

Discretionary Charges Scrutiny Review Task Group 28 October 2014
Report of the Assistant Director for Governance & ITT

Report on Discretionary Charges in Waste Management

Summary

1. This report provides information in support of the ongoing scrutiny review of discretionary charges in waste management, and asks the Task Group to formally agree the review remit and workplan.

Background to Review

2. In March 2014 the Community Safety Overview & Scrutiny Committee agreed a number of possible topics for scrutiny review during 2014/15. One suggestion was to carry out a review of Commercial Waste i.e. issues around shortfall in income and a reducing customer base. However the Assistant Director for Transport, Highways & Waste suggested it would be more beneficial to the work of officers if the Committee carry out a review of 'Discretionary Charges in Waste Management' as it would help the Council understand where it is in relation to other Authorities, and help identify the Council's position in support of the Place Based Services review due to be undertaken by officers during this municipal year.
3. In July 2014, the Committee received a scoping report for the proposed review of Discretionary Charges which provided an introduction to Discretionary Charging, some initial information on a number of charging schemes in operation nationally, and a number of other service areas that could be considered in a review of charging policy (see Annex A). These services included:
 4. The Committee agreed to proceed with the review, setting up this Task Group to carry out the review on its behalf. They also agreed the review should be completed in time to allow the findings to be fed into the forthcoming budget cycle.

Proposed Review Remit & Workplan

5. The proposed remit for the review is shown below:

Aim

To identify options for discretionary charging schemes suitable for introduction in York

Objectives:

- i. To identify national best practice in regard to levels of income generation and recycling performance etc
- ii. To understand the issues associated with specific charging schemes i.e. operational and financial
- iii. To model the possible impact of the introduction of a variety of discretionary charges in York
- iv. To consider what if any concessions might be appropriate as part of the introduction of discretionary charges in York

6. The proposed workplan for the review is shown below:

	Review Objectives	Suggested Tasks	Meetings
i	To identify national best practice in regard to levels of income generation and recycling performance etc.	<ul style="list-style-type: none"> • Consider detailed information about schemes being operated by other LAs. To include details about concessions given to residents. • Identify specific schemes for evaluation. 	Meeting 1: 28 Oct 2014
ii	To understand the issues associated with specific charging schemes i.e. operational and financial.	Investigate issues and impact linked with specific schemes identified in Objective 1.	Visits to other local authorities (optional) Workshop (with option of inviting guest speakers)
iii	To consider what if any concessions might be appropriate as part of the introduction of discretionary charges in York.	Identify specific schemes to model possible impact.	Meeting 2

iv	To model the possible impact of the introduction of a variety of discretionary charges in York.	<ul style="list-style-type: none"> • Evaluation of specific schemes identified in Objective 2 and 3. • Based on evaluation of information gathered, visits to other local authorities and workshop: <ul style="list-style-type: none"> a. Identify charging option(s) suitable for implementation in York. b. Identify review conclusions and appropriate draft recommendations 	Meeting 3
v	Consider draft final report and draft recommendations.		Meeting 4

Information Gathered

7. **Objective (i) – National Best Practice**

A desktop study has been undertaken to compile general service information in regard to the bulky waste, clinical waste and gardening waste collection schemes being operated by 439 local authorities across the country – see Annex B.

8. In order to identify best practice, a more in depth analysis has been carried out for 44 local authorities including 16 Local Authorities in our Family Group and a selection of 28 top performing authorities from 2011/2012 or 2012/2013 (these are all identified within Annex B). A summary of the findings from this research is detailed below:
9. **Bulky Waste Collection:** All 44 local authorities provide bulky waste collections but there is a huge variation in the charges and the concessionary rates available.
10. There are four main types of bulky collection charging systems:
 - i. Flat rate fee with a limit on the number of items collected:
 - 15 authorities charge a flat rate for bulky collections
 - 2 have no limit on the number of items collected for that fee
 - Most collect between 3 and 6 items, we are the only authority collecting ten for a flat rate fee and are the most expensive

- 2 authorities offer the cheapest flat rate fee £15 but with no limit on number of items collected (Cheshire West & Chester, Calderdale)
 - When broken down to the price per item, the **lowest charges** (excluding Cheshire West & Chester and Calderdale) are £2.66 (Darlington, max 6 items £16), £3.67 (CYC, max 10 items £36.75), £3.75 (East Lindsey, max 4 £15) and the **highest charges** are £8.83 (Swindon, max 3 items £26.50), £10.46 (Harborough, max 3 items, £31.40) and £12 (Bournemouth, max 3 items £36).
- ii. Single fee for the first item(s) + an extra charge for all additional items collected.
- 15 authorities operate this charging system
 - 7 have no limit on the number of items collected for that fee, others collect either 1-3, 4,5, 6 or 7 items maximum
 - It's hard to offer any comparison between these authorities because the charges are so varied, but the **lowest single fee** is £12 (Rochford) and the **highest charge £42** (Suffolk Coastal).
 - There is less variation in charges for additional items, ranging from **lowest** £5 (Bury, Cotswold, South Cambridgeshire and South Oxfordshire) to **highest** £15 Surrey Heath and £16 Suffolk Coastal.
- iii. Banded fees according to numbers of items collected, e.g. 1 to 3 items, 4 to 6 items etc:
- 11 authorities operate this charging system
 - 6 have no limit on the number of items collected, 3 collect a maximum of 10
 - The **lowest charges** for 10 items or more are £24.95 (Derby City), £27.20 (Solihull), £48 (Epping Forest) to the **highest** £65 (Stratford), £70 (Staffordshire Moorlands) £120 (Mole Valley).
- iv. Other - Non standard charging systems.
- a) Single fee + additional item charge -
- 3 authorities operate non standard charging systems.
 - Dudley charge by size of item (small, medium or large).
 - South Hams charge per Transit van load.
 - West Lindsey use a points scoring system with each item attributed a point value. Total collection cost is determined by the total value of points attributed to the items to be collected.
- b) Concessionary rates -

- 18 of the local authorities investigated offer concessionary rates for residents.
- Qualifying criteria used by the local authorities to assess eligibility for concessionary rates are listed below.

Qualifying Criteria	No. of Local Authorities
Council tax benefit	6
Housing benefit	8
Disability benefit	2
Student	1
Pensioners	4
Job seekers allowance	3
Income support	4
Other e.g. local rules, single occupant	7

- There is great variation in the level of discount offered. The most common is 50% discount (or thereabouts) but others offer 25% and 33%. Some authorities offer free collections (one or four free collections per year) rather than a discounted collection price.

11. **Clinical Waste Collection:** There are two main types of clinical waste collection:

i) Sacks

- 25 local authorities provide a clinical waste collection service for sacks with 23 being free and 2 charging customers.
- 15 do not provide any clinical waste collection service.
- 4 have no information on their website
- 15 of those providing a service also provide the yellow bags free. Only one charges for the sacks and for the collection at a rate of £12.70 per collection plus £9.85 for a roll of 25 large sacks (Bedford)
- Of those local authorities who do not provide a collection, most advise contacting the local health centre or their GP to arrange disposal

ii) Sharps Boxes

- A total of 23 authorities offer a collection service for sharps boxes.
- 8 local authorities provide the sharps boxes free of charge.
- 1 authority charges for the box and collection (Bedford) at a rate of £12.70 per collection plus provision of sharps box: 4 litre sharps box = £7.70, 13 litre sharps box = £34.08, 24 litre sharps box = £58.43

- 1 local authority provides service for diabetic sharps only, 1 offers a pharmacy take back scheme as well as collections, one requires a home assessment before making collections
- Where no sharps collection service is provided, most local authorities advise customers to contact their local health care trust or GP to arrange for a collection.

12. **Gardening Waste Collection:** A desktop study undertaken to compile general service information on more than 400 local authorities, showed that approximately 95% of local authorities in England operate a garden waste collection service with about 40% charging householders for the service. The situation across the United Kingdom is summarised below:

*Food waste and cardboard might also be collected with garden waste.

Area	Operate A Garden Waste Collection Service*	Charge Householders
England	95%	40%
Wales	95%	36%
Scotland	84%	0%
Northern Ireland	85%	4%

13. A more in depth analysis has been carried out for 47 local authorities i.e. the 16 in our Family Group and a selection of 31 that were mostly top performing authorities from 2011/2012 or 2012/2013. A summary of the findings from this research is detailed below:

- 46 of the 48 local authorities provide a garden waste collection service.
- 30 of the 46 local authorities collecting garden waste also collect food waste (either combined with garden waste or a separate collection service).
- 2 local authorities not providing a garden waste collection service are Darlington Borough Council and Calderdale Metropolitan Borough Council. The latter does provide a weekly food waste collection service and will look at the possibility of starting a garden waste service when their collection contract is due for renewal in 2016. It is worth noting that Calderdale achieved a recycling rate of 60.61% in 2012/2013 despite not providing a garden waste collection service.

- 23 of the 46 local authorities providing a garden waste service have some element of charging in place (including subscriptions for basic service and charging for additional bins).
- Annual subscription rates vary considerably. **Lowest:** Richmondshire District Council - £17 per annum for a 140 litre bin collected from March to November (21 collections x 81p each) / **Highest:** Royal Borough of Kingston upon Thames - £75 for a 240 litre bin emptied throughout the year (25 collections x £3 each) / **Average:** Typically in range of £30 to £40 per annum.
- Swindon Borough Council introduced a £70 charge per annum for the first year of their subscription scheme. This was subsequently reduced to £40 per annum after consulting with customers during the first year of the scheme.
- Concessionary or discounted rates were identified in 6 of the 23 local authorities charging for some element of their collection service.
- For those local authorities collecting garden waste the majority operate weekly or fortnightly with some reducing frequency of service provision in winter.
- Garden waste collection seasons vary considerably with some operating throughout the year (apart from Christmas and New Year period) and others suspending service during the winter. Further research into this aspect of service provision needs to be carried out.

14. **Subscription Service - Participation Levels** - Under the existing Controlled Waste Regulations 2012 the Waste Collection Authority can make a separate charge for the collection of garden waste. A chargeable opt-in service will result in some of this waste stream going into grey landfill bins and therefore increasing net waste disposal/processing costs.
15. Against this there may be savings through income generated by a subscription service and reduced collection costs in terms of staff and vehicles. Research by The York and North Yorkshire Waste Partnership into charging for garden waste collections indicates that once a 'free' garden waste collection system is proposed, residents may feel that this service should continue to fall within their council tax charge. Thus moving from a free collection to one that charges may not initially be popular with residents and will face opposition.
16. Where a charge for garden waste collection is introduced, for a service that was previously provided free of charge, participation rates fall

significantly. This is typically around 25 – 30% for a converted service, although this can vary, in some cases down to as low as 10 per cent. This is supported by our consultation in 2013 which shows that only 14.5 per cent of residents would support a charge being made for the collection service.

17. The number of subscribers is heavily influenced by the level of charge made for service. Based on information from various reports about other local authorities' schemes, the table below illustrates the estimated impact of varying levels of charge on the number of service users.

Garden Waste Collection Charge	Participating Households
£20	45%
£25	40%
£30	35%
£35	30%
£40	20%
£45	15%
£50	5%

18. Work is ongoing to compile up to date information on **Household Waste Recycling Centres**, which many Local Authorities provide as part of their waste management services. This additional information will be tabled at this meeting.

19. Objective (ii) - Issues & Impact Linked to Specific Schemes

In order to understand the issues and impacts associated with the schemes detailed in Annex B, it is suggested that the Task Group (or individual members of the Task Group) visit a number of the Local Authorities. If Members are happy to do so, arrangements will be made for those visits to take place in the near future, to allow work on the review to progress within the limited timeframe for the review.

20. Officers have also suggested running a workshop and inviting a number of speakers to attend.

Council Plan 2011 - 2015

21. The work outlined in this report will help to contribute to our corporate priority of protecting the environment by continuing to provide services that are efficient, cost effective and focussed on the customer.

Implications

22. There are no financial, legal and HR implications arising directly from information provided in this report.

Recommendations

23. Having considered the information within this report, Members are recommended to:
- i. Formally agree the proposed remit shown at paragraph 5 above.
 - ii. Formally agree the proposed workplan shown at paragraph 6 above.
 - iii. Consider and comment on the best practice information shown at Annex B
 - iv. Agree whether or not to visit some of the best practice Local Authorities identified in Annex B.
 - v. Agree arrangements for proposed workshop – see paragraph 20 above.
 - vi. Agree dates for future Task Group Meetings

Reason: To progress the review inline with scrutiny procedures and protocols.

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Report Approved **Date** 20 October 2014

Wards Affected:

All



For further information please contact the author of the report.

Background Papers: None

Annexes:

Annex A – Introduction to Discretionary Charges

Annex B – Information on National Local Authority Waste Collection Schemes