



COUNCIL 6. 12. 2012

**CORPORATE AND FINANCIAL COMMITTEE
14. 11. 2012**

**A meeting of the Corporate and Financial Committee
was held in Committee Room 2
on Wednesday 14 November 2012 at 11.05am.**

PRESENT: Councillor Broughton (Chairperson),
Councillors Chen and Johanson.

APOLOGIES: Councillors Button, Carter and Gough.

The Committee reports that:

PART A - MATTERS REQUIRING A COUNCIL DECISION

(1.) KERBSIDE COLLECTION FOR VACANT PROPERTIES

General Manager responsible:	General Manager Corporate Services, Ph: 941-8528
Officer responsible:	Corporate Finance Manager
Author:	Steve Kelsen, Funds and Financial Policy Manager

PURPOSE OF REPORT

1. Some residents who have vacated their properties either because of earthquake damage or Canterbury Earthquake Recovery Authority (CERA) zoning, have indicated a desire to continue to access a Council-provided kerbside collection service. The Council does not currently provide a collection service for vacant properties.
2. This report provides the background to this issue and proposes that the Council:
 - (a) Agree that no change should be made to current kerbside collection services:
 - (b) Note that:
 - (i) Council kerbside collection bins are being progressively retrieved from vacant properties, but some bins are currently still available at some vacant properties, particularly in the Red Zone where settlement between the landowner and CERA has not taken place
 - (ii) ratepayers whose properties have been demolished or vacated are not being charged for the kerbside collection service, although Council continues to incur costs associated with collection, retrieval, and identifying bins stolen or relocated from vacant properties
 - (iii) the provision of bins and kerbside collection service to vacant properties will have cost and security implications for both the Council, the Council's collection contractor, and the property owner
 - (iv) alternative collection services are commercially available at a similar price to the Council service.

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EXECUTIVE SUMMARY

Current level of service

3. Following the series of Canterbury earthquakes, wheelie bins are being progressively removed from those properties where improvements have been demolished or where the property is receiving a rates remission because it is unable to be occupied. In the case of properties where the improvements have been demolished the waste minimisation targeted rate, which funds the organics and recycling collection, has been removed from the rates assessment. For properties that are unable to be occupied the 40 per cent rates remission granted by the Council equates to the average cost of Council services, including kerbside collection, that are delivered directly to that property.
4. Historically, properties with improvement value of greater than \$21,000 were entitled to an allocation of rubbish bags. When the wheelie bin system was introduced this threshold was lifted to \$30,000 and vacant land was excluded. The purpose of these tests was to prevent delivery of wheelie bins to, and the collection of the targeted rate from, vacant properties and electricity power boxes, garages etc.
5. Kerbside collection services, either through the rubbish bag system or the wheelie bin system, have not previously been provided to empty sections. While this is because waste collection is generally unnecessary and unwanted at vacant sections, an additional factor is the likelihood of the relocation by owners or the theft of bins from vacant sections. Council staff and contractors have observed that bins from unoccupied properties are being relocated across the city, generally without the property owner's permission.
6. The wheelie bins do not belong to the property owner; they are an asset belonging to the Council's collection contractor. However, the bins allocated to a property are the property owner's responsibility. Under Clause 10 of the Terms and Conditions set by the Waste Management Bylaw 2009, property owners are liable for full-replacement cost should bins be stolen. Also, the Council faces additional and unrecoverable collection costs where stolen or relocated sets of bins are presented for collection. A bin amnesty will be held in 2013 to allow bins that have been relocated across the city to be returned to the contractor.
7. At its Earthquake Forum on 18 October 2012, the Council received a request for the reinstatement of kerbside collection service from the owner of a Fendalton property that is unable to be occupied and is receiving the 40 per cent rates remission. That ratepayer is maintaining the section, while the residence is unable to be occupied, in anticipation of reoccupying it following rebuild. The Council has not retrieved bins from that property, and contractors' records show that bins are still being collected from the roadside in front of that property.
8. To date the Council's contractors have only retrieved bins from vacated properties where they are CERA owned or where the ratepayer has contacted us to request a retrieval. Other affected ratepayers, approximately 6000 of them, are not being rated but still have bins and many of these are still being presented and collected. The retrieval of these bins will continue over the next few months.
9. Once contractors have retrieved bins from vacated properties alternative collection services are available. For example, the commercial cost of fortnightly collection of a 240 litre wheelie bin is \$218 per year (the Council's standard residual waste bin has a 140 litre capacity). Alternatively a 2 cubic metre skip (14 x 140 litre wheelie bin equivalents) would cost \$150 for a single pickup. These services are likely to be more suitable than the Council's collection service because the kerbside collection service has very specific timeframes set by the Waste Management Bylaw. Council bins must be presented no early than 5pm on the day prior to collection, and must be brought in again by 11pm on collection day. This presents difficulties for absent property owners and increases the risk of bins being stolen from these vacant sites.

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Extension of service to vacant properties

10. Under existing Council policy, where the Council agrees to provide a service, ratepayers are able to opt into the full three bin service by paying an annual charge, which is equal to the cost of the standard service (\$258 in 2012/13). This ability to opt in is currently only available to non-rateable properties such as churches, which are not-liable for the targeted rate, and to clubs and charities occupying Council land and are therefore tenants rather than ratepayers. This service is currently only available where there are improvements on the land because of the issues identified above. However, it is possible to extend the service to include vacant properties.
11. Should the Council determine that it is appropriate to continue to extend the current opt-in service to provide kerbside collection for vacated properties there will be a number of consequences:
 - additional administration staff time and resources required for customer service, database maintenance and invoicing
 - precedent – the provision of a service to vacant sections may set a precedent obliging the Council to provide the opt in service to all vacant land
 - possible issues and potentially increased costs as gradually areas cease to be serviced by the collection vehicles
 - the Council already faces a claim from the contractor for the collection of lost bins from the CBD and red zone properties; there is potential for this to increase costs if bins remain at, or are distributed to, vacant properties.

FINANCIAL IMPLICATIONS

12. The Council's organics and recycling kerbside collection service is funded by a targeted waste minimisation charge (\$144.12 for 2012/13). Residual waste collection is funded through general rates. The opt-in charge for 2012/13 is \$258 and covers the cost of the full three bin service. However, it does not cover additional costs associated with bin delivery or retrieval, location of relocated or stolen bins, or the incremental costs that would be associated with database maintenance and invoicing for a vacant land service.
13. Any additional cost associated with continuing to provide kerbside collection services to vacant sections is unbudgeted. At this stage it is not possible to determine what that cost could be because the number of property owners who would opt-in to the service is unknown.

Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

14. Not applicable.

LEGAL CONSIDERATIONS

15. Under existing Council policy, where the Council agrees to provide the service ratepayers are able to opt into the full three bin service with the payment of \$258.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

16. Not applicable.

Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?

17. No.

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ALIGNMENT WITH STRATEGIES

18. Not applicable.

CONSULTATION FULFILMENT

19. No consultation has been undertaken.

STAFF RECOMMENDATION

That the Council:

- (a) Agree that no change be made to current kerbside collection services.
- (b) Note that:
 - (i) Council kerbside collection bins are being progressively retrieved from vacant properties but some bins are currently still available at some vacant properties, particularly in the Red Zone where settlement between the landowner and CERA has not taken place
 - (ii) Ratepayers whose properties have been demolished or vacated are not being charged for the kerbside collection service, although Council continues to incur costs associated with collection, retrieval, and identifying bins stolen or relocated from vacant properties
 - (iii) The provision of bins and kerbside collection service to vacant properties will have cost and security implications for both the Council, the Council's collection contractor and the property owner
 - (iv) Alternative collection services are commercially available at a similar price to the Council service.

COMMITTEE CONSIDERATION

The Committee requested that staff provide the following information to the Council prior to the Council's consideration of this report on 22 November:

- Copies of the reports that have been approved by the Council previously in relation to the decision on the rates rebate.
- An indication of costs for the provision of a green bin to households receiving rates rebate.
- Clarification on rates rebate information as it relates to red rubbish bins.
- A global figure on a yearly basis on how much it would cost to provide three bins to properties receiving rates rebate.
- A breakdown of the targeted rate as outlined in the Waste Minimisation Policy in 2008.

COMMITTEE RECOMMENDATION

Councillor Broughton moved that the staff recommendation be adopted.

The motion was seconded by Councillor Chen. When put to the meeting the motion was declared **carried** on Division No.1, with voting being as follows:

For (2): Councillor Broughton and Chen.

Against (1): Councillor Johanson

PART B - REPORTS FOR INFORMATION

(2.) DEPUTATIONS BY APPOINTMENT

Nil.

The meeting concluded at 12.04pm.

CONSIDERED THIS 6TH DAY OF DECEMBER 2012

MAYOR