

Report to: Cabinet

Date: 19 March 2009

Subject: Bulky Goods Waste Collections

Report of: Executive Director - Environmental Services

Contact officer: Neil Fearnley 01942 827084

Purpose / summary: To review the charge for bulky goods waste collections.

Alternative options considered and reason for selecting the one recommended:

Option 1
Keep the £10 charge for up to 7 items.

Option 2
Provide a free and unlimited bulky goods collection service.

Option 3
Provide a free collection for up to 3 items with a charge of £5.00 for each additional item up to a maximum of 5 items in total.
Each household entitled to one free collection per calendar year.

Option 3 is recommended as it balances the needs of residents, the increases in household waste collected, reduces the number of fly tipping incidents, and seeks to develop partnership working with the third sector to offer skilled training. It also provides support to residents and the local economy by removing a charge that will help ease the burden on household budgets during the recession.

Recommendation / decision: 1) Approve a free bulky waste collection for up to three items per collection, with a charge of £5.00 for each additional item up to a maximum of five items in total.

Each household would be entitled to one free collection per calendar year.

2) Agree to engage with the third sector and support a bid within the Worklessness Strategy to develop their service to achieve greater re-use of bulky goods for the benefit of the community.

3) Agree that additional collections in the same calendar year be charged at a flat rate of £75 for up to five items.

Key Decision:

This report involves a key decision within ground 7.

The decision made as a result of this report will be published within **48 hours** and cannot be actioned until **seven working days** have elapsed, i.e. before 31 March 2009.

This item is included in the Forward Plan.

Risks / Implications:

Financial:	Additional cost of £80,000 in 2009/10. The cost will be met from the waste budget. Cost in future years will be dependent on the extent of third sector participation.
Staffing:	None
Policy:	Municipal Solid Waste Management Strategy
Equal Opportunities - Has a Diversity Impact Assessment been conducted?	Yes
Wards affected:	All

Property Implications – Does the proposal involve a reduction, addition or change to the Council’s asset base or its occupation?

No

If yes, have the property implications been agreed with the Corporate Property Officer?

N/A

Does this proposal have significant implications for the Council and the local population?

A full diversity impact assessment has been undertaken and is attached as an appendix to this report.

Does this proposal involve a new policy or procedure or significant changes to an existing policy or procedure?

A diversity impact assessment has been undertaken and is attached as an appendix to this report.

Has the Service Director - Borough Solicitor confirmed that the recommendations within this report are lawful and comply with the Council's Constitution? **Yes**

Has the Service Director - Corporate Services confirmed that any expenditure referred to within this report is consistent with the Council's budget? **Yes**

Are any of the recommendations within this report contrary to the Policy Framework of the Council? **No**

* delete which applicable

For Cabinet reports only :

Categorisation of the report:	X
Discussion leading to a decision	
Monitoring	
Sharing for corporate understanding	

	X
Discussion	
Decision	X
Information	

Tracking/Process:

	Consultation	Ward Members	Partners
Panel	Overview & Scrutiny	Cabinet	Council
		19.3.2009	

There are no Background Papers to this Report within the meaning of Section 100D of the Local Government Act 1972.

Proper Officer Martin Kimber

Date 2 March 2009

1.0 Background

- 1.1 The bulky waste collection service covers the collection of household items, including furniture, beds, fridges, washers on pre-arranged days.
- 1.2 In 2005 as part of a strategy to reduce the amount of waste collected by the Council and disposed of to landfill, Cabinet took the decision to introduce a £10 charge for the collection of up to seven items of bulky waste. The strategy achieved its aims, resulting in a halving of the number of collections whilst drawing in a level of income to support the cost of the service. There were, however, negative impacts with charges for the service proving unpopular with the public and the number of fly tipping incidents increasing by 72% (1,567 incidents in 2004/05 up to 2,698 in 2007/08). The increase in fly tipping is seen by many Members as being a direct result of introducing the bulky goods collection charge, though there are other contributory factors such as the permit scheme at Household Waste Recycling Centres, and an increase in disposal costs.
- 1.3 The collection service is provided by the Council's waste collection team. In 2007/08, the number of collections from properties totalled 14,306.
- 1.4 Since the charge was introduced two separate trials of alternative options for bulky waste collections have taken place. An independent study also assessed the potential for involving the third sector in offering a re-use collection service to residents. With the information gained from these exercises and given the impact of the current economic climate on household budgets, it is now opportune to review the charging strategy.

2.0 Trial Schemes

- 2.1 The first of these was undertaken in Wigan South Township between 1st September and 30th November 2007. A free collection service was offered to residents for an unlimited number of items and an unlimited number of collections. The free service was well publicised as part of a general clean-up campaign within a Super Output Area.
- 2.2 The outcomes from the trial were:-
- The number of collections increased by 256%
 - 5% of collections were repeat requests from the same household
 - Average 3.84 items collected per visit
 - Fly tipping decreased by 24%
 - Small reduction in the number of small malicious fires
- 2.3 The second trial took place between 2nd June to 1st August 2008 in the Tyldesley and Astley Township. A free collection service was offered for up to three items with a charge of £2.50 for each additional item. A maximum of seven items could be collected, with residents limited to one collection during the trial period.
- 2.4 The trial confirmed the evidence of the pilot in Wigan South that a service offering collection of up to 3 items free was sensitive to user demand.

3.0 Independent Study

3.1 During the period August – September 2008 a study of the service was undertaken by consultants, Furniture Matters, a Social Enterprise who have developed a partnership with Lancaster City Council. The service they provide to Lancaster includes the collection of goods, producing refurbished goods for people in need, whilst providing work based training to socially disadvantaged people.

3.2 The findings of their study of Wigan's bulky waste service were:-

- Only 5% of goods currently collected are suitable for re-use due to being left outside ready for collection.
- There is potential for 55% of goods to be suitable for re-use if they are collected from within properties, offering a customer focused service.
- Current service is being abused as residents maximise the seven items they are paying for in the £10 charge, by including items of trade waste.
- The potential market in the Borough for re-using items is good with a high level of low income families on benefits and high unemployment in Super Output Areas. In addition both private landlords and WALH offer furnished tenancies giving a further potential outlet.
- The voluntary sector in Wigan has no spare capacity for either collecting or storing re-usable items. Two of the main three charity organisations did though express a willingness to work with the Council to expand their services to include refurbishment of goods and provide accredited training.
- 87% of Councils currently charge for the service. The national average cost is £5 per item compared to £1.43 per item in Wigan.
- Wigan is the only Council that doesn't charge up front for the service. This increases the number of aborted and return collection visits as charging is only done once the goods have been removed.
- Reverting to a free service would increase the number of collections impacting negatively on the LAA indicator, NI 191, residual household waste per household.
- A national study by DEFRA challenges the assertion that charging for the collection of waste is a key driver for a householder to fly-tip, claiming that only 7% of those who fly-tip did so because a charge for bulky waste collections was imposed.
- The service is being used for the disposal of non-bulky items, such as black bag waste that have not been sorted for re-cycling.

4.0 Current Cost of the Service

- 4.1 **Collection Cost** – Income in the current year has varied from previous years due to the economic situation.

This can be represented by comparing the net service cost for 2007-08, based on a typical year, with projected out-turn costs for the current year to date.

	Budget 2007/08	Projected Out-turn 2008/09
Cost of collections	177,000	176,664
Income from £10 charge	120,021	95,000
Net service collection cost	56,979	81,664

- 4.2 **Waste disposal costs** – these are difficult to estimate since bulky waste is mixed with waste from Household Waste Recycling Centres before final disposal. From the study carried out by Furniture Matters and using historic data from 2003/04, when the tonnage of bulky waste was recorded separately, it is estimated that approximately 850 tonnes of bulky waste is collected per annum.
- 4.3 The rates for disposal are currently £32.63 per tonne plus landfill tax at £32 per tonne, a total of £64.63 per tonne. At 850 tonnes per annum this represents a cost of £54,936. Landfill tax is set by the Government and will rise at a rate of £8 per tonne over the next two years. Based on 850 tonnes, this will be an increase in tax of £6,800 in 2009/10 rising to £13,600 in 2010/11.
- 4.4 The disposal costs exclude any costs associated with exceeding our allowance for the landfill allowance trading scheme (LATS). Whilst LATS are having limited impact at present due to their low trading value on the open market there needs to be awareness of their potential impact in future years which could result in penalty fines of £150 per tonne for exceeding the Council's allowance. Clearly, any future proposal for the bulky waste service needs to aim to reduce the number of items that are disposed of to landfill.

5.0 Proposal

- 5.1 Any future arrangement for the bulky waste collection service has to have at its heart the re-use of as many collected goods as possible. This needs to be done by stimulating and encouraging the local charity and voluntary sector organisations to expand the services they currently offer to include refurbishment of goods and providing work based training, enabling local people to gain accredited qualifications, thus supporting the Council's worklessness agenda. Alternatively a social enterprise organisation could become involved. The Regeneration Agency within Environmental Services are currently preparing a Social Enterprise Strategy within the remit of the Council's Worklessness Strategy. This proposal accords well with these strategies with the potential to promote interest and offer support to the third sector for developing plans that may be able to draw down grant opportunities. There are also strong links to the Council's Homelessness Strategy where the possibility of linking accommodation to a re-cycling facility is being developed.

5.2 The collection service also needs to change, becoming more customer focused and ensuring that the maximum number of goods collected can be re-used or recycled. In the future the service should ideally move towards all goods being collected by the third sector. For now the service will need to be provided by the in-house team but with greater liaison with the third sector agencies.

5.3 It is envisaged that the new service will:-

- Where appropriate, refer customers to the charity/voluntary sector organisations at first point of contact via the Helpline Service.
- Collect only bulky household items: furniture, beds, fridges, washers, cookers, carpets.
- Seek to introduce immediately an arrangement with the local charity/voluntary sector organisations for the transfer of suitable goods for them to sell on. This will need further dialogue with these organisations regarding storage and transporting of goods.
- All goods to be collected from an accessible ground floor point within properties. This will require training of staff and appropriate insurance cover for accidents/ damage.
- If charging for the service is retained then money should be collected at the point of request.

6.0 **Alternative Options Considered and Reason for the Recommended Options**

There are many different options based on:

- i) whether to charge or not;
- ii) the number of items that can be collected on any one visit; and
- iii) the number of collections in any year.

For each of these there needs to be a balance between offering an accessible service without exposing the Council to significant cost increases for collection and disposal of items that cannot be re-used. With the proposed general changes in the service referred to earlier, it is difficult to assess accurately the actual costs that are likely to be incurred as these will depend on the extent to which the Council can engage with the voluntary sector and the future state of the economic position affecting demand for the services.

Three options are suggested for consideration:-

6.1 **Option 1 – Keep the existing charge of £10**

6.1.1 Current charge of £10 is retained for up to seven items collected, with no limit on the number of requests for the service. This option, linked with further involvement of the third sector will reduce the amount of waste going to landfill. This action will support the Council's targets for reducing the levels of household waste sent to landfill and will mean a small saving on bulky waste disposal costs, which are currently £54,936 per annum.

Any savings could be reinvested into expanding the recycling service as part of the Council's waste management strategy or used to support improvements in Neighbourhood Services.

- 6.1.2 This option would not support the Council's actions to reduce fly tipping as there does appear to be some link between charging and increased fly tipping in Wigan. The charge will also remain unpopular with both residents and Members.

6.2 Option 2 – Provide an unlimited free bulky waste collection service

- 6.2.1 The provision of an unlimited free bulky waste service would be popular with residents, however evidence shows that there is likely to be a doubling of service requests. The income stream from the £10 charge will cease resulting in the annual service cost increasing by between £350,000 to £450,000.

- 6.2.2 A free service may reduce the amount of fly tipping. To off-set the increased cost the team that was brought in when the charge was introduced could be withdrawn, with a saving of £70,000.

- 6.2.3 An increase in service of this extent will have a negative impact on the Council's waste reduction targets. The LAA target, NI 191, for the amount of residual waste collected per household will increase, the tonnage of waste to landfill will increase and the percentage of recycling will fall. Again, involvement of the third sector would mitigate the impact but not avoid it.

- 6.2.4 The service would also be open to abuse with trade waste continuing to be mixed in with genuine household waste. Some trade waste and household waste would also be imported from surrounding areas as most Councils in the region charge for the service.

6.3 Option 3 – Provide a free bulky waste collection for up to three items with a charge of £5.00 per additional item up to a maximum of five items in total. Households would be limited to one free collection per calendar year.

- 6.3.1 Given current demand for the service there is unlikely to be much change in the immediate cost of providing this option against budgeted expenditure.. The tonnage of waste for disposal would be broadly similar to previous years but the cost would increase due to inflation and landfill tax rises. The major financial impact would be through the reduction in income as the charge would result in less uptake of more than three items being collected.

- 6.3.2 Once the economic position improves, if no mitigating action is taken then there could be an increase in service demand of up to 50%. It is proposed that to avoid this, opportunity is made to use the next 12 months for developing participation of the third sector. This will mean that when the economy recovers there will be a service in place that maximises the potential for re-using and recycling goods. During this period alternative options will also be reviewed such as consideration of the expanding web-based recycling/exchange services that are now available.

It is proposed to submit a bid, which may be a joint bid with an interested third sector organisation, that accords with the Worklessness Strategy for engaging an officer for a fixed period to help establish a training centre offering opportunities to local people.

- 6.3.3 Overall costs for this option in 2009/10 compared with previous years are represented in the following table:

	2007/08	Out-turn 2008/09	Budget 2009/10
Cost of collection	177,000	176,664	174,738
Cost of disposal	45,900	54,936	62,346
Income	120,021	95,000	20,000
Surplus (-)/ Deficit	102,879	136,600	207,084

- 6.3.4 In order to mitigate the increase in cost of the service, if there is a significant reduction in numbers of fly-tipping incidents then it could be possible to reduce the level of resources devoted to this area.
- 6.3.5 Option 3 is recommended as it balances the needs of residents, controls the potential for increases in municipal waste collected and disposed of, and reduces the number of fly tipping incidents. It also seeks to develop partnership working with the third sector to offer skilled training.
- 6.3.6 There will be an increase in cost of approximately £80,000 per annum to operate this option. This cost will have to be managed from within the waste budget. Members will be aware that the impetus to date has been to improve re-cycling opportunities.

The opportunity cost of re-directing efficiency gains toward bulky goods is that the investment is not available to accelerate progress on re-cycling. The cost beyond 2009/10 will be determined by the interest shown by the third sector and the costs associated with setting up and maintaining the type of service envisaged. This will need to be the subject of a future report to Cabinet once this information is available.

7.0 Conclusions

It is recommended that Cabinet:

- 7.1 Approve a free bulky waste collection for up to three items per collection, with a charge of £5.00 for each additional item up to a maximum of five items in total. Each household would be entitled to one free collection per calendar year.
- 7.2 Agree to engage with the third sector and support a bid within the Worklessness Strategy to develop their service to achieve greater re-use of bulky goods for the benefit of the community.
- 7.3 Agree that additional collections in the same calendar year be charged at a flat rate of £75 for up to five items.

Diversity Impact Assessment form

Section: Environmental Services – Neighbourhoods Division
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Policy/Service Area: Bulky Goods Waste Collection

Person Completing Form: Neil Fearnley	Date: 11.2.09
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Do any of the below groups suffer specific disadvantage (please indicate)

	Yes	No		Yes	No
Race		X	Disability		X
Ethnicity		X	Gender		X
Age		X	Religion		X
Class		X	Sexual Orientation		X

Is there evidence of disadvantage or associated problems? No evidence of disadvantage. The proposed changes to the service will make it easier for age and disability groups to use the collection service from properties.
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How was the information collected and/or who have you consulted with? A study was undertaken by a social enterprise organisation, Furniture Matters.

Action Plan – <i>What specific actions are planned to tackle any disadvantage identified?</i> None required.

Is the policy in line with current equality legislation and relevant codes of practice? Yes
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Timescale	Implement from 1 April 2009.
Responsibility	Waste Management Teams
Comments	

Are the actions specified included in any other documents/plans?

Departmental Service Plan	Environmental Services Plan
Section/Team Plan	Waste Management Teams
Other (Specify)	

Date for further review	1 April 2010.
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