

## **Appendix B:**

### **Charging for additional and replacement bins: (CANS 101)**

1. The council currently supplies all replacement, and additional waste and recycling containers to residents free of charge. In 2011/12, over 27,000 separate items were delivered directly by the council to homes across the York area. Property developers are charged for the supply and delivery of all waste containers for use at new developments and properties.
2. Costs are incurred by the council that exceeded the budget in 2012/13 and the budget reduction, as outlined in paragraph 6, means that this level of service is unsustainable.
3. Other local authorities routinely charge residents for the supply and delivery of residual waste, garden waste and recycling containers. In the North Yorkshire region most Waste Collection Authorities (WCA) have implemented a charging system for supplying replacement containers. Selby District Council charge £30 for a replacement 240 litre bin or £18 for a second hand bin. The Council stated that there was no significant opposition to the introduction of charges for bins (the policy was introduced in 2005) and there has been no significant decrease in the number of bins ordered.
4. Harrogate Borough Council charges residents for both residual waste and recycling containers. The Council charges £59.50 for a wheeled bin (residual waste and garden waste bins) if the item is delivered or £47.00 if the resident collects the bin. The Council charges £7.30 for a recycling box and £3.94 for a recycling box lid.
5. Waste Services has an annual budget of £168k for the replacement of waste containers.
6. In 2011/12 the council delivered over 27,000 separate items to residents including bins, boxes and box accessories. The cost to the council for the purchase of these items was £110k, and in addition to this, provision of a dedicated waste container delivery service and storage facility was £85k (including site rental, 2FTE staff, vehicle & fuel costs). The total cost for the purchase and delivery of bins and containers in 2011/12 was £195K. This led to an overspend of £27k against the budget of £168k to provide this service.
7. Requests for all types of containers continue to increase annually, having risen significantly following the introduction of the 3 box system and as recycling participation increases.

8. Due to this demand on the service, the budget is no longer sufficient to meet the unbudgeted employee and vehicles costs.
9. An option to reduce the annual cost of providing this service, by charging residents for replacement waste containers, is outlined below. This option does not include any provision for revenue from any additional garden waste bins, which may result following consultation, but they do include the cost to the council for purchase and delivery of these bins. The assumed revenue is based on current orders and delivery levels, but it is expected that the introduction of a charge would see these levels reduce, though it cannot be estimated by how much.
10. Based on the number of items ordered and delivered in 2011/12, charging the following rates for replacement residual waste wheeled bins and recycling boxes will achieve total budget savings of £122k per annum:
  - I. 180 litre residual waste bin - £35
  - II. 240 litre residual waste bin (if eligible for an upgrade) - £40
  - III. 360 litre residual waste bin (if eligible for an upgrade) - £45
  - IV. Recycling box - plastic bottles & cans - £5
  - V. Recycling box - paper & cardboard - £5
  - VI. Recycling box - glass bottles & jars - £5
11. Residual waste bins and recycling boxes are assumed to be outside the scope of VAT based on latest advice. However this advice may change as a ruling is still awaited from HMRC. All charges would be applicable from 1 April 2013.
12. The proposed costs do not generate any profit for the council and the charges are averaged across the city to reflect the cost of purchasing and delivering containers to customers.
13. Residents paying for a replacement, or additional, container will not own the container. Ownership will remain with the council at all times.
14. A comprehensive bin, box and accessory delivery service costs £85k per year to operate. It is essential to include the cost of delivery in the price of the container in order to achieve the required budget saving.
15. A range of options intended to reduce costs for residents are being considered, including offering residents the opportunity to collect their container. No permanent facility is currently available which could be used for container collection but options on a number of sites around York are currently being investigated. Residents wishing to collect

their bin/container would only pay for the capital costs of the bin and not for the collection element. It is difficult to estimate how many residents will choose this option so is difficult to estimate a drop off from savings outlined in para 10, above. However, any reduction in the savings would be offset by a reduction in our delivery costs so is likely to be cost neutral.

16. A robust delivery system to ensure receipt of purchased containers by residents is necessary to avoid discrepancies. Residents will be encouraged to take responsibility for their bin and label it to reduce the possibility of a bin being lost or stolen. The council will provide labels to residents to help them identify their own bin and/or container.
17. Currently CYC operates this service at a deficit of £27k per year as outlined in paragraph 6 above.
18. Additional income for the sale and delivery of bins & boxes of £122k would produce a surplus, providing that all containers were re-chargeable, of £46k.

**Conclusion:**

19. Charging those residents for bins and boxes will be relatively simple and straightforward and will generate revenue that will offset the cost of providing this service.
20. It is proposed that a moratorium on further free and unlimited bin deliveries is imposed from 13 February 2013. However, the council will ensure that no-one is disadvantaged by this proposal and that legitimate requests are fulfilled with a maximum of one bin per property allowed until charges come into force.