

		Executive – 31 st August 2017	Agenda Item No. 8
Title	12 month Waste Container Charging Update		
For further information about this report please contact	Becky Davies 01926 456615 Becky.davies@warwickdc.gov.uk		
Wards of the District directly affected	All		
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No		
Date and meeting when issue was last considered and relevant minute number	Waste container charging paper: Executive meeting – 10 th February 2016 - Agenda item no.3 and Council – 24 th February 2016 8 month review of waste container charges: Finance and Audit Scrutiny Committee – 7 Feb 2017 Agenda item no.9 and Overview and Scrutiny Committee – 7 Feb 2017 Agenda item no.7		
Background Papers			

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	Yes (ref. 857)
Equality Impact Assessment Undertaken	Yes

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	8/8/17	Chris Elliott/Bill Hunt
Head of Service	8/8/17	Rob Hoof
CMT	8/8/17	Chris Elliott, Bill Hunt and Andy Jones
Section 151 Officer	8/8/17	Mike Snow
Monitoring Officer	8/8/17	Andy Jones
Finance	8/8/17	Mike Snow
Portfolio Holder(s)	8/8/17	Cllr Moira-Ann Grainger
Consultation & Community Engagement		
Not required		
Final Decision?	No	

1. Summary

- 1.1. On 6th June 2016 Warwick District Council (WDC) introduced a new policy to charge households for the provision of waste containers. Prior to this, WDC was spending £165k per annum on waste container provision and there was a significant budget shortfall.
- 1.2. This report provides an update on the first 12 months of the policy using information gathered from the Council's customer relationship management (CRM) system and other sources.

2. Recommendation

- 2.1. That there is no change to the waste container charging policy.
- 2.2. That the Head of Neighbourhood Services in consultation with the Portfolio Holder for Neighbourhood Services agree a criteria for waiving the replacement waste container charge where there are special personal circumstances such as financial hardship.
- 2.3. Subject to Executive agreeing 2.2, that as part of the fees and charges report in September 2017, the fees for waste container charging be amended to enable them to be waived in line with the issues identified in 2.2.

3. Reasons for the Recommendation

- 3.1. The first 12 months of the charging scheme has generated £77k to contribute to the cost of waste container provision. In addition, the contribution required from WDC's General Fund has reduced dramatically due to reduced container demand and more effective procurement of containers. In effect, this means that the cost of waste container provision is almost being covered by the contribution from residents. Please see section 5 for further information.
- 3.2. A recommendation from Legal Services at Warwickshire County Council is that the policy should have a level of flexibility to ensure it is operated fairly and with equality in mind.
- 3.3. A criteria is required to ensure a clear and transparent framework on which decisions are made.

4. Policy Framework

- 4.1. The policy shows a positive outcome in terms of money, but a less positive outcome in terms of people (customers and WDC staff) as demonstrated in sections 6.1.1 - 6.1.2 and 8.2 - 8.3.
- 4.2. Introducing the charging scheme has enabled WDC to maintain service standards whilst helping to reduce future budget pressures, in line with two of the Fit for the Future key strands; Service - maintaining or improving services; and Money - delivering a sustainable balanced budget.

5. Budgetary Framework

- 5.1. **Income:**

5.1.1. The charging policy was estimated to contribute £78k per annum to the Council's overall £165k annual spend on waste containers. WDC proposed to cover the remaining £87k per annum from the General Fund as set out in the budget.

5.1.2. The first 12 months of the charging scheme (6th June 2016 – 5th June 2017) has generated £77k to contribute to the cost of waste container provision.

5.1.3. Charges are currently being made in approx. 63% of cases. Containers have been provided free of charge in the remaining 37% of cases due to bins falling into the back of collection vehicles (usually because the bin has reached the end of its usable life and fails), additional/larger containers provided to large households/households with special medical needs, or where containers are damaged beyond use (again due to their age).

5.2. Overall budget status:

	Budget - Predicted annual income / expenditure prior to scheme introduction	Actual income/expenditure over first 12 months of charging policy¹
Annual expenditure on waste container provision	£165k	£80k
Annual contribution from residents	£78k	£77k
Annual contribution from WDC General Fund	£87k	£3k

5.2.1. The level of contribution required from the General Fund has significantly reduced due to a dramatic reduction in demand for waste containers and more effective procurement of waste containers.

5.2.2. Since the policy was introduced requests for containers have reduced in all cases. Red box and recycling bag requests have reduced by 51% and 48% respectively, grey bins by 21% and green bins by 10%. The number of deliveries by Suez (delivery of containers to households) has reduced by 36% due to the reduction in requests.

5.2.3. WDC has also procured a new contract for the supply of waste containers that has reduced costs by approx. 18%.

5.2.4. Assuming the recommendations in this report are accepted, the budget for waste container provision should be reduced from the current £165k to reflect the actual expenditure on provision.

6. Risks

¹ These figures represent the income and expenditure for the first 12 months of the charging policy (6th June 2016 – 5th June 2017) which extends across two financial years. The figures have been taken from WDC's CRM system as opposed to WDC's finance system to provide more realistic figures. The finance system shows capital expenditure for containers over the 12 month period but does not provide an accurate reflection as a large stock of containers was already in existence prior to the introduction of the policy which meant capital expenditure was low over the 12 month period.

- 6.1. Some of the risks identified at the time of recommending the waste container charging policy have been recognised as follows:
- 6.1.1. Some households have refused to pay the charges and are using their own containers, some of which do not meet health and safety standards for waste storage and collection. Suez has instructed their operatives not to empty containers that they consider unsafe to handle.
- 6.1.2. There have been 819 expressions of customer dissatisfaction about the policy over the 12 month period. To help put this number into context, there were 5337 requests for containers in the same 12 month period. The cost in staff time spent dealing with these complaints has been approx. £3.5k. Forty three of these expressions of dissatisfaction were escalated to Stage 1 corporate complaints and 7 were then escalated to Stage 2 corporate complaints, all at the customer's request. There were additional requests from customers for Stage 2 level investigations however WDC decided that further investigation was not warranted. The investigation of Stage 1 and Stage 2 complaints has cost in the region of £6k for the first 12 months in terms of staff time. Following this update to Executive, officers will no longer investigate corporate complaints about the Council's decision to levy a charge to replace a waste container as this is a policy of the Council that (subject to agreeing the recommendation in this report), Executive considers should continue. Customers' dissatisfaction with the policy will be logged as normal and will be considered as part of ongoing consideration of service provision.
- 6.2. The income figures in this report cannot be guaranteed for future years and additional funds may be required to cover the cost of the service.

7. Alternative Option(s) considered

- 7.1. The alternative is to revert back to the previous free provision of waste containers, however this has been discounted due to the impact on the Council's Medium Term Financial Strategy.

8. Background

- 8.1. On 6th June 2016 Warwick District Council introduced a new policy to charge households for the provision of waste containers as follows:

Wheeled bin (grey and green)	£25.00
Recycling box with lid	£5.00
Lid only (for recycling box)	£1.50
Recycling bag	£2.50
Food caddy	No charge (funded by Warwickshire County Council)
Delivery Cost Per Order	£5.00

Table 1: Waste container charges introduced on 6th June 2016

- 8.2. The majority of complaints received are with regards to containers going missing after collection. An analysis of waste container orders shows that 21% of all containers ordered are due to containers going missing (please see Item 8 / Page 4

section 8.5 for further analysis of the reasons for order). The figures are highest for recycling bags (30%) and box lids (31%), and lower for red boxes (16%) and grey bins (15%) and green bins (9%). A common assumption is that collection crews have removed boxes or bags but this cannot be substantiated. They have no reason to do so and have no room to store containers on the collection vehicles. In reality it may be that neighbours are taking the wrong containers or containers are being blown away during windy weather, etc. Unfortunately there is not an easy solution to this. If WDC agrees to replace lost containers free of charge it creates a loophole in the charging scheme and would have a major impact on the financial contribution to waste container provision. A recent decision by the Local Government Ombudsman with regards to a missing container complaint ruled that "Without any definite evidence about how the bin went missing, there is no fault in the Council charging for the bin."

8.3. The Contract Services Team, within Neighbourhood Services, has provided the following feedback:

8.3.1. A large number of residents complain about the added delivery charge, especially for recycling containers. The added delivery charge can mean that residents pay £10 for a recycling box, £7.50 for a recycling bag or £5 for a food caddy. Residents would like to be able to collect these items to avoid the delivery charge however the payment and operational systems in use are not capable and significant investment would be required.

8.3.2. A small number of residents have complained that the charge for wheeled bins is high, especially when ordering both grey and green bins together.

8.3.3. A small number of residents have refused to pay for recycling containers stating that they will use their own or put everything in the refuse bin.

8.4. Customers are able to request and pay for waste containers online and currently 43% of requests are made in this way. 28% of waste container requests are made over the phone or face to face at WDC offices. The remaining requests are either made by SUEZ or the method has not been recorded on WDC's CRM system.

8.5. Analysis of the reasons for waste container orders:

The table below shows an analysis of the reasons why customers order containers.

	Fallen into truck		Needs replacing (old, dirty or damaged)		Missing/stolen		No container at property/new property		Large household/medical waste - extra capacity		Previous order not received		Additional container required		Reason unknown		Total ordered
		%		%		%		%		%		%		%		%	
Grey bin	61	7%	53	6%	135	15%	539	59%	96	11%	17	2%		0%	12	1%	913
Large grey bin	1	2%	3	5%	4	7%	2	3%	51	84%		0%		0%	0	0%	61
Green bin	561	31%	194	11%	162	9%	491	27%		0%	36	2%	346	19%	0	0%	1790
Red box	46	1%	978	30%	539	16%	1076	33%		0%	101	3%	439	13%	96	3%	3275
Recycling bag	10	0%	654	19%	1045	30%	1099	32%		0%	127	4%	433	12%	107	3%	3475
Box lid	0	0%	207	29%	226	31%	202	28%		0%	40	6%	49	7%	1	0%	725
Total	679	7%	2089	20%	2111	21%	3409	33%	147	1%	321	3%	1267	12%	216	2%	10239

8.6. Analysis of waste container orders – what orders consist of:

The table below shows an analysis of waste container orders and what they generally consist of.

Contents of order	Number of orders	% of total orders
Orders for boxes and/or bags and/or lids only	2922	55%
Orders for grey and/or green bin only	1632	31%
Orders for a combination of different containers	783	15%
Total	5337	100%

8.7. Household refuse and recycling – tonnage collected over the past 3 years

The table below shows the tonnage of refuse and recycling collected from households in Warwick District over the past 3 years. There has been a downward trend in the tonnage of recycling collected but an upward trend in the tonnage of refuse collected. There have been changes in the recycling/materials markets during this time which may help to explain the reduction in recycling tonnage. For example, there has been a dramatic reduction in the tonnage of paper collected for recycling due to changes in the newsprint industry with more news available online, fewer newspapers purchased and less advertising in newspapers. However, with the level of housing growth in Warwick District we would hope to see a general upward trend in the tonnage of recycling collected in the same manner as refuse.

	2014-15	2015-16	2016-17
Paper	2,656.78	1,694.76	883.00
Mixed Glass	2,980.71	3,028.85	3,077.16
Cardboard	2,314.88	3,095.92	3,701.76
Plastic	939.06	1,049.48	1,076.66
Cans	335.51	389.68	422.62
Textiles	59.98	46.90	35.00
Batteries	0.00	0.00	0.00
Aluminium Cans	77.39	70.92	44.69
Total recycling	9,364.31	9,376.51	9,240.89
Total refuse	19,953.65	20,321.29	21,180.10

8.8. Waste collection service – analysis of customer communications:

The chart below shows an analysis of all customer communications received with regards to the waste collection service over the same 12 month period since the introduction of the waste container charging policy (6th June 2016 – 5th June 2017).

The section of the chart entitled 'All other enquiries' mainly includes general enquiries about the service, general complaints about the service, requests for collection calendars, issues with waste collection or the collection crews, and spillage of waste following collection.

