

**Report to the Cabinet Member for Public Protection and Waste**  
**Report submitted by: Interim Executive Director for the Environment**  
**Date 5<sup>th</sup> December 2014**

**Part I**

Electoral Division affected:  
All

**Policy to reduce quantities of non-household waste delivered to Household Waste Recycling Centres**  
(Appendices 'A' to 'C' refer)

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**Executive Summary**

In January 2014 the County Council's Cabinet approved recommendations that the Environment Directorate consider options for the introduction of charges for, or limits on, non household wastes at Household Waste Recycling Centres (HWRCs). The Cabinet approved that recommendations in this respect be reported to the Cabinet Member for Public Protection and Waste for decision.

Following a comprehensive review of the options available it is recommended that a policy be introduced to reduce the quantity of non-household wastes delivered to HWRCs; specifically targeted at soil/rubble and plasterboard.

The policy will allow an element of free disposal (up to ten 25kg bags or items per annum) of soil/rubble and plasterboard by means of production of a permit; and introduce charges for any soil/rubble and plasterboard delivered without a permit. The charge being £3.50 per 25kg bag or item, or dependent on the amount being carried (where it is delivered loose).

The impacts of the policy, both operationally and financially, are extremely difficult to forecast and subject to a number of variable factors. Whilst there is very little risk that the proposal will not prove beneficial, given the uncertain impacts of the policy it is recommended that, as a minimum, the policy and rates charged be reviewed every 12 months, with any proposed changes being reported to the Cabinet Member for Public Protection and Waste.

This is deemed to be a Key Decision and Standing Order 25 has been complied with.

## **Recommendation**

The Cabinet Member for Public Protection and Waste is recommended to approve:

- (i) the proposed limits on, and charges for, the receipt of soil/rubble and plasterboard at HWRCs on the basis outlined in the report, and;
- (ii) the policy to reduce quantities of non-household waste delivered to Household Waste Recycling Centres as detailed in Appendix 'B' of this report.

## **Background and information**

In September 2013 the Leader of the County Council agreed a proposal to establish a Cabinet Working Group (CWG) to review the County Council's provision of Household Waste Recycling Centres (HWRCs).

The terms of reference for the CWG included the requirement to:

*Consider the costs of operation of the current service and the implications of the Council's financial strategy on the level of service provision.*

One of the outcomes of the CWG that was recommended to Cabinet in January 2014 was that:

*The Environment Directorate considers options for the introduction of charges for, or limits on, non-household waste types and that future recommendations in this respect are reported to the Cabinet Member for Public Protection and Waste for decision.*

Having assessed how other Waste Disposal Authorities address the issue of non-household waste and given detailed consideration to the multitude of potential options available to the authority, this report details a proposal for the implementation of limitations and charges for certain non-household wastes and recommendations for a policy in relation to the same.

## **Consideration of options**

The powers for local authorities to charge for the provision of discretionary services in circumstances where they would otherwise be unable to charge due to the absence of any specific enabling statutory provision relating to the service contemplated are set out in section 93 of the Local Government Act 2003 and section 3 of the Localism Act 2011.

By providing a power to charge for discretionary services local authorities are encouraged to provide services they would otherwise decide not to provide (or improve) because they could not justify or afford to provide (or improve) them.

Under the provisions of the Environmental Protection Act 1990 the County Council, in its role as Waste Disposal Authority, must make HWRCs available for the deposit of household waste free of charge for persons resident in its area. However, the current HWRC service also accepts a range of waste materials that do not come under the definition of household waste. These include, for example, soil and rubble, plasterboard, asbestos, tyres and gas bottles, amongst others. Many other Waste Disposal Authorities charge for, or limit, the amount of these wastes that they will accept, examples of which are given in Appendix 'A'.

Wastes such as asbestos, tyres, and gas bottles, are defined as hazardous waste and the disposal or treatment of them is extremely expensive. Whilst many other authorities charge for receipt of hazardous wastes and the Council is under no obligation to accept them, the CWG noted that there are obvious benefits to householders and the environment in the Council continuing to provide free facilities for these. Alternative options for disposal of hazardous waste are much more limited than those for other non-household waste, making it far more difficult and expensive for householders to get rid of them. Furthermore, there are already limits set at the HWRCs around the amount of these waste types a householder can take to site. As it is not considered appropriate to introduce charges or change limits for these hazardous waste types at this stage. However, the cost of dealing with them should be monitored, and options for future charging proposals considered in the context of the experience that introduction of a charging policy for other non-household wastes will bring.

The review has concentrated on potential options for limiting or charging for the other non-household wastes accepted; specifically soil/rubble and plasterboard. Facilities for these waste types are provided at the HWRCs for 'small scale' DIY projects such as refurbishing a single room, replacing fixtures and fittings or tidying a garden.

However, in Lancashire this waste makes up approximately 34% of the total waste arisings at the HWRCs and is forecast to increase in 2014-15. By comparison to other authorities the deposit of this waste is not subject to any meaningful limitations; and from survey work conducted by the Environment Directorate it is clear that visitors to the HWRCs deliver far more of these waste types than the small quantities the HWRC provision is intended for. The cost to the Council of dealing with soil/rubble and plasterboard is in the region of £750,000 per annum.

In considering the most appropriate option for limiting the impact of the amount of soil/rubble and plasterboard delivered to the HWRCs it was clear that there are many possibilities. These include, but are not limited to, simply not providing facilities for soil/rubble and plasterboard; introducing a direct charge for all soil/rubble and plasterboard delivered; or introducing a charging scheme with a limited element of free disposal for householders. There are numerous other variations of these options.

An important consideration has been how any option could be delivered. There are various delivery implications associated with the options assessed and these often undermine either the flexibility of delivery of a policy or its robustness. For example, the more flexibility built into the policy the easier it would be to abuse, whereas conversely, the less susceptible to abuse a policy is, the less flexibility it would offer to householders.

A balanced position is therefore proposed whereby the council adopts a policy of allowing a limited element of free disposal of soil/rubble and plasterboard by means of a permit scheme; and introduction of a charging policy for additional soil/rubble and plasterboard, or those without permits, on a 'pay as you throw' basis.

It is considered that this approach maintains the Council's original intent in providing free facilities for soil/rubble and plasterboard for small quantities of the waste from domestic DIY and garden works. It will also reduce the temptation for householders to deposit small quantities of soil/rubble and plasterboard in their residual bin, or worse, fly tip it.

Furthermore, introduction of a separate charging scheme will provide flexibility for householders who wish to deposit more than the allocated free provision or for householders without a permit who want to use the facilities. This flexibility along with the introduction of charges at reasonable rates will encourage householders to manage small quantities of soil/rubble and plasterboard waste responsibly; whilst ensuring that other disposal routes provide better options for larger scale producers.

### **Key principles of proposed policy**

The policy being proposed is set out in full in Appendix 'B' and based on the following key principles:

1. A vehicle will be able to deposit 10 'items' of soil/rubble and plasterboard free of charge per calendar year by production of an approved permit.
2. A typical item would be the equivalent of a 25kg bag of material or one of a range of other single items which are collected as soil/rubble, such as a toilet, sink, plate glass etc. One sheet of plasterboard would be considered as one item. Typical details of waste types and items are provided in Appendix B(i)
3. A permit would need to be obtained through the Customer Service Centre or via an online permit application in advance of a visit to the HWRC.
4. The permit will be issued against a vehicle registration on the basis of one permit per vehicle per calendar year.
5. The permit will require only one application and can be used in one visit or as required throughout the year.
6. A charge of £3.50 per item will be applicable for all waste delivered without a permit.
7. For householders using trailers, or for waste not presented in 25kg bags , the following charging policy shall apply:
  - Trailers up to 1 metre in length - £17.50
  - Trailers up to 2 metre in length - £35.00
  - Trailers up to 3 metre in length - £52.50

Open backed vehicles (i.e. pickups) would be charged as above dependent upon size of carrying area.

8. Payment will be taken on site by credit or debit card only. Payment by cash or cheque will **not** be accepted.
9. All sites will keep a quantity of 25kg rubble sacks which householders can purchase at cost.
10. Prices will be reviewed annually.

It should be noted that the proposed policy does not impact on the existing HWRC Access Policy and only vehicles that are in accordance with the policy will be able to deliver soil/rubble and plasterboard irrespective of this policy.

### **Charging proposals**

The actual cost of dealing with soil/rubble and plasterboard at HWRCs is included in the overall management fee for the service. As such it is impossible to clearly identify or quantify. However, the estimated cost of managing the waste through the HWRCs, based on analysis of tender documentation, is £750,000.

In the first instance it could be considered therefore that the Council could make significant savings in HWRC operating costs by simply not providing facilities for soil/rubble and plasterboard. However, this may only increase costs elsewhere by its disposal through other means.

The cost of allowing an element of free disposal for householders is in the region of £100,000 as a result of administration of the policy through the Customer Service Centre and costs of printing permits etc., although this is variable dependent upon the tonnage delivered. A number of other means of administering the policy have been considered, but as previously mentioned these were generally considered either inflexible or too open to abuse. It should be noted that the proposed charges also include VAT and a charge brought about by the use of electronic transactions.

Whilst there is no detailed breakdown of the proposed charge of £3.50 per item, the charge recognises the cost of providing the service and the additional costs incurred by allowing an element of free disposal. However, it should be noted that the limit and charge is intended to assist the Council in reducing the amount of soil/rubble and plasterboard delivered to the HWRCs.

In addition, it is important that in order to reduce the amount of soil/rubble and plasterboard received at the HWRCs the price set is not more attractive than market prices for other disposal services such as skip hire. The proposed £3.50 rate for 25kg equates to a charge of £140/tonne. Whilst skip hire prices vary a small 3 cubic yard 'midi' skip would cost circa £100. As such, the proposed rate will be attractive to small quantities from households but not something that would appeal to larger producers or for large DIY/garden projects.

### **Policy implementation**

Subject to approval of the proposal by the Cabinet Member and the conclusion of negotiations with SITA UK Limited with a view to varying the Council's Household Waste Recycling Centre Contract, the aim would be to implement the new policy by 1<sup>st</sup> April 2015 or as soon as possible thereafter. The key element of meeting this date would be ordering and setting up the electronic charging systems.

The policy would be administered on site by the HWRC staff. The financial impact of this has been accounted for in the operational savings anticipated (see financial implications).

A communications campaign would be instigated with immediate effect including the following:

- Banners at all HWRCs to make users aware of the changes.
- Leaflet distribution to users of the soil/rubble and plasterboard facilities.
- The customer service centre will inform customers of the changes during permit applications.
- Details of the changes will be communicated on the County Council's web pages and permit application pages.
- Communications will be updated throughout the process to ensure that the actual implementation date is only communicated once it is definite.

Process change training required for the staff at the Customer Service Centre and HWRCs will be conducted by Environment Directorate staff.

Flexible systems will be implemented from the outset to accommodate householders unaware of the new policy.

### **Implications:**

This item has the following implications, as indicated:

#### **Financial**

It is extremely difficult to forecast the financial implications of the proposed policy with any degree of certainty. There are a number of variable factors, including what impacts there will be on tonnage delivered, how much of that will be delivered free and how much charged for, whether it will be delivered in trailers or cars and the number of permit calls that will be generated, amongst others.

Having assessed the impacts of other authorities' schemes, there is no consistent baseline upon which to make assumptions, as all schemes differ. For example, Somerset witnessed a reduction of 84% in the year following the introduction of its charging scheme, but they don't allow any free element. Blackpool saw a 43% reduction in throughput, but its scheme involves a one off charge and monthly limits.

Table 1 gives an indicative analysis of potential savings based on assumptions of 40%, 50% and 60% reductions in the volume of soil/rubble and plasterboard delivered; based on an actual 3 year average annual tonnage of 38,391 tonnes. The figures used assume that 5% of waste will be 'site generated' (or waste delivered

over and above the limit levels, such as that mixed in with other waste streams), and that thereafter 20% of the remaining soil/rubble and plasterboard received will be subject to charges. Miscellaneous costs include permit printing and postage, payment solution costs and internal staff costs for payment processing, receipt etc. Customer Service Centre costs are based on 3.6, 3 and 2.4 FTE respectively.

It should be noted that a one off 'set up' cost of £7,500 is anticipated that is not included within the costs in Table 1.

	40% reduction	50% reduction	60% reduction
<b><u>Tonnes</u></b>			
<i>Tonnes total</i>	23,035t	19,195t	15,356t
<i>Site generated tonnage (5%)</i>	1152t	960t	768t
Permitted or chargeable (P/C) tonnage	21,883t	18,235t	14,588t
<b><u>Income</u></b>			
Charges to 20% of P/C tonnage	£612,724	£510,580	£408,464
Operational savings	£194,000	£243,500	£292,200
<b><u>Expenditure</u></b>			
Miscellaneous costs	-£60,114	-£50,095	-£40,076
Customer Service Centre costs	-£114,080	-£95,067	-£76,054
<b>Total saving</b>	<b>£632,530</b>	<b>£608,918</b>	<b>£584,534</b>

*Table 1*

As mentioned, the figures in Table 1 are largely hypothetical and could vary significantly. It is notable that the greater the reduction in tonnage the lower the saving; this is due to the lower levels of income generated. In reality however, the financial impacts of the policy will only be able to be assessed once the policy is in operation. It is reiterated though, that the intent of the policy is to assist the Council in achieving its financial strategy by reducing the amount of soil/rubble and plasterboard delivered to the HWRCs whilst maintaining services for householders; not simply by generating income through charges.

## **Review**

Given the uncertain nature of the financial implications of the proposed policy and its overall impacts on the amount of soil/rubble and plasterboard delivered to the HWRCs it is essential that the Council recognises from the outset the need for regular review of the policy.

Whilst the proposed policy is considered to be both flexible and robust, with charges set at what are considered to be reasonable levels, the impact of the policy on operations and householders themselves is uncertain.

It is therefore recommended that the policy and rates charged be reviewed every 12 months by the Cabinet Member for Public Protection and Waste. Amendments to the administration and implementation of the policy may need to be made by officers during the first 12 months of its implementation, however no changes will be made to the rates charged without following the prior approval of the Cabinet Member.

## **Risk**

The proposed policy carries the following perceived risks:

### Financial

There is some risk that the identified savings may not be realised. This risk relates to the actual reduction in tonnage of soil/rubble and plasterboard delivered and the income generated from charging. It is considered that the risk in this respect is low and is mitigated by the provision of regular review.

### Reputational

The decision to introduce charges and limits may receive a hostile reaction from householders. The allowance of an element of free disposal of soil/rubble and plasterboard mitigates this reputational risk to some degree.

Anecdotal evidence from other authorities suggests that complaints upon introduction of their schemes were mainly around inconvenience and the efficiency of systems. There is the possibility that this may be the case in respect of delivery of this policy given the need to obtain permits or the ability to only pay electronically. Suitable flexibility provisions will be adopted to mitigate the immediate impacts on householders in this respect.

### Legal

Implementation of the policy in the manner proposed will be subject to agreeing the necessary variations to the Household Waste Recycling Centre contract with the current service provider.

Although the Council is empowered to charge for discretionary services, this must be on a cost recovery basis only and not with a view to generating a profit.

However, the legislation recognises the difficulties faced in estimating charges; and by requiring that the income from charges does not exceed the costs of providing the service taking one year with another permits local authorities to balance the financial position over a period of time. As such, the charges will need to be kept under review and may need to be periodically adjusted, either upwards or downwards, to ensure that over a reasonable duration the charges levied for the service do not exceed the costs incurred by the Council.



## Environmental

The potential for fly tipping as a result of the policy is the main environmental risk. It is impossible to estimate the potential for fly tipping as a direct result of a HWRC policy given that fly tipping occurs generally anyway.

It has been the Council's experience that fly tipping is uncommon as a result of HWRC policies but that where it does occur it tends to be 'one-off' incidents borne generally out of protest at the policies rather than being a long term repeated problem.

### **Other implications**

The anticipated reduction in soil/rubble and plasterboard tonnages will provide the additional operational benefit to the HWRCs of reducing congestion and vehicle movements. Particularly in respect of those who currently deliver large quantities of soil/rubble and plasterboard which can take a significant amount of time to unload.

### **Consultations**

N/A

### **List of Background Papers**

Paper	Date	Contact/Directorate/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A