

Item: 7

Development and Infrastructure Committee: 9 November 2021.

Charges for Replacement Bins.

Report by Interim Executive Director of Environmental, Property and IT Services.

1. Purpose of Report

To consider the outcome of the review of the policy of charging for replacement bins.

2. Recommendations

The Committee is invited to note:

2.1.

That, on 30 March 2021, when considering charges for replacement bins, the Committee recommended:

- That charges for replacement refuse bins be suspended from 1 April 2021 to enable the Corporate Charging Consultative Group to undertake a review of the charging policy for replacement bins.
- That the Executive Director of Development and Infrastructure should submit a report, to the next available meeting of the Committee, detailing the findings of the review by the Corporate Charging Consultative Group, together with options in respect of the charges for replacement refuse bins.

2.2.

That, on 30 August 2021, the Corporate Charging Consultative Group reviewed the policy in respect of charging for replacement bins and proposed that the current suspension of charges for replacement bins be made permanent.

2.3.

That, in 2019, an efficiency saving of £10,000 was applied to the Operational Environmental Services budget in respect of the policy of charging for replacement bins.

2.4.

That, should the policy of charging be revoked, any deficit experienced will be managed within the existing overall Operational Environmental Services budget.

It is recommended:

2.5.

That the policy of charging for replacement refuse bins be revoked.

3. Background

3.1.

In March 2019, the Council agreed to introduce charges for replacement bins as a budget efficiency. This is in line with similar approaches across other local authorities in Scotland. Charges are levied for replacements required for lost, damaged or stolen bins, however where the collection crews record that the lift has damaged the bin, there is no charge for a replacement. In addition, new build properties are not charged for their first bin. Charges only apply for refuse bins as recycling bins and containers are replaced or provided free of charge.

3.2.

When collection crews notice a damaged bin, a tag is placed on it notifying the householder of the damage and requesting them to contact the Council for a replacement. Operational practice is that crews are instructed not to lift a bin which is visibly damaged. This is to ensure that health and safety risks are appropriately managed, should the bin fail, fall or spill its load during the emptying process. This practice is covered by a working document, with refresher briefings provided to operational staff in early January 2021.

3.3.

Implementation of the charging policy was challenging, with the vast majority of customers refusing to pay for a replacement bin, on the grounds that they were not the ones who had broken it. This resulted in many difficult conversations for Customer Services staff and a great deal of officer time to resolve.

3.4.

Consequently, at the request of Members, the issue was discussed at the Development and Infrastructure Committee on 30 March 2021, which subsequently recommended:

- That charges for replacement refuse bins be suspended from 1 April 2021 to enable the Corporate Charging Consultative Group to undertake a review of the charging policy for replacement bins.
- That the Executive Director of Development and Infrastructure should submit a report, to the next available meeting of the Committee, detailing the findings of the review by the Corporate Charging Consultative Group, together with options in respect of the charges for replacement refuse bins.

4. Review Findings

4.1.

Charging for replacement bins is fairly common across other local authorities. In February 2021, officers investigated information on other Council websites and noted that charges ranged from £22 to £76 for a 240 litre bin. In comparison, the agreed charge for 2021/22 in Orkney was £26.50 for a 240 litre bin.

4.2.

Current estimates are that around 400 of the 240 litre bins in use across Mainland Orkney, Burray and South Ronaldsay are replaced annually, with 100 of these being for new properties. The cost to the Council is approximately £15,000 annually, noting that this does depend on supplier costs at the time of purchase.

4.3.

Given the estimated number of replacement bins, income received should be in the region of £10,600. However, between June 2019 and February 2021, income amounting to only £3,295 was received in respect of replacement bins. Therefore, it is likely that the majority of bins are, in fact, being supplied free of charge, due to challenge and the inability to definitively prove whether damage was caused during emptying. Hence, unless a system is put in place which requires payment for all replacement bins, with no caveat for bins damaged whilst emptying, it is likely that the estimated level of income will always remain unattainable.

4.4.

There has been significant public concern regarding charges for replacement bins and, as noted, an extremely high level of dispute around the request to pay. These disputes are largely driven by the dispensation of payment in cases where the bin was broken during the emptying operation. Given the almost total inability to prove whether or not this was the case, very few people will accept that they should be required to pay.

4.5.

As broken bins are not emptied, due to the health and safety concerns associated with lifting damaged containers and the risk to operatives, it is important that broken bins are identified and replaced as soon as possible, to ensure no break in service to the household. If householders dispute the need for payment their bin will not be emptied until the dispute is resolved and the bin replaced.

4.6.

The main reason reported for disputing of charges is the perception that breakages are not the fault of the householder and therefore they should not have to pay. Therefore, reframing the situation as one where payment is the default, could help to deal with this perception. This would require clear and widespread communication to ensure that householders are aware before requesting a bin that payment will be required. However, whilst this might help to take some pressure off Customer

Services, as there would be no route for disputing the charges, it would not address the common belief that bins should be provided for free.

4.7.

On 30 August 2021, following discussion of the above points, the Corporate Charging Consultative Group proposed that the current suspension of charges for replacement bins is made permanent, noting the extreme difficulties in implementing this policy, the widespread public discontent, the cost of officer time trying to implement the charges and the relative lack of income which is generated by the process.

5. Corporate Governance

This report relates to the Council complying with governance and its financial processes and procedures and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

6. Financial Implications

6.1.

When charges for replacement bins were agreed as part of the budget setting process in 2019, a £10,000 efficiency saving was applied to the waste services budget. As noted, income generated never achieved this amount. Between June 2019 and February 2021, only £3,295 was received as income in respect of replacement bins.

6.2.

Should Committee recommend to revoke the charging policy, a replacement for this £10,000 efficiency saving will require to be found. The waste budget is under severe pressure, with no available options for reductions in expenditure and so the only available route is for additional or increased charges. This is a relatively familiar route for the Service to follow, however, to date, no appropriate charges have been identified. This proposal therefore leaves a shortfall of £10,000 per annum within the environmental services budget which will need to be managed within the existing budget.

7. Legal Aspects

The Council must make arrangements to secure best value. Given that the current charging policy is resulting in many resources being utilised with a minimal rate of recovery, revoking the policy will assist the Council in discharging this duty.

8. Contact Officers

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