

Transport and Environment Committee

10.00am, Tuesday, 17 January 2017

Charges for Special Uplifts

Item number	7.8
Report number	
Executive/routine	Executive
Wards	All

Executive Summary

This report sets out a proposal to change the charging structure of the Special Uplift Service for bulky waste to £5 per item.

This proposal arises from the Waste and Cleansing Improvement Plan which includes a number of measures to improve the cleanliness of the city.

The report identifies a financial risk because of the unpredictability of the outcome of changing the charging mechanism in terms of demand for the service. However, it is felt that an increase in demand for the Special Uplift Service will be met with a corresponding reduction in fly-tipping and therefore be revenue neutral. Separate activities are being undertaken to consider options to enhance the Special Uplift Service to work more closely with the Third Sector to enable greater reuse of items collected in the future.

Links

Coalition Pledges	P44
Council Priorities	CP4 , CP8 , CP9 , CP12
Single Outcome Agreement	SO4

Charges for Special Uplifts

1. Recommendations

- 1.1 It is recommended that Committee:
 - 1.1.1 approve changing the charge for a special uplift from £26 for up to 6 items to £5 per item;
 - 1.1.2 agree that the financial impact of this change is closely monitored for the next 12 months.

2. Background

- 2.1 The Waste and Cleansing Improvement Plan sets out a range of actions which collectively seek to enhance the cleanliness of the city, and increase customer satisfaction.
- 2.2 One action (Action 48 of the plan) is to review the Special Uplift Service, and in particular the fees charged for an uplift to assist in reducing fly-tipping.
- 2.3 The service allows residents to have larger household items uplifted for disposal. The items permitted for collection are wide ranging but predominately focuses on bulky items such as sofas, furniture, TVs and washing machines – those items which are too big to go in the standard bins and would usually be taken to a Community Recycling Centre.
- 2.4 There is currently a flat rate charge of £26 for up to 6 items (£52 for up to 12 items, etc). It is therefore proposed to change on a per item basis, up to a maximum of 10 items per uplift. A proposed £5 per item has already been included in budget proposals. Additional charging for certain items not regarded as household waste (garden waste, rubble, etc) would not be covered by this proposal. The charging mechanism would remain as at present and pricing adjusted annually.
- 2.5 This report provides an overview of the current service, and seeks to identify the cost of operating the service and any risks associated with the proposed change.
- 2.6 It is likely that this initiative will lead to an increased use of this service which in turn will lead to an increase in costs overall. However, to a large extent these should be offset by a reduction in costs resulting from fly-tipping. It should however be noted that this cannot be quantified because of the ways in which fly-tipping is addressed across the Council.
- 2.7 A separate piece of work, as identified within the Waste and Cleansing Improvement Plan, is ongoing to assess the viability of introducing a new model for

the Special Uplift Service which would involve working with the Third Sector to encourage the reuse of items (in addition to recycling, which already takes place).

3. Main report

Services available

- 3.1 The current service allows residents to have bulky household items uplifted for a flat rate fee, currently £26, regardless of whether it is one item or the maximum six items. There is a view that the current charging structure is a disincentive to using the service, particularly where someone needs to dispose of just one or two items, and that this has led to an increase in fly-tipping or dumping of bulky household items on the street or in or next to communal bins.
- 3.2 However, it is possible to avoid paying for uplifts of quality items as both the Contact Centre and website encourage householders to make use of the National Reuse Helpline to ensure that where possible items are donated to charity (at no cost to the householder).
- 3.3 In addition, household waste items are accepted free of charge at Community Recycling Centres.

Service Performance

- 3.4 In 2015/16 the service carried out approximately 11,108 uplifts of around 45,200 items. This is a slight reduction from the previous year of 11,600 uplifts of around 46,600 items.
- 3.5 Analysis of data shows that while the biggest single number of items requested per uplift was the full allocation of 6, the numbers of uplifts for fewer items were significant, and that 20% of uplifts were for only one item (Appendix 1, Table 1).
- 3.6 The number of uplifts for more than 6 items was relatively small at 3% of the total uplifts. Therefore, setting a limit of 10 items per uplift will not impact the majority of service users and will allow the service to be planned and resourced more effectively.
- 3.7 Comparing this against fly-tipping reports over the same period there is a noticeable increase in fly-tipping reports as the demand for uplifts drop; which ultimately has an impact on the cleanliness of the city.

Year	Special Uplifts	Fly-tipping
2014/15	11,646	6,939
2015/16	11,108	7,300
2016/17 (to 30 Dec 16)	6,162	5,494

Resourcing the current service

- 3.8 The current service operates with 2 collection crews – one driver, one loader and one vehicle per crew. This means collection costs of approximately £180,000 per year.
- 3.9 The materials collected are sorted for recycling (where possible) at Community Recycling Centres. As the materials are mixed with those deposited by householders it is not possible to state with certainty the full cost of disposal for this service. However, as the cost of disposing these items would be incurred whether the items had been collected through the uplift service, or taken to the Community Recycling Centres by the resident, or fly-tipped, it will not be impacted by the change to the charging. Furthermore, the law does not allow for the recovery of disposal costs, only the costs of collection.

Impacts of changes to charging structure

- 3.10 An attempt has been made to set these out in Appendix 1 Table 2 to show the financial impact resulting from an increased take up of the service using several scenarios of rising demand and comparing this against a 'do nothing' scenario,
- 3.11 In 2016/17 the charge for the Special Uplift Service was increased from £21 to £26. As can be seen in the table at 3.7 this has correlated with a subsequent reduction in demand. On this basis, there is no further increase in income that can be anticipated if the current charging structure is maintained. This is reflected in Appendix 1 Table 2.

4. Measures of success

- 4.1 An increase in the number of special uplift requests and an increase in customer satisfaction with the cleanliness of the city would be viewed as measures of success.
- 4.2 It is expected that the new special uplift service will have a positive impact on fly-tipping. However, a further action within the Waste and Cleansing Improvement Plan is to increase the proactive recording of fly-tipping incidents by Council staff. On this basis it will be difficult to quantify the benefit of the new service until a more realistic baseline of current fly-tipping incidents is properly recorded.

5. Financial impact

- 5.1 In 2016/17 the current Special Uplift Service is forecast to achieve an income of approximately £213,000 against an income target of £325,000. Although the service covers its costs and in fact makes a net income contribution, the actual income raised still represents a shortfall of £112,000 against budget. The income target of £325,000 has been set to reflect the optimal capacity of the service at 12,500 uplifts

a year. The income forecast of £213,000 is reflective of the fact that current demand for the service is not at this level.

- 5.2 The financial impact of these measures is difficult to fully predict and is identified as a source of significant risk. However, a number of scenarios are set out in Appendix 1 which illustrate potential financial impacts in line with changing demand.
- 5.3 The following table summarises these scenarios and outlines the financial impact of moving from a £26 an uplift to £5 an item.

Scenario	Uplifts / Items	Financial Impact of new charge
Forecasted 16/17 uplifts	8,200 / 33,800	Lose £44,200
25% increase in uplifts	10,250 / 42,250	Lose £2,278
50% increase in uplifts	12,300 / 50,700	Gain £39,644
75% increase in uplifts	14,350 / 59,150	Lose £8,434
100% increase in uplifts	16,400 / 67,600	Gain £33,488

- 5.4 An increase of up to 50% in the number of uplifts could be contained within existing collection resources and the only additional costs would be the increase in payment transaction fees (approx. £0.16 per transaction). Any increase in uplift beyond 12,500 uplifts per year would require additional collection resources. Additional costs should be largely offset by a reduction in fly-tipping, but because of the way fly-tipping is managed across the Council it is not possible to estimate the impact of this fully.

6. Risk, policy, compliance and governance impact

- 6.1 The major risk related to this proposal is financial due to the unpredictability of changes in demand for the service. However, it is felt that the potential associated reduction in fly-tipping and increase in street cleanliness outweigh this risk.
- 6.2 In addition, this measure is seen as a short to medium term change which may ultimately be replaced with a new Special Uplift Service focussed on working with the Third Sector and promoting reuse.

7. Equalities impact

- 7.1 There are no direct equalities impacts as a result of this report.
- 7.2 Indirectly, reducing the cost of Special Uplifts for small numbers of items could be seen to make the service more accessible to people on lower incomes.

8. Sustainability impact

- 8.1 If the proposals outlined here result in a reduction in fly-tipping, they should also improve the cleanliness of the city, thereby improving the environment at the most local level, so contributing to an enhanced quality of life.

9. Consultation and engagement

- 9.1 This proposal forms part of the Waste and Cleansing Improvement Plan, and as such will be subject to an assessment of its effectiveness going forward in terms of customer satisfaction and other measures in relation to keeping the city clean.

10. Background reading/external references

- 10.1 Waste and Cleansing Improvement Plan – Report to Transport and Environment Committee [1 November 2016](#)

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11. Links

Coalition Pledges	P44 Prioritise keeping our streets clean and attractive.
Council Priorities	CP4 safe and empowered communities CP8 A vibrant, sustainable community CP9 An attractive city CP12 A built environment to match our ambition
Single Outcome Agreement	SO4 Edinburgh's communities are safer and have improved physical and social fabric
Appendices	Appendix 1 Tables of Uplifts and Costs

Appendix 1 Tables of Uplifts and Costs

Table 1: Number of Items per Uplift

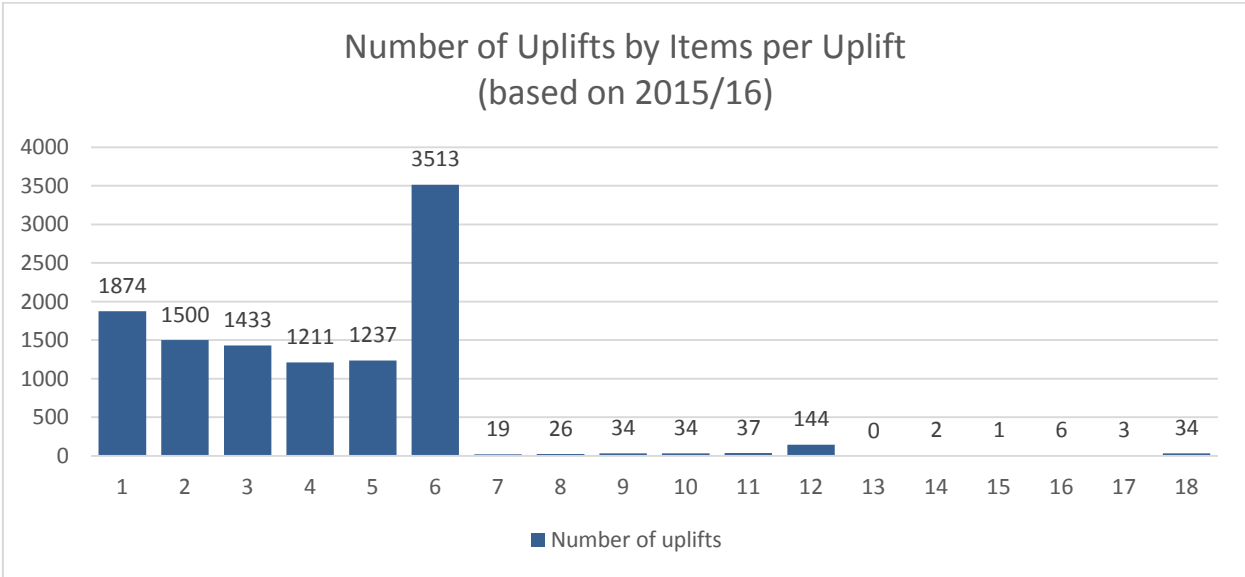


Table 2: Cost comparison of service growth using two charging mechanisms

Cost	'Do nothing' (based on current charges and forecast 16/17 uplifts)	£5 per item – 0% increase	£5 per item - 25% increase	£5 per item - 50% increase	£5 per item - 75% increase	£5 per item - 100% increase
Number of uplifts	8,200	8,200	10,250	12,300	14,350	16,400
Number of items	33,800	33,800	42,250	50,700	59,150	67,600
Collection*	£180,000	£180,000	£180,000	£180,000	£270,000	£270,000
Payment processing**	£1,312	1,312	£1,640	£1,968	£2,296	£2,624
TOTAL	£181,312	181,312	£181,640	£181,968	£272,296	£272,624
ADDITIONAL COST		£0	£328	£656	£90,984	£91,312
Income £26 per UPLIFT***	£213,200	-	-	-	-	-
Income £5 per ITEM	-	£169,000	£211,250	£253,500	£295,750	£338,000
Difference in income compared to 'Do Nothing'	-	£44,200	£1,950	-£40,300	-£82,550	-£124,800
TOTAL ADDITIONAL COST		£44,200	£2,278	-£39,644	£8,434	-£33,488

Assumptions:

*The number of uplifts appointments available has recently increased to 50 per day. Across the year this allows for an increase to 12,500 uplifts before an additional crew and vehicle will be required.

**Payment charges vary according to the payment method, and the size of the transaction. These assume 18p per transaction at £26. At £5 per item up to £25 for 5 items the range would be 14p- 18p per uplift, so an average of 16p per transaction is used. It is proposed to cap the number of items at 10 (£50 for the uplift) but the numbers above 5 are expected to be small as the new system would be expected to incentivise smaller uplift sizes, while the current one would have been expected to incentivise people to book multiples of 6 items.

***Due to the slight drop in demand for Special Uplifts no service growth is forecasted against the charge of £26 per uplift. These calculations have therefore been based on retaining current service levels.