

Decision maker:	Cabinet member contracts and assets
Decision date:	Thursday, 19 October 2017
Title of report:	Charity Shop Waste Disposal
Report by:	Waste disposal team leader

Classification

Open

Decision type

Non-key

Wards affected

(All Wards);

Purpose and summary

To approve changes to the service which permits charity shops to dispose of their waste free of charge at Herefordshire Council's waste transfer stations.

Currently charity shops are provided with permits to tip which allow them to deposit waste at the council's expense. The changes proposed would introduce a limit on the amount of waste deposited by charity shops at the council's expense.

Recommendation(s)

That:

- (a) the amended charity disposal policy at appendix 4, incorporating changes to limit the number of free deposits each charity shop organisation can make per year to between 12 and 48 in number, be approved, to be effective from 1 April 2018.**

Alternative options

1. Continue to provide unlimited free disposal or increased number of tips per annum to charity shop organisations
 - a. This option has been rejected as it is open-ended with no maximum amount that each charity could request for free disposal. The disposal cost is borne by the council and disposal costs continue to increase year on year.
 - b. This option does little to encourage charities from reusing low value items or recycling materials if there is a free disposal route open to them.
2. Do not provide free disposal to charity shops and incentivise reuse by payment of reuse credits.
 - a. This option was rejected as responses to consultation suggested that a reuse credit scheme would be onerous for charity shops to administer. It would also place a greater administrative burden on the council to audit charity shops and process reuse credit claims.

Key considerations

3. Herefordshire Council issues tipping permits to organisations who run charity shops in Herefordshire to allow them to dispose of their waste at no cost.
4. This service is provided because most of the items sold in a charity shop are household items donated by domestic residents. A charity shop enables many of these items to be reused instead of being thrown away.
5. There is currently no limit to how much waste can be deposited by charity shops. Herefordshire Council issued over 800 tipping permits in 2016/17 and accepted around 400 tonnes of waste from charity shops, at a cost of around £50,000 to the council.
6. Over half of the permits issued were to St Michael's Hospice who manage 17 charity shops in Herefordshire and around the county. Other users include British Heart Foundation, Forces Support, Tenovus and EnviroAbility.
7. Changes to this service will reduce the cost of providing free disposal to charity shops.
8. The council is keen to continue to provide some support to charity shops as they undertake an important role in helping to divert waste from disposal through reuse. However it must balance this against the public expense of providing such support.
9. Three options have been considered:
 - a. Continue to provide unlimited free disposal to charity shops.
 - b. Do not provide free disposal to charity shops and instead pay a reuse credit for the weight of material reused and thus diverted from disposal.
 - c. Provide a limited number of free disposal tips to each organisation per year.

10. Through consultation the public were asked if free disposal to charity shops should stop and if reuse credits should be introduced to incentivise reuse of donated items. A slim majority (53% of respondents) thought free disposal should stop. A greater majority (65% of respondents) thought that a reuse credit should be introduced.
11. Further to this response, comments from the public suggested any support should be simple and not onerous to the charity shop. Responses from charity shops supported this view in that a reuse credit scheme would be difficult to administer as a recorded audit trail will be required for each item donated and reused.
12. To reflect this feedback it is proposed that tipping permits continue to be issued to each organisation per year but the number issued will be limited as detailed in the table below. The limit will be based on the scale of the operation in Herefordshire and the benefit of increased diversion of waste from council services.

	Small	Medium	Large	Collection
Size of operation	Between 1 and 3 charity shops	Between 4 and 6 charity shops	7 or more charity shops	Countywide collection service
Maximum number of permits	12 per annum	24 per annum	36 per annum	Additional 12 per annum
Conditions	Annual Audit	To qualify for more than 12 permits organisations must supply weight data for any materials sent for recycling and reuse. Where not measured/recorded the organisation will be required to work with the council to measure the weight of materials sent for recycling and reuse.		

13. Organisations who provide 3 or less charity shops in Herefordshire will be restricted to a maximum number of 12 permits per annum. Organisations with 4 to 6 charity shops will be entitled to a maximum of 24 tipping permits, those with 7 or more may have up to 36 tipping permits. An organisation who offers a countywide collection service may have a further 12 permits per annum.
14. The reasons for limiting free disposal are as follows:
 - a. Charity shops would be more likely to consider disposal as a last resort instead of the most convenient option. Providing unlimited free disposal encourages disposal when donated goods have a low value, are difficult to sell or because it is the cheapest option to the charity shop.
 - b. Charity shops would be discouraged from accepting waste items that are unlikely to be sold. It would encourage better quality control and residents are more likely to take these items to a household recycling centre where they can be recycled instead of being disposed to landfill or incineration.
 - c. Charity shops would be encouraged to recycle more of their waste instead of using free disposal. For example cardboard and solid wood furniture can be sent for recycling at lower cost than disposal. By limiting free disposal charities would be more likely to recycle any unavoidable waste rather than more costly disposal.
 - d. Charity shops would be discouraged from providing commercial services such as house clearances whereby free disposal provides a commercial advantage over private companies offering the same service.

- e. The council provides a level of support that can be afforded and allows charity shops to dispose of donated items, once every effort has been made to reuse them.
15. It is proposed that implementation of any changes would be phased over a period of 3 years decreasing the permit allocations each year until reaching the limits set out above (12).
 16. Once charity shop organisation have used their full allocation of permits for the year they will not be permitted to dispose of any additional waste at council controlled waste transfer stations. If charity shop organisations have any additional waste to be disposed of they will need to make their own commercial arrangements to dispose of it. This could include using the council's trade waste service where charity shops are charged a lower, collection only, charge.
 17. Both British Heart Foundation and St Michael's Hospice have responded to the consultation, their responses are appended to this report. They raise the following points and concerns:
 - a. Charity shops divert household goods from disposal and saves public money and reduces environmental impact.
 - b. Any resulting additional costs incurred by charity shops would reduce funding for good causes such as the palliative care provided by St Michael's Hospice and British Heart Foundation's efforts to prevent heart disease.
 - c. Larger organisations should be provided with additional free disposal. St Michael's Hospice request 12 permits to tip for each of their 14 charity shops.

Community impact

18. Limit on free disposal is likely to restrict the type of items the charity accepts from members of the public. This could result in negative publicity towards Herefordshire Council.
19. Council services may receive more waste through bulky collections and at household recycling centres. However it is expected that a proportion of any extra household waste will be collected and disposed of privately at no public expense.
20. Charity shops are likely to incur additional costs in arranging for the collection, recycling and possibly disposal of their waste. If so this will reduce the revenue made by charity shops and thus reduce funding of the work supported by the charitable organisations they represent.
21. The recommended actions introduce a reasonable limit on free charity disposal allowing continued support to be provided whilst reducing cost. This supports the council's priority to secure better services, quality of life and value for money.
22. Continued support of organisations to encourage reuse of household waste supports our priority to manage waste as high up the waste hierarchy as possible, in this case by reusing it.
23. Charities are responsible under general "Duty of Care" to look after themselves and others affected by their activities. Our contractor managing the council's waste transfer stations,

Severn Waste Services, is responsible for ensuring charity shops comply with health, safety and welfare requirements when depositing waste at these facilities. Compliance with health and safety legislation will be monitored, and where required, enforced by the council.

Equality duty

24. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
25. In relation to the recommendation of this report there are no identified negative impact on protected characteristic with this report and its implications relating to governance process and arrangements

Resource implications

26. The cost of providing free disposal is around £50,000 per annum. The council would expect direct costs of around £5,000 per annum from the limited issue of free disposal permits.
27. The council should expect a further £20,000 of additional expense from increased waste taken to household recycling centres and through bulky collections. Part of any additional cost will be recovered through charging for the collection of bulky waste.
28. A proportion of waste is likely to be collected and disposed of through private arrangements, e.g. house clearances, skips, private waste collection, which would be at no public expense.
29. Savings of at least £25,000 per annum are therefore anticipated, which have been assumed within the council's approved Medium Term Financial Strategy. If the recommendations are not approved, alternative savings will need to be identified in order to deliver the council's savings plans.

Legal implications

30. The council is unable to charge for the disposal of waste from a charity shop selling donated goods originating from domestic property in accordance with the Controlled Waste Regulations 2012 (CWR).
31. The permit scheme does not involve a charge and provides an additional service enabling deposits to be made at the counties transfer stations.

Risk management

32. The key risk to the council is that any increase as a result of limiting free disposal is equivalent to or greater than the amount saved. It is recommended that the change be reviewed annually to allow the impact of the change to be assessed.

Consultees

33. A public consultation was carried out between 20 January and 3 March 2017 and the response is summarised at appendix 1.
34. All organisations that currently make use of permits to tip were contacted and asked for comments on proposals to limit free disposal.

Appendices

Appendix 1. Public consultation response

Appendix 2. Response from St Michael's Hospice

Appendix 3. Response from British Heart Foundation

Appendix 4. Charity Shop Disposal Policy

Background papers

None identified