

Subject: **Bulky Waste Service Charges**

Report to: **ELT – 18 June 2018**

Report by **Grizelle Britton, Head of Environmental Services**

RECOMMENDATION

To approve the revised charging structure for the Bulky Waste service and to go to full Council for formal approval.

1. BACKGROUND

- 1.1. The Bulky Waste service is undertaken by GYBS. The council is responsible for setting the fees/charges associated with the service. The decision to charge for bulky waste collections was made in 2000. Up until then it was a free on application service which was well used across the Borough, allowing residents to have up to 3 collections per year. A free service for the collection of fridge freezers continued until 2016. This was also the first year in which any increase in the pricing structure was made.
- 1.2. There was no increase in the cost of the service from the decision being made to charge in 2000 until 2016 with the introduction of a charge for fridge freezers. In subsequent years there has been a nominal increase to the cost of the service of £1 per annum.
- 1.3. The service charge therefore has not increased in line with inflation and is significantly lower than our neighbouring authorities.
- 1.4. The GYBS review discussed at the Environment Committee on 28 March 2018 resolved one of the review recommendations to review the charging structure for the Bulky Waste service.

2. INTRODUCTION

- 2.1. GYBS operate a charged for service for bulky waste collection throughout the borough. Collections take place over five working days: Monday to Friday. The council instruct GYBS of the charges which are to be levied for the service. The service is provided 52 weeks per year excluding Bank Holidays.

- 2.2. The service is undertaken by two GYBS operatives using a tail lift truck. Bulky items may be heavy and difficult to move and can require more than one operative to effect collection and may require additional handling equipment. GYBS intends that the maximum amount of waste collected through this service is re-used and/or recycled.
- 2.3. The crew also deliver new and replacement bins throughout the borough.
- 2.4. GYBS will ensure that no collections are undertaken without payment having been made by the householder. Only those items listed by the GYBS at the time of taking the payment and the booking of the service will be collected. Items which are not household waste will not be collected as part of the service.
- 2.5. GYBS ensure the continuity of the bulky waste collection service irrespective of condition of the site, the distance required to move the bulky waste item, weather conditions etc. However, items will only be collected from the exterior of the property, with no collections made from inside any residence.
- 2.6. There are strict guidelines on items which cannot be collected as part of the bulky waste scheme due to the nature of the items. These include gas bottles, asbestos, chemicals and sunbed tubes. Items such as washing machines, furniture and barbeques can be collected as part of the bulky waste service.
- 2.7. In 2015 there were 2977 collections made of bulky items, this increased to 3875 in 2016 but there was a decrease to 3095 collections booked.

3. CHARGING STRUCTURE

- 3.1. The current structure of charges for the service (and how this has changed over recent years) is summarised in the table, below.

Number of items for collection	2016/17	2017/18	2018/19
1	£11	£12	£13
2-3	£16	£17	£18.50
4	N/A	N/A	£31.50
5-6	N/A	N/A	£37.00
More than 6	N/A	N/A	On request

- 3.2. As a result of this charging structure in 2017/18 the council received income of £59,315. The service cost £67,791 to operate in the same year. This cost does not include on costs accrued by the council such as customer services or environmental services officer time as it has not been possible to determine the resource provided by these services.
- 3.3. In May 2018, the service has seen a significant increase in usage, from 41

collections in 2017 to 137 collections in the same week this year.

- 3.4. The council has decided to look at the services we provide and try to ensure that they are cost neutral wherever possible.
- 3.5. The service can be accessed by members of the public in several different ways including directly booking with GYBS and using the online booking function on the Council's website.

4. COMPARING THE CHARGES

- 4.1. When reviewing the charges for the service information has been gathered from other local authorities in the region. This comparison is summarised in the table, found at Appendix 1.
- 4.2. Of the authorities listed in the table, only one provides a discount for residents in receipt of benefits (housing benefit, council tax benefit and pension credit). This is South Norfolk. The reduction is a third reducing the cost of the service from £46.50 to £31.00. The council does not currently provide a reduction in the cost of the service or any other for those in receipt of any benefits.
- 4.3. The fees charged by the council are out of line compared to all other districts in Norfolk and neighbouring authorities in Suffolk.

5. OPTIONS

- 5.1. This report identifies the following options for the future approach to charging for the service:

Option 1: Continue the current approach

- 5.2. Continuing with the current projected annual increases in the manner in which they have been implemented over the past three financial years will result in an increasing funding gap between the cost of the service and the fees received for the use of the service. Based on a similar uptake and an increase in costs of 9%, as suggested by the budgetary uplift forecast of GYBS, this would leave the council with a deficit of around £15,000 per annum.
- 5.3. This approach minimises any negative financial impact on residents and will provide residents with a lower costing service to other neighbouring districts.

Option 2: Make the service cost neutral

- 5.4. This would require an increase in the current charges to enable the service to operate without requiring an increase in the numbers of collections required to breakeven or have a detrimental impact on other parts of the GYBS budget. The annual increase in fees would then be proportionate to the cost of the

service.

- 5.5. This approach brings the service charges in line with other neighbouring districts. The council runs the risk of the increased charges increasing the number of items being fly-tipped. The council could introduce a discount for those residents in receipt of benefits such as Universal Credit, council tax, pension credit or housing benefit. This would mean that the cost of the service would have to be increased to a higher rate to negate the reduction in income received from those entitled to a discount.

Option 3: Make the service cost neutral (staggered approach)

- 5.6. This will require increasing the cost of the service so that it is cost neutral to the council as outlined in Option 2, but staggering the increase in charges over a two-year period. This is likely to make the process more palatable to the public, but would result in a continued loss of revenue to the council for an additional year.
- 5.7. A change in the charging structure to up to three items for a set fee would help to set a base charge which would enable the council to cover costs. This is the preferred option of 6 of the 8 local authorities whose charges were considered as part of this paper.
- 5.8. By simplifying the charging structure to a 2 tier system, this should also help to manage the costs as larger collections do have an additional cost to the service as it requires more unloading stops to be added, increasing the time taken to deliver the service and also the distance travelled over a collection day.
- 5.8. All options will require an update of our webpages to highlight the other options to disposal of good condition unwanted items before the option of the bulky waste collection.

6. FINANCIAL IMPLICATIONS

- 6.1. The way in which collections are recorded is dependent on how the request has been received, so it is difficult to determine how many items were collected on each request. Therefore, an average cost has been given.

Option	Charge	Cost of service	Cost to Council
1	Av £17 per collection	Av £24 per collection	Av £7 per collection
2 for up to 3 items			
a)with no discount	£26	£24	none
b)with discount	1/3 at discount £19	£24	variable

	2/3 at increase £29.50		
3 for up to 3 items	£21.50 year one £26 year two	£24 £26	£2.50 per collection

The figures above are based on 3,095 collections and an increase of 9% in costs. Therefore there would be a cost to the council of £21,665 if option 1 was agreed. A small surplus of £6,190 would be accrued if the price was increased to full cost recovery in year one, with a flat fee for up to 3 items rather than the system we currently provide which allows people to pay for only one item to be collected.

If option 3 was chosen giving us a staggered approach, then there would be a deficit of £7,737 in year one and no surplus in the following year.

7. LEGAL

There is no statutory requirement on the council to provide a bulky waste collection service.

8. RISKS

- 8.1. There is a risk that the increase in the service charge could lead to additional fly tipping throughout the borough. However, when initial charging was brought in during 2000, there was no noticeable increase in the number of fly-tipping events. The County Council changed the pricing structure of the tips in April 2018 and the council has seen an increase in the take up of the bulky waste collection service and no increase in the number of fly tipping complaints throughout the borough.
- 8.2. An increase in the charge for removal of bulky waste items and a single charge for up to 3 items instead of charging for individual items may reduce the demand for the service. The service is still comparatively competitive to the cost of WEE removal and recycling charges made by retailers.
- 8.3. By redesigning the council web pages we can provide alternative options for disposal which will include an educational aspect to encourage reuse. We will not see an increase in the cost of disposal of items as we are the collection authority and the disposal costs are paid by the County Council as the disposal authority.

9. SUMMARY AND CONCLUSIONS

- 9.1. The current charging regime for bulky waste collections is out of sync with the other local authorities across Norfolk and our neighbouring authorities in Suffolk.

- 9.2. The council is subsidising the bulky waste collection service as the cost of the service is increasing at a greater rate than the fee charged. The introduction of a change to the charging structure will make a contribution to considering the increasing cost implications of GYBS services in 2019/20.
- 9.3. Five of the eight councils whose charges were looked at charge a flat fee for the collection of up to 3 items. This makes the charging scheme simpler and also encourages households to look at other legal means of disposing of unwanted items such as to local charity shops.
- 9.4. It is therefore recommended a revised charging structure for the service is introduced with effect from 1 September 2018 based on Option 2, as outlined, below.

Number of items for collection	2018/19 Current charges	2018/19 Proposed new charges
1	£13	£22.00
2-3	£18.50	
4	£31.50	£38.00
5-6	£37.00	
More than 6	On request	On request

This is based on the likelihood that 75% of requests will be for up to 3 items and 25% for between 4 and 6.

- 9.5. By only providing 2 collection price bands it will simplify the service available, making it easier for GYBS to monitor the update, and to ensure that the service provided is cost neutral.

10. RECOMMENDATION

To approve the revised charging structure for the Bulky Waste service.

Area for consideration	Comment
Monitoring Officer Consultation:	N/A
Section 151 Officer Consultation:	N/A
Existing Council Policies:	N/A
Financial Implications:	Yes
Legal Implications (including human rights):	No
Risk Implications:	Yes
Equality Issues/EQIA assessment:	N/A

Crime & Disorder:	N/A
Every Child Matters:	N/A

Appendix 1

Bulky Waste service charges 2018/19

Number of items	Great Yarmouth	Waveney (East Suffolk Council)	Suffolk Coastal (East Suffolk Council)	Broadland	South	Breckland	Kings Lynn and West Norfolk	Norwich	North Norfolk
1	£13	N/A	£43	N/A	N/A	N/A	N/A	£23	N/A
2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	£26.50	N/A
3 (or up to 3 items)	£18.50	£40.00	N/A	£26.50	£46.50	£30.00	£30.30	£29.50	£38.50
4	£31.50	N/A	N/A	N/A	N/A	N/A	N/A	£49.50	N/A
5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	£53.00	N/A
6 (or 4-6/5-6)	£37.00	N/A	N/A	N/A	N/A	N/A	N/A	£56.00	£43.50
7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	£76.50	N/A
8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	£79.50	N/A
9 (or 7-9)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	£82.50	£58.00
10	N/A	N/A	N/A	N/A	N/A	N/A	N/A	£103.00	N/A
Additional charges	Prices on request	N/A	£16 per additional item	£8.90 per additional item (up to a max of 3 additional items)	£5.20 per additional item	£5.00 per additional item (up to a max of 3 additional items)	£10.25 per additional item	N/A	£9.50 per additional item