

# **21<sup>st</sup> October Budget Scrutiny – Public Realm**

## **Bulky Waste**

### **Charging in London**

Hackney Council is now in the minority of London boroughs providing a free bulky waste collection service. Recent benchmarking showed that 25 of 33 authorities charge for the service and from 1<sup>st</sup> October 2015 Southwark joined the list, charging a fee of £16.00. Within inner London currently Hackney, Islington and Camden do not charge. The remaining London authorities not imposing a charge are Brent, Newham, Redbridge and Waltham Forest.

Some examples of the range of charging include:

- Barnet is an example where the highest charges are set; white goods/electrical items are charged at £44.85 for the first item and a tiered charge per additional item. Other items are charged at £56.60 for the first item and a tiered charged per additional item.
- Tower Hamlets charged £15.36 for five items and Haringey charge £17.20 for six items. However we understand that Tower Hamlets has now removed its charge and are obtaining further details on this.
- Boroughs generally promote a range of options for dealing with bulky waste including directing residents who can transport their own waste to Re-use and recycling centres and bring sites (eg. for small electrical items) and offering free collections of re-usable items.
- Additionally, some boroughs offer a free collection for residents in receipt of housing benefits. For instance, Tower Hamlets residents in receipt of housing benefit are entitled to two free collections per calendar year. The normal charge will then apply for the third, fourth, etc. collection requested.

### **Current Operational Arrangements in Hackney**

The bulky waste service is managed and delivered by Environmental Operations and is an extremely popular and well used service. Currently there are 24,000 collections made each year.

The service is advertised through the Hackney webpages promoting a hierarchy of options starting with the [furniture re-use service](#) operated in association with Homestore. Other bulky items from residential properties only are currently collected free of charge. The service will collect up to five items per collection and will make up to four collections per household each year. All items must be kept within the residents property boundary whilst awaiting collection, regardless of the waiting time.

The bulky waste service is for items that are too large to go in bin bags with your normal refuse. This includes:

- unusable furniture
- large appliances like televisions, fridges and washing machines
- mattresses.

The service does not collect the following:

- **Building or DIY waste** - Including tiles, carpet, rubble and fencing Residents or their builder must arrange for it to be collected by a licensed waste carrier. The [commercial waste service](#) can collect it for a charge.
- **Small electrical items** - Like DVD players, computers, hair dryers and kettles Residents are asked to use one of our public small electrical items bins or take it to a [reuse and recycling centre](#).
- **Sacks of refuse** - These will be collected as part of your regular household waste collection.
- **Garden waste** - Residents are asked to use the [garden waste collection service](#) or take it to a reuse and recycling centre.
- **Hazardous waste** - Residents should contact the [Corporation of London Hazardous Waste Collection and Disposal Service](#).
- **Large amounts of bulky waste (more than five items)** - Residents are asked to take it to a [reuse and recycling centre](#) or arrange for it to be collected by a private contractor or our [commercial waste service](#).
- **Any waste from landlords, trades or businesses** - Contact our [commercial waste service](#).

The majority of bookings are now made online and processed through the Council's CRM system. Collections are undertaken by Environmental Operations through a combination of dedicated vehicles and street cleansing vehicles maximising the efficiency of the service.

It should be noted that Hackney Homes also clear bulky waste items dumped on their estates. This is a very different service to the scheduled collections provided by Environmental Operations to both street and estate based residents. Although estate residents have the same access to the existing free bulky collection service, a number chose to leave their items next to the domestic waste bin chamber or at some other location on the estate. The last published information from Hackney Homes relating to the clearance of fly tipped bulky items on estates, shows they have 11 dedicated crews clearing bulky items and other waste dumped on estates.

Not all estate residents dump waste out and many do use the existing free service provided by Environmental Operations and book a scheduled collection. The work

around Cross Cutting Public Realm will consider how to reduce this level of flytipping on estates, which will require a mix of communications, greater use of the scheduled service and a firm line of enforcement action, mirroring the approach taken on street. This approach would work to reduce or remove the current levels of flytipping and significantly reduce the current level of resources spent on this clearance from estates.

The savings proposed in this paper will result from changes made to the existing free bulky collection service managed and provided by Environmental Operations and are not dependant on any changes being made to the arrangements in place and operated by Hackney Homes on estates for the clearance of bulky items.

The implementation of a charge may alter the number of collections requested but it would not materially affect the operational collection arrangements. The main service changes required would be in the 'back-office' to accommodate the charging and any exemption arrangements.

### **ICT Requirements for a Charging Mechanism**

The proposal has been discussed with ICT and been made aware of the potential change to the service. From an initial meeting it appears that the likely requirements to enable the service to operate on a chargeable footing, namely a suitable charging mechanism and the availability of resident data linked to an address holding information that can be interrogated to determine exemption status (once criteria are agreed e.g. resident in receipt of benefits, registered disabled), are either in place or possible to develop. There is not a requirement for a new system to be created and there are examples within the authority where elements of what is required are in place and integrating with the same platform used by waste services e.g. licensing payments via Civica APP, payment systems embedded on Council website. Similarly work has already been completed integrating CRM, Civica APP and PARIS, the Councils financial payments system. Resident information is held by the authority within the Citizen Index and will be developed through the creation of the One Account system. It is not envisaged that there will be any data protection issues with the proposed requirement. The main ICT work would centre around identifying what existing systems need to be involved for the service to operate successfully and ensuring these 'talk' to each other.

The major limiting factor in progressing this work in the short term is the availability of ICT resource. At present there is nobody able to take this forward, however, subject to the approval of a business case in Q4 2015/16 and successful recruitment thereafter, a business analyst to lead on this and other Public Realm ICT requirements should be in place by Q1 2016/17. The specification for this service change could be fully developed in advance of this by the Environment and Waste Strategy team, Environmental Operations and ICT staff and the work be added to the post to deliver. The completion of this work is envisaged as feasible during the 2016/17 financial year.

### **Charging Options**

As detailed above, there is currently a range of between £10 and nearly £60 charged by the majority of local authorities for household bulky waste collections in London, although exemptions have been applied in some cases.

There are 3 possible approaches that can be taken:

- Option A - The first is to retain free collections but to increase waiting times for collections.
- Option B - The second option is to move to a full charging scheme.
- Option C - The final option is to introduce a tier approach which allows a set number of free collections with charging introduced after this is met.

In addition the number of free collections for exempt residents could be limited to twice a year. The level of income of any of the above will depend on the take-up of the service once charges are introduced.

### **Option A - Retaining Free collections but increased waiting times**

This part of the proposal involves residents having to wait at least 5 working days for their items to be collected, currently they wait around 48 hours. They may however have to wait longer, if the proposal is accepted, as the actual waiting time for a collection will depend on the number of collections booked. It is likely that at times of high demand that waiting time would exceed 5 working days. In practice a daily limit will be introduced and residents will be directed online to the next available collection day and this may well result in them waiting longer than 5 working days for their items to be picked up.

If the above proposal is acceptable then a saving of 80k is achievable. This would result from the removal of one of the remaining two dedicated bulky waste collection crews.

### **Option B - Chargeable Bulky Waste Collections**

The main proposal relates to the generation of revenue which will result from applying a charge to the bulky waste collection service. This is currently provided free to residents of the borough. At present residents are able to book 4 free bulky waste collections annually and to dispose of up to 5 items on each occasion.

The existing free service is very popular with residents as we provide around 24,000 collections annually. The service operates Monday to Friday using 2 dedicated crews each carrying out around 50 collections each a day. The figure of 24,000 collections is probably inflated by the fact that many residents don't wait until they have five items to dispose of and often book collections of fewer items in the knowledge that they can get an additional service free of charge later in the year if needed. Charging for the service is therefore likely to drive down the number of collections booked, as residents will ensure that they use their full entitlement when charges are applied.

Take back schemes offered by white goods and furniture suppliers, where old items are collected when new ones are delivered, now often come with a charge for the service. It is likely therefore that residents are likely to become more accustomed to the idea of being charged for removal of old household items in the years ahead. Providing a chargeable service, that's cheaper than white goods or furniture suppliers, is therefore likely to be attractive to residents, particularly as our service will cover a whole range of household goods and not just the item that's being replaced. Additionally residents will benefit from one small fee covering up to 5 items, whereas suppliers tend to charge per item.

The introduction of a chargeable service will also establish the principle of the polluter pays. It will bring home to residents that there is a cost to waste and that they need to think about the consequences to the environment and their own finances before they simply throw items away. Many residents are aware of these issues and therefore introducing a charge to them for this service is likely to come as no surprise. Justifying a collection charge to residents is therefore something that should easily be explained and the view is that most residents will accept this.

The introduction of charges may initially have a negative impact on the number of collections provided and therefore a conservative approach is needed when calculating revenue from this service. In 2017/18 we should allow for a maximum of 15,000 collections, which is only a little over 60% of the number of free collections currently being provided. The number of collections should rise as residents become accustomed to paying for their bulky items to be removed and a figure of 20,000 collections could be achieved in 2018/19, if the service is promoted.

By assuming a charge of £15 per booking, with up to 5 items being collected, the new charge would, if the current level of collections were to be maintained, bring in a maximum of approximately £360,000 per annum. However by using the assumptions above, 15,000 collections in 2017/18 would bring in assuming a reduction to 15,000, this would bring in £225,000. This does not include any level of exemption or free allowance and the impact on income and this would need to be addressed as part of the modelling.

Residents on benefits would still receive 2 free bulky collections, of up to 5 items on each occasion annually. Any further collections requested would be chargeable at the prevailing rate.

The fee of £15 per collection is based on what neighbouring boroughs are charging. For instance Tower Hamlets charges residents £15.36 per collection of up to 5 items. Lambeth charges £20 per collection of up to 4 items with a £5 charge being made for each additional item. Camden charges £25 per collection for up to 5 items and £50 from 5 to 10. A charge of £15 therefore seems reasonable particularly as the total revenue raised will only just cover our existing outgoings of around £220,000 annually for the free service currently on offer.

No major issues expected, although there may well be a drop initially in the number of bulky collections requested by residents. Any displacement of staff in the service area, although this is highly unlikely, can be dealt with by a simple transfer to another part of Environmental Operations. Staff contracts of employment are generic and

therefore should this be required there would be no contractual issues to contend with.

Residents unwilling to pay the collection charges will still have the option to take their items to Hornsey Street in Islington and dispose of them free of charge.

### **Option C – Tiered approach**

There would be possible approaches to this and these would use a combination of the above options. Examples include.

#### Premium Collection

- All waiting times for collection would be at least 5 days, which will see a potential saving in the region of £80K.
- The option to move to 5 days would allow consideration to be given to the introduction of a premium service, at a cost, to collect within 1-2 days. A conservative estimate of 10% of the 24,000 collections undertaken per annum would at £15 per premium collection, gives potential income of £20,000.

#### Free Allowance

- This would allow all residents 2 free collections per year, at the 5 day waiting time, and then a set of charges, per visit for any additional visits, with a cap at the current 4. This will require more detailed modelling.

#### **Effect on Local Environmental Quality**

The introduction of a charge maybe perceived, by some, to raise the prospect of increased fly tipping in the borough, but authorities that have already imposed charging have not generally found this to be the case. The recent removal of the Civic Amenity Skip service did not lead to a noticeable increase in fly tipping.