

# Consideration of Charging for DIY Waste at Household Waste Recycling Centres

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 DIY waste deposited at the City's two Household Waste Recycling Centres (HWRCs)

## 2. Summary

- 2.1 The City Mayor and Executive have agreed a new 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 DIY (classed as non-household) waste at the City's two Household Waste Recycling Centres (HWRCs) in order to help contribute to the Council's required savings. This paper does not cover consideration of charging for household (non-DIY) waste.
- 2.2 The Council currently operates two Household Waste Recycling Centres (HWRCs) which allow householders to dispose of household waste. The HWRCs are at Freemen's Common and Gypsum Close. The HWRCs accept a wide range of materials from cardboard to furniture and garden waste to rubble.
- 2.3 A charge can be levied by the Council under the Controlled Waste (England and Wales) Regulations 2012 for this specific waste disposal 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 the disposal of DIY waste at the City's Household Waste Recycling Centres (HWRCs).

## 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 Household Waste 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 Freemen's Common and Gypsum Close. The HWRCs accept a wide range of materials from cardboard to furniture and garden waste to rubble.

# DIY waste Current service and operations

- 4.3 The Council has a duty to arrange "for places to be provided at which persons resident in its area may deposit their household waste and for the disposal of waste so deposited" under section 51 (1) (b) of the Environmental Protection Act 1990. Under this duty two HWRCs at Freemen's Common and a new centre at Gypsum Close are provided for the disposal of a range of items including garden waste, domestic appliances, rubble and plasterboard.
- 4.4 HWRCs are for the deposit of Household Waste only. The exception to this is for small quantities of construction and demolition wastes (DIY waste) which are legally classified as Industrial Wastes, even if from a domestic property. These 'exceptions' were agreed with the Environment Agency. DIY waste consists of items such as hardcore, rubble, soil, concrete slabs, bathroom furniture, asbestos and plasterboard. These wastes have always been accepted at the HWRCs, however, such waste does not have to be accepted or a charge can be made for accepting such waste.
- 4.5 A permit system is operated to control the use of the centres and prevent abuse of the HWRCs by traders. Traders do not pay council tax and therefore do not contribute to the running costs of the HWRCs; use of the HWRCs gives traders an unfair competitive advantage over those legally disposing of their waste. Permit holders may only deposit their waste at Gypsum Close HWRC. Permits are only required by those customers using vans or trailers over 1.4m in length on the basis they are more likely to bring trade waste to the sites. The permit is limited to 15 visits per year.
- 4.6 The sites see considerable usage, as demonstrated in the table below:

HWRC visitor numbers (2015/16)	
Gypsum Close	132,234 (actual)
Freemen's Common	76,401 (based on annualised data due to
	breakdown of ANPR camera system)
Total	208,635

## Proposed service change and context

4.7 Following a consultation on a variety of measures, Leicestershire County Council has implemented a chargeable system and Waste Management recommends mirroring their pricing structure, if a scheme was to be introduced. This would (if implemented) create a similar system throughout the City and County where some DIY waste is charged for. Leicestershire County Council are charging £3 per

bag/item deposited for such wastes, i.e.:

- Hardcore, rubble and soil £3 for up to every 20 litres
- Concrete slab/post -£3 each
- Bathroom furniture (Bath, basin, toilet, shower tray, etc) -£3 per item or up to every 20 litres
- Roof tiles, slates, ceramic wall and floor tiles £3 for up to every 20 litres
- Whole sheets or broken window glass £3 per unit or up to every 20 litres
- Plasterboard £3 per sheet up to 1.8 x 0.9m, or every 20 litres
- Asbestos £10 per sheet up to 2.4 x 1.2m, or every 20 litres
- 4.8 It is proposed that the Council could look to adopt the same rates of charging as the County Council, with the exception of asbestos on the grounds that where fly tipped, asbestos is more costly to clear than other fly tipped material. It will also avoid potential health issues as asbestos is classed as hazardous waste. In addition to the above charges it is also suggested that charges be imposed for the deposit of wood. It is not proposed to offer concessions. Payments would be by debit/credit card only as it is Biffa policy that Biffa staff do not handle cash. Biffa staff taking payment at the point of deposit would be subject to negotiation with Biffa.
- 4.9 It is proposed that the charges for the trade waste facility at Gypsum Close are increased in line with the £3/per item/bag charge. Currently they are £1-£1.50/bag depending on the waste type. Charging less than £3 per item/bag to householders is unlikely to generate sufficient revenue if tonnages of rubble and plasterboard drop by the anticipated amount of 75%.

## Finance - Costs/income

4.10 Overall projected costs and income are estimated to be as follows, but there are many factors that could alter these. Further potential savings may be achieved due to reduced tonnages, but it is not possible to determine what these would be at this stage.

	75% reduction in tonnages
Potential income after overheads including	£77,425
cost of collection	

Not all wood will be chargeable. No data is available on the percentage of wood that is chargeable. It is assumed most is chargeable. Costs incurred due to possible increased fly tipping have not been included. Modelled on 15/16 tonnages, assuming a reduction of 75% - this could be more or less.

## Considerations

4.11 Research has been conducted with other local authorities charging for DIY waste.

## Fly tipping

- 4.12 The general consensus from councils introducing a charge is that an increase is likely. Many said increases were small, but there were also several reporting it was unknown whether an increase due to charging actually occurred. It is understood to be too early to say yet whether an increase in fly tipping will be experienced in Leicestershire districts because of the County Council's new charging policy.
- 4.13 In the case of one large, predominately rural council, recent statistics showed that only 4% of fly tipped waste was DIY waste and that the majority of wastes fly-tipped were wastes accepted free of charge at their recycling centres.
- 4.14 One County Council spoken to reported a reduction in the illegal use of sites by traders and that indications were skip hire companies were dealing with more waste than before the introduction of charges.
- 4.15 As with bulky waste, the impact on fly tipping levels in the City if charging is introduced is unknown.
- 4.16 There is the potential for more backyard burning of wood if a charge is introduced.

# Media and publicity considerations

- 4.17 8 councils who have introduced DIY waste charges were approached for details of their service please see Appendix 1. On asking them for further information on their experiences, of the 8, 6 responded. 5 councils said that they had experienced negative publicity in their local media, but that this was generally short lived and complaint levels fell after 3-6 months of the charges being introduced. Some councils had received several hundred complaints on introduction of the changes. Councils where charging has been in place for some time stated that residents now largely accepted the rationale, albeit reluctantly.
- 4.18 One council advised a publicity period of 3 months to advertise the changes to reduce conflicts at the sites. They had only advertised for approximately 2 weeks which lead to considerable customer confusion.
- 4.19 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.

## Concessions

- 4.20 Of the 6 councils responding to requests for information, 4 offered some level of concession. This ranged from a single bag per week of DIY waste up to 10 items. Leicestershire County Council is not offering any concessions. Figure 1 (appendix 1) details concessions offered.
- 4.21 Housing have advised that LCC council property tenants infrequently do improvement work on their properties, with most work being carried out by LCC staff who remove the waste themselves.

## Recycling rate impact

4.22 The introduction of charging for DIY waste would reduce the tonnage of waste handled by the Council's contractor. A reduction of 2.82% could be experienced on Biffa's contract recycling rate. This could be more or less depending on the reduction in wastes deposited at the sites by customers.

## Consultation

- 4.23 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.
- 4.24 The legal implications to be considered are set out in 6.2.

## 5. Details of Scrutiny

5.1 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

Currently there is no charge to householders for disposing waste at recycling centres. Introducing charging for DIY waste would likely generate revenue (potentially up to c£77k), and the volume of unauthorised disposal by traders could reduce. However, there is no certainty as to the actual figures. There is also the consideration of the costs of collecting any increased fly tipped waste, the costs of which are unknown.

Colin Sharpe, Head of Finance Ext 37 4081

# 6.2 Legal implications

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:

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 these charges and the potential charge for bulky waste collection (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 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.
- o 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 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.

## Contract:

There may be a need for there to be a formal variation of the BIFFA contract to cover the additional payment collection services in the event we begin to charge for DIY waste at the two identified sites.

It is not considered that these variations would be significant and therefore there are not anticipated to be any issues under the Public Contract Regulations.

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

## 6.3 Climate Change and Carbon Reduction implications

Unlike the proposals for the bulky waste collection, there is not the same potential for the re-use of DIY waste, and therefore the climate change implications for the proposals in the report are more likely to be negative; through a potential increase in fly tipping and backyard burning.

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 no adverse impacts for any of the protected characteristics.

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 chargeable HWRC services

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.