

CHARGING FOR WHEELED BINS

1 PURPOSE OF REPORT

- 1.1 To review the effectiveness of the current approach to charging for the supply of wheeled bins to new properties.

2 INTRODUCTION

- 2.1 Under the terms of the Environmental Protection Act 1990, Rochford District Council (the Council) is classed as a Waste Collection Authority and, as such, has a statutory duty to collect household waste from all domestic properties in the District. Under Section 46 of the above Act, the Council can specify what 'receptacles' (wheeled bins) should be used for recycling and waste collections, how waste should be presented for collection and that a charge can be made for the specified containers.
- 2.2 There are approximately 91,000 wheeled bins serving residential properties, which were distributed to households in 2008. A household resident usually receives the following set of bins:
- a non-recyclables bin (180 litres), which is collected every two weeks;
 - a recyclables bin (180 litres), which is collected every two weeks; and
 - a compostables bin (140 litres) for food and garden waste, which is collected every week.

This varies for flats and caravans and individual circumstances; the full range of bins is listed below.

Domestic Refuse Containers	Domestic Recycling (DMR) Containers	Domestic Kitchen and Garden Waste
180 Ltr Wheeled Bin (Grey body, Mauve lid) STANDARD	240 Ltr Wheeled Bin (Grey body, Grey lid) STANDARD	140 Ltr Wheeled Bin (Green body, Yellow lid) STANDARD
360 Ltr Wheeled Bin (Grey body, Mauve lid) Subject to Council approval for Larger Container	360 Ltr Wheeled Bin (Grey body, Grey lid) Subject to Council approval for Larger Container	
140 Ltr Wheeled Bin (Grey body, Mauve lid) Caravan use only	140 Ltr Wheeled Bin (Grey body, Grey lid) Caravan use only	

3 COUNCIL POLICY

- 3.1 The decision to charge new build properties for the cost of providing a set of bins was agreed at Full Council in January 2014, through agreement of an additional charge introduced to the Fees and Charges. The Fee was set at £168 per year and at the time of introduction it is understood to represent the highest charge in England and Wales for an equivalent replacement set of bins. A breakdown of the cost to the Council is outlined below:

	<u>(£)</u>
Buy Bins (x£3)	52
Delivery	10
Storage	10
Replacement (3 bins) over life of scheme	52
Administration	13
Repairs	30
Contingency	1
<u>Total</u>	<u>£168</u>

- 3.2 All wheeled bins must meet a minimum design specification as provided by the Council in order to ensure that they are compatible with the lifting equipment on Council refuse vehicles to prevent injury to staff and/or damage to the vehicle.
- 3.3 The charge will be made for delivery and administration, not sale of the bin, and will be made for all new properties. Payment must be made at the time of request and bins will not be supplied prior to the receipt of payment.
- 3.4 The detailed application of the charging was not set out at the time; consequently the charge was in the main applied through seeking contribution from developers of major planning applications.
- 3.5 As part of the planning process Planning Officers would discuss with the developer if they would be prepared to enter into a Section 106 agreement for bin provision. To require such a contribution as part of a planning permission would be open to challenge, as bin provision is not set out as a planning requirement within Rochford District Council planning policy, nor can it be identified as mitigation to planning harm caused by the development.
- 3.6 In addition, there is a strict approach, with three legal planning tests, outlined in paragraph 204 of the National Planning Policy Framework and, as such, it is unlikely the Council can enforce this on the developers. The Planning Practice Guidance states that 'Planning obligations may only constitute a reason for granting planning permission if they meet the tests that they are (i) necessary to make the development acceptable in planning terms, (ii) directly

related to the development, and (iii) fairly and reasonably related in scale and kind’.

- 3.7 To ensure consistent and fair application of the bin charging, a bin charging policy was developed and approved in November 2016 to address the above issue. This is summarised below.
- 3.8 Initially, the property developer is expected to meet the cost of providing bins for new housing developments; however where a property developer refuses to pay, householders will be required to pay. Where residents are moving into a new property, it is recommended to them that they firstly request bins from the developer as they may have a supply ready.
- 3.9 Should the resident decline to pay and they are not supplied with a new bin from the developer, then they will not be supplied with the wheeled bins, although a rubbish collection will continue for that resident. The resident will be served with a Section 46 notice under the Environmental Protection Act 1990. The notice will require them to provide the necessary container for their household waste. Failure to comply with this notice may lead to the resident being issued a fixed penalty notice and/or be prosecuted.
- 3.10 The costs of bin purchases for properties since April 2014 are set out in the table below.

	2014/15	2015/16	2016/17
Value of bins Purchased	£59,786	£48,202	£73,804
Number of Bins	2,634	2,396	3,364
Number of lids/wheels etc.	2,450	3,100	1,300

4 PROCEDURE FOR REQUESTING SET OF NEW BINS

- 4.1 A resident who is moving into a new or converted property contacts Customer Services to request bins. Customer Services checks with the Council Tax service to ensure that an account has been set up, and also explains to the resident that there will be a charge of £168 for the bins, payable either by the developer, the Housing Association, the private landlord or the resident.
- 4.2 Once payment has been established, the resident is informed that the bins will be delivered within the next 10 working days. The request to deliver the new bins is sent through to SUEZ, and forms part of the daily request schedule for the delivery of either replacement or new bins that is undertaken by their crews.
- 4.3 The list currently makes no distinction between a replacement bin for an existing property and a bin for a new property: in terms of day to day operations it is of no consequence but does have implications for undertaking any audit where deliveries to new properties may be required to be identified as separate.

5 INCOME RECEIVED FROM NEW BIN SALES

- 5.1 As outlined above, the actual number of new bins delivered to properties for any given period of time cannot be determined easily from the existing data. An assumption can be made that the every new property requires a new set of bins; this has been applied to the table below. However it should be noted that this is likely to be an over estimate, as although flats will count as a new property they will not require a set of the three bins but will have been supplied with a communal bin by the developer.

Financial Year	2014/15	2015/16	2016/17	Total
Bin Charging Income	£35,622	£1,344	£26,376	£63,342
Number of Bins Paid For	212	8	157	377
Number of new properties built	167	148	132	447
Discrepancy	+45	-140	+25	70

- 5.2 If the assumption is made that every new property requires a set of new bins, then the above table illustrates a significant discrepancy, in any one year, between the number of bins paid for and the number of new properties built. The variation can be partly explained by developers making advance payments on the bins being delivered to their future developments. As residents move in, the bins are delivered; however, the initial payment may have been made in a previous year.
- 5.3 Over the period of three years, in respect of the delivery of new bins to properties, it appears 70 properties have not paid. The Policy on charging was reviewed and clarity given in November 2016, with the policy implemented for the new financial year of 2016/17.
- 5.4 The lack of certainty highlights a failure in the existing procedure in being able to track individual bin deliveries.

6 INCOME RECEIVED IN 2017/18

- 6.1 An exercise was undertaken to identify all new properties that have received sets of bins in April to June 2017 and cross-referenced against payment. This exercise took a significant resource and could not be replicated on a regular basis.
- 6.2 The results are set out in the table below:

Number of Bins to new Properties	71	100%
Paid by Developer	56	78.9%
Paid by Residents	13	18.3%
Outstanding	2	2.8%

This illustrates that the significant majority of bin deliveries to new properties are now being accounted for.

7 FUTURE PROPOSAL

- 7.1 Presently, the Council is responsible for procuring and supplying a stock of bins to SUEZ, who are then responsible for the direct delivery to customers. This arrangement is expected to change as of September, whereby the contractor will be responsible for the procurement and delivery of all bins to the properties, and will present a monthly invoice to the Council detailing the new properties delivered to. This will allow a simpler process to be undertaken for the auditing and cross referencing of income against bins delivered.

8 RISK IMPLICATIONS

- 8.1 There is a risk that without the ability to cross reference payments against the delivery of new bins, potential income is being lost. It is estimated, based upon April to June 2017 figures, that approximately £1,500 per year would be potentially lost should the existing procedure continue.

9 RESOURCE IMPLICATIONS

- 9.1 There are no resource implications.

10 LEGAL IMPLICATIONS

- 10.1 None, other than the implications within the Environmental Protection Act 1990.

11 RECOMMENDATION

- 11.1 It is proposed that the Committee **RESOLVES** that a review of effectiveness be undertaken over a three month period once the new bin invoicing system is operational with a further report submitted to the Committee on the conclusion of this review.



Marcus Hotten

Assistant Director – Environmental Services

Background Papers:-

None.

For further information please contact Marcus Hotten (Assistant Director, Environmental Services) on:-

Phone: 01702 318117

Email: marcus.hotten@rochford.gov.uk

If you would like this report in large print, Braille or another language please contact 01702 318111.