

Report to: Cabinet
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Agenda item: 13

Subject: **Charging developers for the provision of recycling & waste containers to new build properties**

Purpose of report:

A proposed introduction of a charging scheme for recycling and waste bins and containers for new build properties and newly created dwellings, with the intention that developers pay this charge for their customers. Along with the introduction of charges for replacement wheeled bins if the customer has lost or damaged them.

We currently collect from 69,400 properties. Our new development build rate fluctuates between 750 and 900 homes a year, with around 500 band D properties a good average per year.

This creates a significant cost pressure for the council both in terms of supplying new containers to these new build properties and then replacing damaged or end of life containers for an ever increasing 'stock' of homes.

Our container budget for 2018/19 is £105k with an average 18% renewal of recycling boxes, bags and caddy's per year. Bin replacements run at a lower percentage. The budget is under pressure as property growth increases and is projected to be £7k overspent this year. A year from October 2017 to October 2018 saw total container costs run to £126k.

By levying a charge on developers for the provision of the recycling and waste containers for a new property we can decrease this cost pressure, transferring it to the developers of new dwellings/properties. This large annual budget would then be partly self-financing, reducing cost pressures, helping to meet our transformation strategy saving target and moving us closer to setting a balanced budget.

A number of other authorities have already introduced this sort of charging. Exeter city council charge for the supply and replacement of wheeled bins at a cost of £35 per bin directly to the resident. They make no charge for recycling containers.

Aylesbury Vale District Council is now charging £120 per property for a full suite of new bins. We propose to start our charges for developers of new residences at £80 for the full suite of recycling and waste containers.

Recommendation:

- 1) From 1 April 2019 the council no longer supply waste containers free of charge to new properties.
- 2) That a recycling and waste container charging policy based on the criteria in Appendix 1 be introduced.
- 3) Developers are charged for the supply of newly created properties' recycling & waste containers at a rate of £80 (per property for 1 residual bin, 1 green box, 1 green sack, 1 food caddy, 1 kitchen caddy) and £300 per communal bin supplied.
- 4) To make a charge of £30 per residual waste container where a replacement is required e.g. the resident has lost or damaged their existing waste container. Residents won't be charged where containers are damaged during collections.
- 5) Review charges annually as part of the annual portfolio holder charges review process

Reason for recommendation:

To reduce the increasing pressure on our sizeable container supply and renewal budget in order to help set a balanced budget.

Transformation strategy saving target.

New build housing stock in East Devon is expected to continue to rise. Implementing the proposed policy and charges would allow us to recover costs of waste containers as permitted by the EPA 1990, decreasing this cost pressure by around £40k - £76k per year depending on charging options and numbers of properties created.

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Financial implications:

As a reminder this is an area of cost recovery included in our assumed Transformation Strategy savings for 2019/20 and if adopted along with the other actions identified in the Strategy still leaves us with a further £280k to find elsewhere to enable us to balance our books next year.

Legal implications:

The legal position is detailed in the report and no further comment is required.

Equalities impact:

Low Impact

Risk:

Medium Risk

Reputational risk of charging for a service area which was previously FoC.

Risk that developers do not willing pay the new charge, which may increase transactional costs for the council in perusing the charge.

Links to background information:

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Link to Council Plan: Delivering and promoting our outstanding environment
Continuously improving to be an outstanding council

1. Budget & costs

- 1.1 We provide each new property with a 180 ltr bin, recycling box & lid, recycling sack, indoor food caddy, outdoor food caddy.
- 1.2 This group of containers costs around £30 at current prices. We then have processing charges and admin costs on top of this.
- 1.3 Our annual containers budget is set at £105k, but is predicted to overspend by at least £7k this year, taking it up to £112k. The cost pressure is coming from the increasing property count in East Devon and our annual 18% overall container renewal (from lost, stolen or damaged items). Wheeled bins have a service life of around 20 years and are replaced at a lower percentage, with recycling containers lasting between 2-5 years.
- 1.4 Our current property count is 69,400 and is continuing to grow at a rate of between 750 and 950 properties a year. In 2017 our property count grew by 950. Based on a complete transaction cost of £60 per suite of containers to new build properties, the cost of supplying those 950 properties was around £57k in 2017. The container cost alone is around £30k.
- 1.5 A full years cost for containers for the last 12 months was £126k. For budgeting purposes in 2019/20 we are increasing our containers budget to £130k, made up of 18% container replacements at a cost of £8.73 = £109,605; and new properties at a rate of 800 a year at £25.30 = £20,240 for budgeting purposes. This cost does not include administration, transaction costs and delivery.
- 1.6 The total number of receptacles delivered over the previous 12 month period is around 18405, this can be broken down as follows:
 - 2500 wheeled bins
 - 5847 Recycling boxes
 - 3552 Recycling sacks
 - 6506 Indoor/outdoor food caddies
 - 898 full suite of containers to new build properties (included in above figures)
- 1.7 It is recommended that the cost for a full suite of recycling and waste containers for a new build property be set at £80. This will cover all supply and transactional costs and allow us to offset the cost of some replacement containers where the resident did not cause the damage (in these instances we would supply the replacements free of charge).

2. Legislation

- 2.1 The Environmental Protection Act 1990 (EPA) sets out the legislative requirements for local authorities in relation to waste collection. Section 45: Collection of controlled waste and Section 46: Receptacles for household waste, give us the ability to define how waste is containerised.

- 2.2 Under Section 46 (1, 2) of the Environmental Protection Act 1990, a Council may serve notice on the occupiers of the premises from which it collects household waste, requiring those occupiers to place their waste in receptacles of a particular kind and of a particular number. The Council may specify the size, type and colour of these receptacles.
- 2.3 Under section 46 (3) the Council can: a) provide containers free of charge; b) make a charge to the householder for the containers c) if the householder does not agree to pay for the container from the Council they can make arrangements to supply the container themselves, provided that the container meets the specification of the Authority.
- 2.4 The council cannot force the householder to buy their waste containers from the council, but can enforce that the householder buys the appropriate size, colour and specification of bin and container. This important subtlety requires the householder to comply with our bin and container specification, ensuring containers meet operational requirements (for example the bin can be recognised as one we collect from and can be lifted safely on our vehicles). Wheeled bins purchased directly through third party suppliers are much more expensive than we can procure them for due to volumes and usually cost around £35.00 each.
- 2.5 If a householder refused to purchase/use the councils standard containers, the council could as a result of this, withhold provision of the waste collection service and would need to invoke the powers available to it under Section 46 of the Environmental Protection Act 1990 by service of notice on the occupier to provide suitable containment. Other councils experience here suggests that the exercise of this power is rarely ever required.

3. Charging the Developer

- 3.1 Some councils seek payment for bins through Section 106 agreements with developers of newly created or built properties, whereby the developer undertakes to pay for the container cost, administration and delivery costs arising from the provision of bins. These charges are a one off cost to the developer for the provision of bins to the new household; however the bins remain the property of the council. We don't have this in place at East Devon and our Planning department advises this is not a possible avenue at this time.
- 3.2 Whilst some local authorities secure payments towards refuse and recycling bin charges through planning obligations, there is not currently a sufficiently robust planning policy position in place at East Devon to achieve this. Equally it is not something that the CIL charge could be used towards.
- 3.3 Therefore the levy to developers will not form part of a S106 agreement, however we recommend the planning team advise developers of the policy through the planning process, as well as sending copies of the charges/policy to the main housebuilders. Developers should be notified of the likely charge level, based on the number of proposed units as well as the payment process at the planning application stage.
- 3.4 In conjunction and in agreement with the developer, the council will look to batch deliver new containers to a developer so the new resident has bins and containers at the property when their occupancy starts. Developers would be expected to place orders for waste containers and agree a delivery strategy to suit the nature and size of the development in conjunction with our recycling & waste team. This already takes place in some instances, the adoption of this charging policy and up front information at the pre-application phase should improve this arrangement for the customer. Bulk delivery of bins will be preferable and developers can then store them on site, and place the bins at the properties with a welcome pack the day before the new owner takes possession of the property.

4. Examples from other authorities

4.1 The charges applied by councils across England and Wales vary considerably. The EPA requires councils to make a 'reasonable' charge for containers. Therefore charges should cover reasonable supply and associated costs and costs of container budgets only, but not be seen as an income generator. Some Authorities continue to subsidise the cost of the containers to residents by only applying a delivery and administration fee to customers ordering replacement bins, but charge developers the total cost of the bins, administration and delivery.

4.2 Charges made by others:

- Exeter - £30 per wheeled bin for new and replacements. No charge for recycling bins.
- Dorset Waste Partnership - £56 administration and delivery charge for new properties levied to developers. Residents responsible if developers don't pay.
- Somerset Waste Partnership - £25.90 per wheeled bin for delivery of new or replacement bins. Charges levied to developers of new build properties.
- Wycombe DC - Between £4 – £210 depending on size of container + £7 delivery charge per container. Developers charged through S106 for total cost and delivery.
- Cherwell DC- £30 for replacement wheeled bin. First set free/provided by developers through statutory planning guidance/S106. Current charge £67.50 per dwelling. An additional £42 of investment in the waste service per property is also required.
- Reigate and Banstead £30 – 40 depending on bin size Inc. delivery for replacements. Developers charged through S106. Current charge per dwelling £84 + £14 delivery
- Breckland Council £62 Inc. delivery. Developers charged through S106. No charge for replacements.
- Waveney Council £28 per wheeled bin Inc. delivery for replacement. Current charge per dwelling £84

5 Alternative Options considered

5.1 No charge: The council continue to pay for the provision of all recycling and waste containers in their entirety. This places a significant financial burden on us, we will need to continue to fund the entire projected budget of £130k for 2019/20. At time of writing we are currently trying to balance a deficit of around £450k for the same budget year. With continued growth of the district and the cost of wheeled bins increasing, this is an unsustainable policy without creating a detrimental impact on our overall finances.

5.2 No charge for replacement bins that are lost or damaged by the householder: While all recycling and waste containers paid for remain the property of EDDC, it is expected that the householder will take all necessary action to ensure that the waste containers are stored safely on their property between collections and that they remain in good order.

5.3 Charges for all containers including recycling bin replacement for householder, and charges for new builds via developers. This would maximise the budget off-set but could disincentivise recycling and engagement with our service. We don't recommend this as we still want to still promote recycling and help our residents reduce their waste.

Appendix 1 – Recycling & Waste Container Charging policy

1. Replacement Bins

- 1.1 The Council has provided all existing households with a wheeled bin for residual waste, recycling box, sack and a kerbside and kitchen food caddy free of charge. All waste containers provided by EDDC remain the property of the council.
- 1.2 From the 1 April 2019 the council now charge for new wheeled bins and recycling containers according to the criteria below and at the cost published on our website.
- 1.3 The council will cover the cost of a broken, damaged or lost wheeled bin if;
 - a) The wheeled bin is damaged or lost by our collection crew or any contractor acting on behalf of EDDC.
 - b) The wheeled bin is stolen, in which case it should be reported to the police and a crime number obtained.
- 1.4 To qualify for a free bin, occupiers reporting a missing/broken bin and requesting a replacement are required to make an application and agreed declaration, prior to the bins being delivered, that they have undertaken all reasonable enquiries to locate their bin (s) and the bin is in fact missing/lost or stolen.
- 1.5 Any wheeled bin or waste container that is damaged by the householder through misuse, loss or fire damage will result in a charge to replace the bin (s) at the current rate published on our website all waste containers remain the property of EDDC.
- 1.6 A requirement of the EPA 1990 is that the resident may choose to provide their own bins and containers. This is allowed as long as the bins and containers are to the required specification. Bins must comply with the BS EN 840 standard and all containers must comply with the Council's specifications, dimensions, colouring and markings. If your containers do not meet these criteria, then they will not be emptied by the Council.
- 1.7 Residents who do not acquire the appropriate container(s) (either through the council or privately) will not receive the Council's Recycling & Waste Collection service and in such cases the Council will invoke the powers under Section 46 (3) of the Environmental Protection Act 1990 by service of notice on the occupier.

2. New Build Properties

- 2.1 The Council seeks a one off payment from developers to pay for the provision of the appropriate type and number of recycling and waste containers for each built dwelling, including any costs associated with such provision e.g. administration and delivery.
- 2.2 Charges will be levied at the rates published on our website and charged to developers prior to delivery of the containers. Batch delivery is possible for large developments and developers should liaise with our recycling and waste department.
- 2.2 The waste containers will remain the property of EDDC and if residents move out of their property the waste containers must remain in situ for the next resident to use. Waste containers must not be moved between properties by residents.

- 2.3 Depending on the development size and the types of bins required (e.g. Communal containers) the cost of providing the bins will need to be discussed with EDDC Recycling and Waste departments.
- 2.4 For further information about what bins are required for your development and to arrange payment, [please visit [WEB ADDRESS](#)]
3. Other matters
- 3.1 Where a developer does not enter into an agreement described above then the council will seek this charge through other means.
- 3.2 You may choose to provide bins yourself. This is allowed as long as the bins are to the required standard. Bins must comply with the BS EN 840 standard and with the Council's specifications, dimensions, colouring and markings. If your bins do not meet these criteria, then they will not be emptied by the Council.