



## Expansion of the Bulky Waste Collection Service

### Report Author

Kay Boasman, Head of Waste Management and Market Services

 [kayleigh.boasman@southkesteven.gov.uk](mailto:kayleigh.boasman@southkesteven.gov.uk)

### Purpose of Report

To provide an overview of the opportunities and associated risks of expanding the current bulky waste collection service. The bulky waste collection service is experiencing persistent high demand, and this report highlights the financial viability of introducing an additional vehicle and crew.

### Recommendations

**That Cabinet review the business case for an expansion to the Bulky Waste Collection Service and consider whether the proposal should be included in the budget setting proposals for 2025/26.**

### Decision Information

Is this a Key Decision?	No
Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Sustainable South Kesteven
Which wards are impacted?	All Wards

## **1. Implications**

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

### ***Finance and Procurement***

- 1.1. The current high demand for the bulky waste collection service demonstrates a positive business case for an expansion to the service. However, as with any commercial venture, there is a risk that demand could fall before there has been a positive payback to the financial outlay. The high demand for this service has been sustained and therefore this risk can be managed. It is recommended that a budget proposal is put forward during the 2025/26 budget setting in order that this opportunity can be progressed.

*Completed by: Richard Wyles, Deputy Chief Executive and s151 Officer*

### ***Legal and Governance***

- 1.2. There are no significant legal or governance implications arising from the report.

*Completed by: Graham Watts, Monitoring Officer*

### ***Climate Change***

- 1.3. The addition of a second bulky waste collection vehicle will have an implication on the carbon emissions associated with the Council's operations. However, the bulky waste collection service offers residents a convenient collection option for large household items.

*Completed by: Louise Case, Sustainability Project Support Officer*

## 2. Background to the Report

- 2.1. This report was presented to the Environment Overview and Scrutiny Committee on Monday 7<sup>th</sup> October 2024. The report outlines a high-level business case which outlines the financial viability of introducing a second bulky waste collection vehicle and crew in response to persistent high demand. The committee were asked to consider the business case for the additional bulky waste collection vehicle and crew and express a view on whether the proposal should go forward for inclusion into the budget setting process.
- 2.2. The Committee agreed that the proposal should be considered within the budget setting process and that this suggestion should progress to Cabinet for further consideration. This contents of the rest of this report mirror the report that was presented to Environment OSC to allow Cabinet to make an informed decision on whether to include this service expansion within this year's budget setting process.

### Background

- 2.3. South Kesteven District Council operate a bulky waste collection service which is made up of 1 x 7.5 tonne cage vehicle, plus 2 operatives. The service operates 5 days per week and there are on average 21 booking slots available per day with specific item types collected on each day e.g. White goods / mattresses / electrical items. Over 400 bulky items are collected each month.
- 2.4. Bulky waste collections must be booked through the online booking system in Meritec, either by completing a booking online on SKDC's website themselves or assisted by a customer service advisor. Bulky items that are accepted are in a clear drop-down menu, and include white goods, sofas, mattresses and other large furniture items regularly found in a household.
- 2.5. The bulky waste booking system allows for three separate items to be booked per slot. Therefore with 21 daily slots available, it is possible to collect a maximum of 63 items per day. The cost is £21 for the first item and £11 per additional item, fridges and freezers are priced at £21 per item and cannot be classed as a first item.
- 2.6. Fridges, which require separate disposal, can only be booked on Mondays, Tuesdays and Wednesdays due to being a hazardous waste type and capacity limitations on the vehicle.
- 2.7. To maximise efficiency, available booking slots are displayed depending on postcode. The current collection schedule is as follows:
  - Monday: Grantham and villages north, up to 8 fridge slots,
  - Tuesday: Grantham and villages south, up to 8 fridge slots,

- Wednesday: Stamford, Bourne, Deepings and villages south, up to 8 fridge slots,
- Thursday: Stamford and villages south, and
- Friday: Bourne, Deepings and villages south.

## Capacity Restrictions

- 2.8. The current service is experiencing prolonged high demand and as there is only one vehicle and crew, there is no additional capacity within the service area to provide additional resources. Although support can be provided on a short-term basis, this is often done through overtime on a Saturday.
- 2.9. Furthermore, the geographical restrictions of the booking system also limit customer access. A particular capacity issue is fridge bookings in the Southern areas of the district which can result in an 8-week wait for an available slot.
- 2.10. On average the Council collects approximately 420 separate bulky waste bookings of up to 3 items monthly, on a paid for basis, which provided an income of around £90,000 in 2023/24.
- 2.11. Prior to 2020, residents were only able to book a collection up to 6 weeks in advance. However, since the Covid pandemic lockdown restrictions were imposed in 2020 there has been a higher demand for the service. As such, residents can currently book a bulky waste collection up to 8 weeks in advance.

## Additional Resource Costs

- 2.12. By investing in a second vehicle it would reduce the booking timescales, increase annual revenue and provide vital support for our residents who are unable to dispose of their items elsewhere. Another vehicle will allow the collection of fridges on every day of the week, significantly reducing wait times for fridge collections for residents in the South of the District.
- 2.13. Table 1 highlights the costs associated with establishing a second bulky waste collection round.

Table 1: Bulky Waste Collection Operating Costs

<b>Initial Capital Costs</b>	<b>Annual (£)</b>	<b>One Off (£)</b>
Vehicle purchase		47,940
<b>Total Capital Costs</b>		<b>47,940</b>
<b>Direct Operating Costs</b>		
Driver – full time	39,643	
Loader – full time	32,306	
Associated vehicle costs	8,516	
Fuel	7,695	

<b>Total Annual Operating Costs</b>	<b>88,160</b>	
-------------------------------------	---------------	--

2.14. Based on the figures in Table 1, the total direct operating costs are around £88,160 per year. A fully subscribed service has a potential income of around £90,000 per year. These financial margins are narrow and as with any commercial offering there is a risk that the demand will fall away over time. Table 2 shows the potential income generation by level of subscription and the impact of a £2 fee increase for the first item; the level of subscription required to cover the operating costs would be lower if charges for the service were to be increased. Ideally, fees should be increased annually to ensure the income received covers service costs which experience annual rises e.g. fuel, salaries.

Table 2: Potential Income Generation by Subscription Levels

Second Bulky Waste Collection Crew at % capacity of bookings	Annual Income (based on current fees)	Annual Income (based on £2 increase in fee for first item)
85% capacity	£76,532	£83,354
95% capacity	£85,536	£93,160
100% capacity	£90,038	£98,063

2.15. Although Table 2 highlights that a high subscription level, or increased fees, would be required to cover the service costs, it should be noted that the resource could be redeployed to other tasks if there is spare capacity. This would include bin deliveries.

## Opportunities and Risks

2.16. Table 3 highlights the key opportunities and risks associated with rolling out the service.

Table 3: Opportunities and Risks

Opportunity	Risk
<b>Potential market:</b> Currently, there is a high demand for this service and up to 8-week wait time for the service.	<b>Financial risk:</b> There is a risk that the costs of delivering the service will not be covered by the income generated.
<b>Customer service:</b> Improved service delivery times and more availability for the collection of white goods. The bulky waste collection service provides essential support to residents who are unable to transport large items to waste sites.	<b>Competition:</b> There will be other waste collection companies looking to collect this waste who will be able to offer more flexible pricing.

### **3. Key Considerations**

- 3.1. Without the additional vehicle and crew, the service area will not be able to reduce the current wait times for the service. There is a risk that residents would then need to find other ways of disposing of bulky waste items and this may present an opportunity for illegal waste operators.

### **4. Other Options Considered**

- 4.1. The other option considered is to do nothing and leave the service as it is now. There is a risk that this will leave residents with limited options for disposing of their bulky items and may result in an increase in fly tipping.

### **5. Reasons for the Recommendations**

- 5.1. It is recommended that Cabinet consider the business case for the additional bulky waste collection vehicle and crew and express a view on whether the proposal should go forward for inclusion into the budget setting process. By investing in a second vehicle there would be a reduction in the booking timescales and an increased ability to provide vital support for residents who are unable to dispose of their items elsewhere. Another vehicle will allow the collection of fridges on every day of the week, significantly reducing wait times for fridge collections for residents in the South of the District.