

 Finance and Audit Committee - 7 th February 2017		Agenda Item No. <h1 style="text-align: center;">9</h1>
Title	Waste Container Charging Review	
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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?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	Executive meeting – 10 th February 2016 - Agenda item no.3 and Council – 24 th February 2016	
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)	No
Equality Impact Assessment Undertaken	No (If No state why below)
This is a review of an existing policy	

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	26/1/17	Bill Hunt
Head of Service	26/1/17	Rob Hoof
CMT	26/1/17	Chris Elliott, Bill Hunt and Andy Jones
Section 151 Officer	26/1/17	Mike Snow
Monitoring Officer	26/1/17	Andy Jones
Finance	26/1/17	Mike Snow
Portfolio Holder(s)	26/1/17	Clr Dave Shilton
Consultation & Community Engagement		
None planned		
Final Decision?		No
A further review of the waste container charging policy will be undertaken after 12 months.		

1. Summary

- 1.1. On 6th June 2016 Warwick District Council 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 reviews the first 8 months of the policy using information gathered from the Council's CRM system and other sources.

2. Recommendation

- 2.1. That the Committee notes the content of this report.

3. Reasons for the Recommendation

- 3.1. The waste container charging policy has been in place for 8 months and a review has been requested by the Overview and Scrutiny Committee and Finance and Audit Committee.
- 3.2. Requests for containers have reduced in all cases. Red box and recycling bag requests have reduced by 60%, grey bins by 37% and green bins by 10%. The number of deliveries by Suez (delivery of containers to households) has reduced by 48% due to the reduction in requests.
- 3.3. The review of waste container charging is showing a positive outcome in terms of money, but a less positive outcome in terms of people (customers and WDC staff) as demonstrated in sections 3.4 to 3.6 below.
- 3.4. The Contract Services Team, within Neighbourhood Services, has provided the following feedback:
 - 3.4.1. 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 WDC does not have the facility to do this.
 - 3.4.2. A small number of residents have complained that the charge for wheeled bins is high, especially when ordering both grey and green bins together.
 - 3.4.3. 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.
- 3.5. It is estimated that container requests received by telephone will take 300 hours of staff time per annum to complete. This is more than double what it would have been prior to the charging scheme due to the process of taking payment. However, this may be improved by implementation of the new payment system in March 2017. There is also the option for customers to request and pay for containers online which is encouraged.
- 3.6. A large number of recycling boxes and bags go missing after collection. A common assumption is that collection crews have removed boxes or bags but this is not the case as 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. This causes the largest number of complaints when residents have to pay for replacements. 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. Some Council's provide free replacements where a police crime reference number is provided, however the Police are not receptive to because it increases their crime statistics and workload. They have recently asked Stratford District Council to provide evidence from the cameras on their collection vehicles that waste containers were emptied and returned to the property before they can issue a crime reference number. WDC does not have recording equipment on their collection vehicles to provide this evidence. Some Council's will provide a free replacement where there are no other container requests within the previous 1-2 years however this is very difficult to administer. Other Council's take the same stance as WDC and will not provide a free replacement for lost or stolen containers.

4. Policy Framework

- 4.1. 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.
- 4.2. Unfortunately the policy has had a less positive impact on some customers and the Council (People strand). Please see sections 3.4 to 3.6 and also section 6 for further details.

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 would cover the remaining £87k per annum from the General Fund as set out in the budget.

5.1.2. The first 8 months of the charging scheme has generated £43k to contribute to the cost of waste container provision.

5.1.3. Charges are currently being made in approx. 60% of cases. Containers have been provided free of charge in the remaining 40% 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).

Overall budget status:

	Budget - Predicted annual income / expenditure prior to scheme introduction	Projected annual income / expenditure¹
Annual expenditure on waste container provision	£165k	£70k
Annual contribution from residents	£78k	£64k
Annual contribution from WDC General Fund	£87k	£6k

5.1.4. The annual contribution from residents is predicted to almost cover the annual expenditure on waste container provision due to the dramatic reduction in demand and more effective procurement of waste containers. Since agreeing the waste container charges, WDC has procured a new contract for the supply of waste containers that has reduced costs by approx. 18%.

5.1.5. The figures above show that the scheme is currently presenting a saving against the agreed Budget. This should present a favourable outturn variance in 2016/17. The saving from 2017/18 will be incorporated within future Budget Review figures for 2017/18, with the Budget and Medium Term Financial Strategy updated accordingly.

6. Risks

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. Charging for replacement containers after loss or damage has generated 422 expressions of dissatisfaction over the first 8 months. Eighteen of these were escalated to Stage 1 level and 4 were then escalated to Stage 2 level, all at the customer's request. To help put this number into context, there were 3045 requests for containers in the same 8 month period. The investigation of Stage 1 and Stage 2 complaints is likely to cost in excess of £5k per annum in terms of staff time if the same level of complaints continues. The cost of any involvement by the Head of Service and/or Chief Executive will be additional to this.

6.1.3. WDC is a member of the Warwickshire Waste Partnership and has a joint responsibility to help meet the targets set in the Warwickshire Waste Management Strategy. There has been a reduction of 95 tonnes in recycling collected through the kerbside recycling scheme since the introduction of the container charges when compared to the same period of time in 2015/16. It is not clear whether this can be directly attributed to the container charges. This represents a reduction of almost £4k in recycling credits received from Warwickshire County Council for this period of time.

¹ This figure represents the projected income and expenditure for a full year. The income and expenditure for 2016/17 will be less due to the charging policy being introduced in June rather than the start of the financial year.

6.1.4. 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. With reduced waste container prices through more effective procurement (section 5.2.1), the level and nature of customer complaints and feedback from WDC staff there may be elements of the policy that Members wish to reconsider.

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