at a time when the proposals are at a formative stage. This means that we need to consult at a point where our mind is still open to change and the responses would therefore be able to influence our decision. It does not prevent us having a preferred option, or even a decision in principle, provided we genuinely haven't made a decision as to the way forward and there is the genuine potential for that preference to change as a result of the consultation.
- Sufficient reasons must be given to allow intelligent consideration and response.

This is in order to allow effective and informed responses. Consultees should also be made aware of:-

- The basis on which a proposal for consultation has been considered and will be considered afterwards;
- The criteria that will be applied by the Council when considering proposals; and
- The factors that will be decisive or of substantial importance at the end of the process.

- Adequate time must be given for a response –

There isn't a set meaning and time frames need to be decided upon taking in to account relevant considerations, including the:-

- Size of the group to be consulted.
 - Capabilities and resources of consultees.
 - Urgency involved.
 - Means of consultation.
 - Complexity of the issues
- The product of the consultation must be taken into account in the final decision. The responses must be fed into the decision-making process and in a transparent manner in accordance with any information given as to how this will happen. If this is not done it may leave a decision open to challenge on the basis the decision was taken without regard to the consultation and it was nothing more than the appearance to engage.

How we consult will generally be influenced by those we consult and their characteristics and the practical issues arising from those. The natural set of consultees will be those who are liable to be affected by the proposals if they are implemented, including individuals, groups, contractors and the public as a whole.

Emma Horton, Head of Law (Commercial, Property and Planning)
Ext 37 1426

6.3 Climate Change and Carbon Reduction implications

The overall environmental implications of the report are unclear as there is a number of potential consequences of implementing a charge for bulky waste collection. Potential benefits include a reduction in waste being sent to landfill as more residents could choose to donate bulky items for re-use (as demonstrated in section 4.20 some charities offer a free collection service for items in a decent condition and therefore this may become the preferred option). There will also be a reduction in emissions from Biffa's vehicle fleet. However, for those households disposing of more than one item, these transport emissions could potentially be transferred to the resident themselves and result in multiple journeys to the HWRC. Additionally, there could be an increase in fly-tipping or backyard burning which would have a negative environmental impact. These factors should be considered along with methods to reduce the potential negative impacts.

Louise Buckley, Senior Environmental Consultant
Ext 37 2293

6.4 Equalities Implications

An equalities impact assessment is being undertaken and has identified, thus far, that there are potential impacts for older, disabled and pregnant service users and the mitigating actions available. The main adverse impact is that of the proposed charge on low income households, but socio-economic impacts are not a consideration under our Public Sector Equality Duty.

Irene Kszyk, Corporate Equalities Lead
Ext 374147

7. Background information and other papers:

Building a Strong Future for our City: Labour's Manifesto for Leicester 2015
<https://www.leicester.gov.uk/media/180397/labour-manifesto-2015.pdf>

8. Summary of appendices:

Appendix 1

Figure 1: Benchmarking against other bulky waste services

Figure 2: Map Showing Bulk Waste Collections 2015-2016 – total count of collections
By Census LSOA

Figure 3: Map Showing Bulk Waste Collections 2015-2016 – total count of collections
by Census LSOA, including estimated fly tipping numbers by ward

Figure 4: Map Showing Bulk Waste Collections 2015-2016 – percentage of collections for households on Housing Benefit

Figure 5: Low income households using the bulk collection service

Figure 6: Fly tipping, supporting information

9. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No.

10. Is this a “key decision”?

Yes

11. If a key decision please explain reason

This is a key decision as all wards are affected.