

Communities, Housing and Environment Committee

Tuesday 18 July 2017

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

Waste Collection – Proposed New Charges

Final Decision-Maker	Communities, Housing and Environment Committee
Lead Head of Service	Head of Environment and Public Realm
Lead Officer and Report Author	Head of Environment and Public Realm
Classification	Public
Wards affected	All

This report makes the following recommendations to this Committee:

1. That a new charge of £20 for the collection of White Goods as part of the Bulky Waste Collection Service is introduced.
2. That the Subsidised Bulky Charge is changed to offer those in receipt of Council Tax Reduction Benefit either one white good or one 1-4 item collection per year.
3. That the annual provision of black sacks to properties not suitable for wheeled bins is withdrawn.
4. That a limit of two free collections per year is introduced for the collection of Clinical Waste Sharps Boxes and a charge of £5 is made for additional requests.
5. That a register of interest for a seasonal weekly garden waste service as a supplement to the existing fortnightly collections is carried out to determine its viability.

This report relates to the following corporate priorities:

- Keeping Maidstone Borough an attractive place for all – The waste and recycling services, which includes the collection of bulky waste ensures that residents are able to deal with their waste responsibly and with minimal impact on the environment. The proposals will ensure that these services can continue to be provided in a cost effective manner.

Timetable

Meeting	Date
Communities, Housing and Environment Committee	Tuesday 18 July 2017

Waste Collection – Proposed New Charges

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 As part of the Mid Kent Partnership, Maidstone Borough Council currently contracts the waste and recycling collections to Biffa Municipal Ltd for an annual cost of approximately £2.6 million per year. The cost of this contract is reviewed annually and property growth and indexation is applied. In 2017/18, the additional cost to the Council will be in the region of £180,000.
 - 1.2 The purpose of this report is to present the Communities, Housing and Environment Committee with two proposals to recover some additional cost to the Council which is not currently recovered through Council Tax or the existing fees and charges.
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2. INTRODUCTION AND BACKGROUND

- 2.1 In 2013 Maidstone Borough Council entered into partnership with Ashford and Swale Borough Councils and Kent County Council to let a 10 year waste collection contract, which was awarded to Biffa Municipal Ltd. The contract includes waste and recycling collection, garden waste, clinical waste, bulky collections and some street cleansing.
- 2.2 Every April an annual review is carried out to identify contract growth, specifically changes in household numbers, garden waste subscriptions, bulky and clinical waste collections as well as a calculation of the annual indexation. The annual indexation is calculated through a complex equation including Average Weekly Earnings Index, CPI and DERV (Diesel).
- 2.3 Over the past three years the annual indexation applied has been +0.383%, -1.184% and -2.012% respectively and the number of properties increased by 2,500 households. This resulted in a £144,000 increase in contract costs, which equates to 5.5% compared with the original tender price.
- 2.4 The annual review for 2017/18 has identified a significant rise in property numbers of 1,400 and an indexation rate of +5.577%. This means the contract price will increase by almost £180,000. As part of the budget setting process an estimate of 3% was included for 2017/18, therefore there is an actual budget shortfall of £95,000. This is in addition to the Medium Term Financial Strategy (MTFS) savings which had already been identified for the service, including £45,000 reduction from marketing and staff budgets and £44,000 additional income from the Garden Waste Service.
- 2.5 Whilst the provision of many of the waste and recycling services is funded through Council Tax, some additional charges are made for the Garden Waste Service and Bulky Collection Service. The Council also provides some services for which an additional charge could be made as set out in the Environmental Protection Act, but currently is not.

2.6 Therefore in order to close the gap between the original budget estimate and the uplifted contract costs, the current fees and charges have been reviewed.

Bulky Collections

2.7 The Council already offers a chargeable Bulky Collection Service for the removal of larger household items, including kitchen appliances and furniture. The charges are set annually as part of the Council's Fees and Charges. Currently the charges are £24 for 1-4 items and £34 for 5-8 items.

2.8 Within the Contract Specification all white goods are classed as an individual collection (i.e. 4 items) as this is how the service operated in Swale. This means if a resident requests a fridge freezer to be collected along with 3 items of furniture, from a contractual point of view this will be treated as two collections. However at Maidstone, the pre-existing pricing structure has been retained which means the resident only pays for one collection of 1-4 items, currently £24. For this reason, a cap has been placed on the number of white goods which can be included per booking.

2.9 The table below explains the charges to the Council and to the resident for bulky collections:

	No. of contractual collections	Contract cost to MBC	Charge to Resident	Subsidised Charge to Resident	Net cost / income to MBC (exc. subsidy)
1-4 items (no white goods)	1	£15.50	£24	£16	£8.50 income
1-4 items (1x white good)	2	£31	£24	£16	£7 cost
1-4 items (2x white goods)	3	£46.50	£24	£16	£22.50 cost
5-8 items (no white goods)	2	£31	£34	N/A	£4 income
5-8 items (1x white good)	3	£46.50	£34	N/A	£12.50 cost
5-8 items (2x white goods)	4	£62	£34	N/A	£28 cost

2.10 Over the past 12 months there have been 4,283 bookings equating to 5889 contractual collections. This has generated an income of £98,631 against a cost of £95,380, resulting in a contribution of £3,251 towards other contract costs.

2.11 However it is clear that a proportion of the bulky collections are costing more than the income they generate, reducing the overall income to the Council. Given the current budget shortfall it is therefore recommended

that the charging structure for the Bulky Collection Service is changed to reflect the contract arrangements.

2.12 The table below shows some of the charges for bulky collection and white goods from other local authorities in Kent and those within our CIPFA family group:

Local Authority	Standard Charge 1-4 items	Separate White Good Charge
Swale Borough Council	£23	£23
Test Valley Borough Council	£50	£27.75
Chelmsford City Council	£30	N/A
Tunbridge Wells Borough Council	£148.80	Included in standard charge
Sevenoaks District Council	£38	£17 £40 for American style
Thanet Borough Council	£25 (1-5 items)	£25
Medway Council	£20	Included in standard charge
Canterbury City Council	£60.40	£29.05
Shepway District Council	£41.95	£23.95 (included in standard)

2.13 As this information shows many authorities make an additional charge for the collection of white goods. This is predominantly because they are classed as hazardous waste and therefore need to be collected and disposed of separately.

2.14 It is recommended that a new charge of £20 for the collection of White Goods as part of the Bulky Waste Collection Service is introduced. Based on the current use of the service, this is estimated to generate an additional contribution of approximately £15,000 per year towards the increased contract costs.

2.15 There is no evidence from authorities who make a separate charge that there is an increase in the fly tipping of white goods. For residents wishing to dispose of a white good only, the charge for the bulky collection would be reduced under the new charging mechanism. The table below shows a comparison between the current and proposed charges for bulky collections.

	Current Charge	New Proposed Charge
1-4 items (no white goods)	£24	£24
1-4 items (1x white good)	£24	£44
1-4 items (2x white goods)	£24	£64
5-8 items (no white goods)	£34	£34
5-8 items (1x white good)	£34	£54
5-8 items (2x white goods)	£34	£74

2.16 Whilst the proposed charges appear significantly higher than the current charges, it is important to highlight that 84% of bookings made in 2016/17 would not be affected by these changes. In addition only 5% of bookings would result in a charge of more than £44.

Black Sacks

2.17 The majority of properties in Maidstone Borough have black wheeled bins for the collection of their rubbish which were originally provided by the Council in 2008/09. However there are 2,400 households who are not able to have wheeled bins and are currently provided 104 black sacks every year. This costs the Council £12,480 per year.

2.18 Although originally it was considered that the provision of black sacks provided equality to the provision of wheeled bins, this is no longer the case. Owners of new builds and new occupiers of all properties are required to purchase wheeled bins if there are none already at the property. The cost for a complete set is £50. In addition, most residents with wheeled bins place their waste in sacks which they are required to purchase themselves.

2.19 Therefore it is recommended that the annual provision of black sacks to properties not suitable for wheeled bins is withdrawn.

2.20 However if any of these properties are able to find a way to accommodate wheeled bins, the Council will provide these free of charge.

Clinical Waste

2.21 In the Environmental Protection Act 1990, the collection of Clinical Waste is listed as a service for which the Council can charge.

2.22 However it is recognised that this service is essential for a number of residents, some of who are vulnerable and require significant levels of support. Therefore it is not proposed to introduce charges for this service to reduce the budget deficit, however it is recommended the current policies are updated.

2.23 Currently there are 3,284 residents registered for the Clinical Waste Service. In addition every month there are approximately 30 requests from GPs and district nurses for residents to register for the Service.

2.24 There are 15 residents currently receiving a weekly collection of clinical waste due to it being classed as infectious. The remainder have an "on-request" service for sharps boxes, whereby they are required to book online or via the Contact Centre. Sharps boxes are for the disposal of needles usually used for Diabetes or for medication following surgery. The boxes are secure and clean and therefore there is no risk for storing them for a period of time within the resident's house.

2.25 It is therefore recommended that a limit of two free collections per year is introduced for the collection of Clinical Waste Sharps Boxes and a charge of £5 is made for additional requests. Most residents already store up a

number of boxes and present them for collections once or twice per year. However special consideration will be given if residents are physically unable to store their boxes or have an exceptionally high number of sharps requiring collection.

- 2.26 This proposal will ensure that there is sufficient capacity in the existing service to accommodate the growing demand for the Service without incurring any additional costs to the Council through the Contract.
- 2.27 Residents who require weekly clinical collections for other forms of waste i.e. not sharps, will continue to receive this free of charge.

Weekly Garden Waste Collections

- 2.28 The Council currently offers a fortnightly garden waste collection for a charge of £37 for a 240 litre bin and £33.30 for a 140 litre bin. As part of the MTFs savings it is already planned to increase the charges to £40 (240 litre bin) and £36 (140 litre bin) over the next 4 years.
- 2.29 This service currently has almost 23,500 subscribers, which is 34% of all households in Maidstone. The uptake in the service is slowing and it is not expected to increase significantly. Nationally the expected uptake for a chargeable garden waste service is in the region 25%, so the service is already exceeding this.
- 2.30 However anecdotal feedback from subscribers to the Service has suggested an interest in more frequent collections during the peak growing season, for which an additional charge could be made.
- 2.31 The current garden waste service costs £10.80 per household to provide, based on 49,696 subscribers across the Mid Kent Partnership. Assuming an annual subscription charge of £55 per year for a weekly service for 6 months of the year and a fortnightly service for the remaining 6 months, and an uptake of 2,350 households (10% of current subscribers) the potential income is in the region of £30,000.
- 2.32 It is therefore recommended that current garden waste subscribers are asked to register their interest in the seasonal weekly service as a supplement to their current service. This would be carried out in September and October with the results brought back to the Committee in November to enable a decision to be made to launch the new service in March 2018.

Summary

- 2.33 Whilst the proposals identified here will not meet the budget shortfall, it is anticipated that they will contribute £57,480 over a full 12 months. It is therefore important to implement the changes as soon as possible to maximise this contribution. However it is likely only half of the saving for black sacks will be realised this financial year as one delivery has already been made. Other opportunities for savings will be explored to cover the remaining shortfall.
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3. AVAILABLE OPTIONS

- 3.1 The Communities, Housing and Environment Committee have the option to agree all or in part the implementation of:
- a new charge of £20 for the collection of White Goods as part of the Bulky Waste Collection Service
 - changes to the Subsidised Bulky Charge to offer those in receipt of Council Tax Reduction Benefit either one white good or one 1-4 item collection per year
 - the withdrawal of the annual provision of black sacks to properties not suitable for wheeled bins
 - a limit of two free collections per year for the collection of Clinical Waste Sharps Boxes and a charge of £5 is made for additional requests
 - a register of interest for a seasonal weekly garden waste service as a supplement to the existing fortnightly collections
- 3.2 Alternatively the Committee could propose alternative changes to the existing charging mechanisms and service policies in order to identify savings or additional income to contribute to the budget shortfall.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 It is recommended that the changes to policy and charges listed in 3.1 are agreed by the Committee and implemented as soon as possible to maximise the contribution to the budget shortfall.
- 4.2 Consideration has been given to the whole service to identify where there are opportunities to make savings or generate appropriate additional income. The weekly garden waste service has the greatest potential to grow and produce further income to the Council as the estimates included in this report are conservative.
- 4.3 The other recommendations are designed to reflect our costs and enable to continue to provide cost effective services for residents. An Equality Impact Assessment has been completed and is included in Appendix A.
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5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 There has not been any formal consultation with regard to these changes, however with regard to the seasonal weekly garden waste service it is proposed that residents are asked to register their interest in the service prior to it being agreed and launched.
- 5.2 The Bulky Collection charges have previously been agreed by the Committee.
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6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 It is proposed that if the Committee agree the recommendations implementation will be as follows:

Proposal	Anticipated Implementation
New Bulky Collection Charge	1 September 2017
Withdrawal of Black Sack Deliveries	Immediate
Limit of 2 Sharps Collections per year	1 September 2017
Seasonal Weekly Garden Waste Service	Register of Interest - Sept/Oct 2017 Decision - Nov 2017 Implementation - Mar 2018

6.2 A communications plan for the changes will be developed, particularly regarding the implementation of a seasonal weekly garden waste service. The focus for this will be on existing subscribers to the Service.

6.3 Direct communication will be made with residents currently registered for clinical sharps collections to advise them of the new requirements for them to store the sharps boxes for collection twice per year.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	Keeping Maidstone Borough an attractive place for all – The waste and recycling services, which includes the collection of bulky waste ensures that residents are able to deal with their waste responsibly and with minimal impact on the environment. The proposals will ensure that these services can continue to be provided in a cost effective manner.	Head of Environment and Public Realm
Risk Management	The key risk for the Council is failure to deliver a balanced budget and therefore the recommendations listed in this report aims to reduce the current shortfall to mitigate this risk. However the changes present a low reputational risk to the Council due to increasing charges, withdrawal of black sack supply and limitations on	Head of Environment and Public Realm

	<p>the Clinical Service. However an Equality Impact Assessment has been carried out to ensure that protected groups are not unfairly disadvantaged, and the changes are in line with many other Councils in the area and across the UK. With particular regard to the Bulky Collection Service, the subsidy is being retained; the new charge is lower than the private sector; it offers a number of residents a cheaper method of disposal for a single white good; and is unlikely to affect 84% of current users.</p>	
Financial	<p>The proposals should mitigate the current budget shortfall for the waste and recycling contract as they are estimated to save £57,480, although only half of the saving will be realised in 2017/2018.</p> <p>Other measures will need to be explored to compensate for the remaining £66,260.</p>	Section 151 Officer & Finance Team
Staffing		
Legal	<p>The report identifies where there are specific statutory provisions for charging.</p>	Interim Deputy Head of Legal Partnership
Equality Impact Needs Assessment	<p>The EqIA has carefully considered the possible impact of this proposal, identifying that there is no detrimental impact on individuals with a protected characteristic.</p>	Equalities and Corporate Policy Officer
Environmental/Sustainable Development		
Community Safety		
Human Rights Act		
Procurement		
Asset Management		

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix A – Equality Impact Assessment
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9. BACKGROUND PAPERS

None