

## **Portfolio Holder Decision**

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**Report Title:** Supply of Household Recycling and Waste Bins

**Portfolio Holder:** Cllr Rachel Bailey - Leader of the Council

**Senior Officer:** Frank Jordan- Executive Director - Place

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### **1 Report Summary**

- 1.1 This report presents the findings of a final consultation on introducing a charge for the supply of new and replacement waste and recycling bins. The proposal to introduce a charge formed part of the 2018-21 Medium Term Financial Strategy and was accepted, subject to consultation, at full Council in February 2018.
- 1.2 The proposal will introduce a charge for the supply of new and replacement household bins of £30.00 each for recycling and garden waste, £30.00 for a standard black residual bin or £25.00 for a half size residual bin. A 25% concessionary rate will apply to economically disadvantaged residents and any bins broken during the collection process will be replaced free of charge.
- 1.3 The proposal will reduce an on-going annual Cheshire East capital requirement of £300,000 to £50,000, after income is taken into account, to cover concessions and collection breakages.

### **2 Recommendation**

- 2.1 Approve the implementation of the charging scheme for new and replacement bins as laid out at section 5.

### **3 Reasons for Recommendation/s**

- 3.1 The Council spent £300,000 on supplying bins and a further £64,000 for the delivery and administration in 2017/18.
- 3.2 With an increased demand for replacement and new bins, the Council's budget is insufficient to meet this pressure and therefore the proposal is to address this through the introduction of a charge.

- 3.3 This proposal was included in the Medium Term Financial Strategy 2018-21 that was approved in February 2018. This was subject to consultation on the proposal and consideration of the results of that consultation.
- 3.4 Consultation took place between 12<sup>th</sup> March to 21<sup>st</sup> May 2018.
- 3.5 The weekly collection of waste is an essential element of our service to residents to ensure that our environment is green and sustainable.

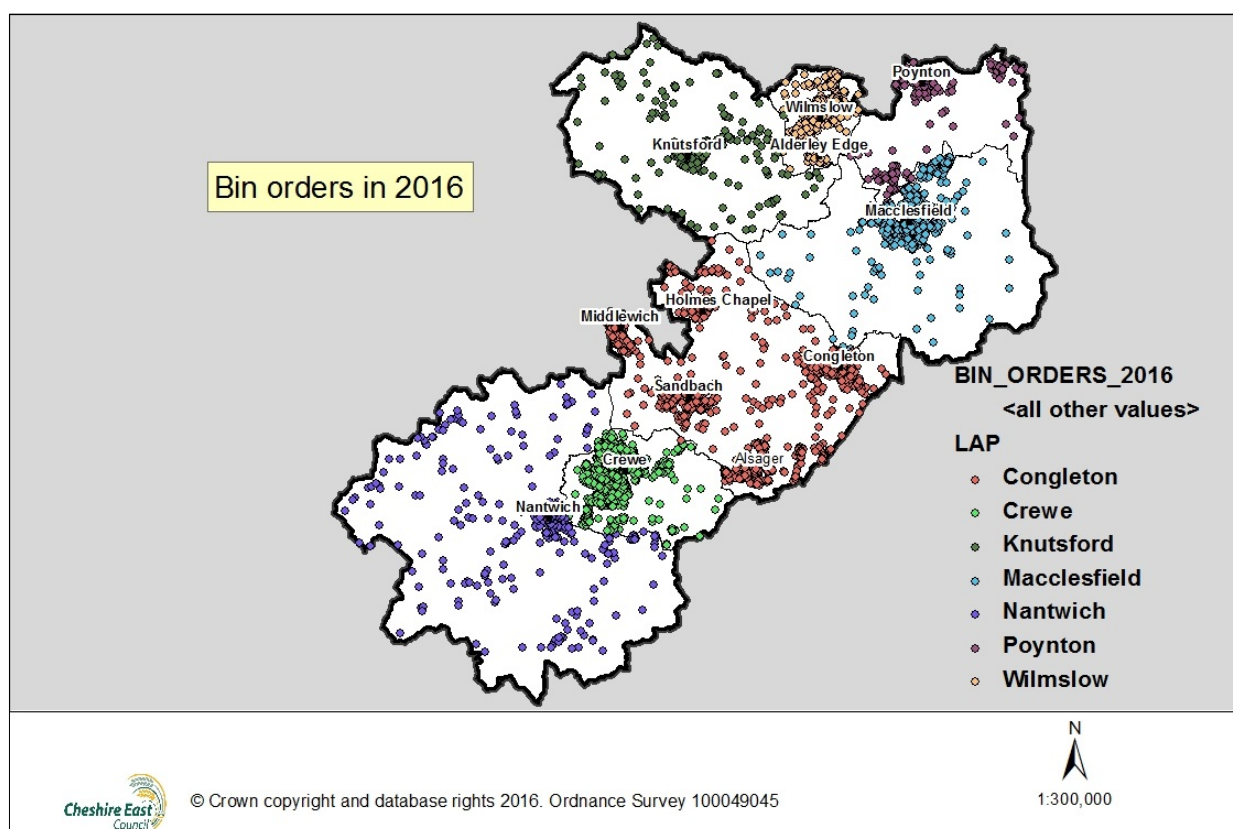
#### **4 Other Options Considered**

- 4.1 The Council has taken steps to improve the way in which residents can order replacement and new bins via the call centre and online.
- From April 1st 2015 to 31 March 2016, 10,258 requests were logged.
  - From April 1st 2016 to 31 March 2017, 9,845 requests were logged.
- 4.2 In January 2015, a Portfolio Holder decision was taken to charge developers for the delivery and administration costs of new bins to try to mitigate some of the budget pressure. Unfortunately, this measure has resulted in limited success.
- 4.3 If the proposal is not adopted demand for new bins is likely to continue at the same or increasing level. This will result in a need for a permanent budget provision of £364,000 for the Council to continue to supply bins without a fee.

#### **5 Background**

- 5.1 The Council has a duty under section 45 of the Environmental Protection Act (EPA) 1990 to collect household waste. Section 46 provides that the local authority can define the kind, number and size of waste receptacles; the receptacles can be provided free of charge, via a single or periodic payment or require the occupier to provide them. The designated container in Cheshire East is a Council issue 240 litre wheeled bin for all three waste streams i.e. Waste, Recycling and Garden Waste.
- 5.2 Demand for new and replacement bins has placed a pressure on existing service budgets for a number of years, the following detail outlines this.

**Figure 1 Distribution of Bins Ordered in 2016**



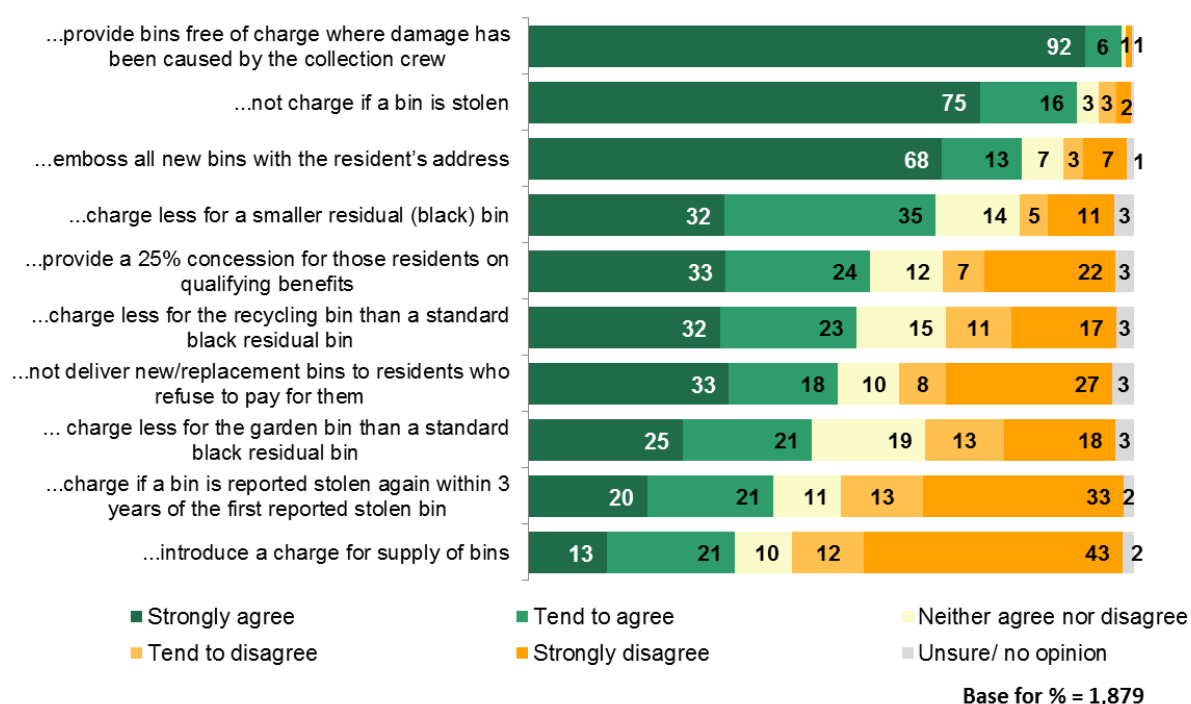
5.3 As figure 1 shows, the distribution of requests for new and replacement bins is spread across the whole borough. As table 1 below shows, the standard garden bin is the most ordered bin (4,610) followed by the standard refuse bin (2,736) and the standard recycling bin (1,990).

**Table 1 - Types of bins ordered in 2016**

<b>BIN TYPE ORDERED</b>	<b>New</b>	<b>Replacement</b>	<b>Total</b>
Small Recycling Bin	134	59	193
Standard Recycling Bin	891	1,099	1,990
Large recycling Bin	427	294	721
Small Garden Bin	360	63	423
Standard Garden Bin	3,562	1,048	4,610
Small Refuse Bin	102	73	175
Standard Refuse Bin	1,472	1,264	2,736
Large refuse	25	32	57
<b>TOTAL</b>	<b>6,973</b>	<b>3,932</b>	<b>10,905</b>

- 5.4 In order to address this issue a proposal was consulted on in the Medium Term Financial Strategy 2018-21 for the introduction of a charge for the supply of household recycling and waste bins.
- 5.5 This option was accepted, as part of the budget setting process at full Council in February 2018, the proposal was subject to a consultation exercise being conducted and the results of that consultation being considered before a final decision was made on this proposal.
- 5.6 A borough wide consultation was carried out from 12<sup>th</sup> March to 21<sup>st</sup> May 2018. A summary of responses from the consultation can be viewed at appendix 1.
- 5.7 Respondents were asked a series of questions on how strongly they agreed or disagreed with various aspects of the proposal. The full breakdown of results can be seen in figure 2.
- 5.8 Over 90% of respondents agreed that Cheshire East Council should provide bins free of charge where damage has been caused by the collection crew (98% agreed) and that Cheshire East should not charge if a bin is stolen (91%). When asked their views on whether the authority should emboss all new bins with the resident's address, 81% agreed (10% disagreed).
- 5.9 A series of questions was asked on the nature of the pricing for certain bins – charging less for smaller bins, charging less for recycling/garden bins and the provision of a concession for residents on qualifying benefits.
- Two-thirds of respondents (67%), agreed to charging less for a smaller black bin than the standard black bin (16% disagreed)
  - Just over half of respondents (55%) agreed to charging less for a recycling bin than a standard black bin (28% disagreed)
  - Just under half of respondents (46%) agreed to charging less for a garden bin than a standard black bin (31% disagreed)
  - The proposal to provide a 25% concession for those on qualifying benefits was agreed on by 57% of respondents (29% disagreed).
- 5.10 Just over half of respondents (51%) agreed that the authority should not deliver new/replacement bins if residents refused to pay (35% disagreed).
- 5.11 Respondents were less likely to agree that Cheshire East should charge if a bin is reported stolen again within 3 years of the first reported bin (41% agreed, 46% disagreed ) and that Cheshire East Council should introduce a charge for supply of bins (34% agreed) with 10% neither agreeing nor disagreeing (55% disagreed).

**Figure 2: How strongly do you agree or disagree that Cheshire East Council should... (%)**



5.12 In light of the consultation in urban waste priority areas, that already have issues with side waste, fly tipping and bin theft, consideration will be given to a different approach where necessary in order to not unduly penalise residents.

5.13 Many authorities have chosen to use their ability to charge householders for waste containers and introduced a bin supply charge. Below is a short list of some of our surrounding local authorities who charge for the supply of bins. (Research carried out in August 2017):

Authorities neighbouring Cheshire East charging for bin supply:

- Halton - £27.50/wheelie bin
- Manchester City Council - £20.00/bin
- Stockport – charges vary for 1st replacement and container colour £10.00 1st recycling to £37.93 2nd replacement bin
- High Peak £30.00/bin
- Staffordshire Moorlands - £30/bin

- 5.14 The Cheshire East proposal would charge householders for new and replacement bins. Fees will be set at of £30.00 each for recycling and garden waste, £30.00 for a standard black residual bin or £25.00 for a half size residual bin and will be reviewed annual as part of the Councils Fees and Charges review. The reduced price for a smaller black bin is to encourage recycling allowing residents the option of a smaller black bin.
- 5.15 Residents are encouraged to take responsibility for their bins and return them to their property after collection. New and replacement bins will be embossed prior to delivery with the resident's address on them. Householders who have not already marked their existing bins are advised to do so with their door number and street name. In the event of a bin being broken during collection it will be replaced free of charge. If a bin is lost or stolen we will replace it free of charge, however any further requests for replacement bins in the next three years will be charged.

## **6 Implications of the Recommendations**

### **6.1 Legal Implications**

- 6.1.1 The Council has a duty under section 45 of the Environmental Protection Act (EPA) 1990 to collect household waste. Section 46 provides that the local authority can define the kind, number and size of waste receptacles; the receptacles can be provided free of charge, via a single or periodic payment or require the occupier to provide them.
- 6.1.2 Any Consultation must be conducted with adherence to the following:
- (a) the consultation must take place at a time when the proposals are still at a formative stage;
  - (b) the proposer must give sufficient reasons for any proposal to permit of intelligent consideration and response;
  - (c) adequate time must be given for consideration and response;
  - (d) the product of the consultation must be conscientiously taken into account in finalising the proposals.

### **6.2 Finance Implications**

- 6.2.1 The demand for new and replacement bins has been greater than the budgeted capital provision for the last three years. This proposal to introduce a bin supply charge, in line with other local authority charging schemes, was agreed at full Council in February 2018 as part of the Council's MTFS 2018-2021, but with the understanding that there would be a full consultation.

- 6.2.2 If the proposal is implemented, this will result in cost avoidance for Cheshire East Council with an increase in revenue income and a resulting decrease in the capital contribution. The capital budget for new and replacement bins for this year would be £155,000 with a reduction in subsequent years, to £50,000, to cover concessionary discounts and bins that are damaged during normal collection operations.
- 6.2.3 Charges would be agreed, on an annual basis, as part of the Council's fees and charges. They are likely to be of the order of £30.00 each for recycling and garden waste bins, £30.00 for a standard black residual bin or £25.00 for a half size residual bin. A 25% concessionary rate will apply for residents on qualifying benefits.
- 6.2.4 Please note: based on the experience from other authorities, the introduction of a charge can be as much as half the request for new and replacement bins. Income achieved therefore is likely to be substantially less than current demand may suggest. This is why an income estimate in the Council medium term financial strategy is set at £148,000 per year.
- 6.2.5 In addition, a concessionary rate for economically disadvantaged residents and an acknowledgement that many bins will fail while being collected on the bin lift and need to be replaced, for free, means that there will be an on-going capital requirement estimated at £50,000 a year once the scheme is fully adopted.
- 6.2.6 To continue with a free replacement and new bin supply would, based on current estimates, require a capital budget of around £300,000 per year, going forwards, in addition to around £60,000 revenue increase to cover bin supply.

### **6.3 Policy Implications**

- 6.3.1 Outcome 4 - Cheshire East is a green and sustainable place. The weekly collection of waste is an essential element of our service to residents to ensure that our environment is green and sustainable.
- 6.3.2 Outcome 6 - A Responsible, Effective and Efficient Organisation. The introduction of charging for bins and the provision of concessions demonstrates our concern to not only be efficient and effective but also a responsible authority.

### **6.4 Equality Implications**

- 6.4.1 This proposal recognises that some residents will be living in economically challenging circumstances and therefore manages this through the introduction of a 25% concession.



## **6.5 Human Resources Implications**

6.5.1 Management of this proposal will be largely through an online form and therefore the HR implications will be minimal. There has been engagement with the contact centre team, IT system development and Ansa staff. It is anticipated that reduced demand for bin replacements will mitigate any additional call centre operator time required to take payments.

6.5.2 We expect the vast majority of financial transactions will be carried out online and then orders sent directly to Ansa who will manage the delivery of bins. Delivery has always been an Ansa function and therefore there will be a limited impact on their HR requirements.

## **6.6 Risk Management Implications**

6.6.1 It is recognised that a charge for the supply of bins may prove contentious for some residents, where responsibility for loss or damage of the bins is in dispute. We will take a pragmatic approach in such situations to ensure that the matter is resolved swiftly and does not escalate.

6.6.2 Expectations will be raised when charging for a service and therefore Ansa will be prepared to make sure that deliveries are made in a timely manner. Similarly, there will be a requirement to ensure that the supply of bins is carefully monitored so that there are always bins in stock to meet demand.

## **6.7 Rural Communities Implications**

6.7.1 The charge will apply to all residents equally and therefore the rural community will not be impacted differently.

## **6.8 Implications for Children & Young People**

6.8.1 There will be no implications for children and young people with a charge for the supply of bins.

## **6.9 Public Health Implications**

6.9.1 We do not anticipate any public health implications from this proposal.

## **7 Ward Members Affected**

7.1 All wards will be affected. Member engagement was carried out by sending details of the consultation directly to them and then providing three opportunities to meet officers to discuss the proposal.



## **8 Consultation & Engagement**

8.1 Extensive consultation has been carried out for this proposal, including:

- Inclusion in the Medium Term Financial Scheme consultation that ran prior to full Council
- Acceptance of the measure at full Council in February 2018
- Borough wide consultation, including citizen's panel members which received around 1,900 responses. Residents were asked a range of questions on the options that were being considered including the price of delivery, the application of concessions, whether a bin could be provided free if it were stolen
- Details of the consultation were sent directly to all borough councillors and then all town and parish councils
- Three Members meetings happened where officers were available to answer questions
- Presentation of the consultation to the Environment and Regeneration Overview and Scrutiny Committee
- The consultation summary report is included at appendix 1

## **9 Access to Information**

9.1 A summary of the consultation is included at appendix 1.

## **10 Contact Information**

Any questions relating to this report should be directed to the following officer:

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