



PRCC.17 13/14
Prosperous Communities Committee
3 September 2013

**Subject: Introduction of a charged garden waste collection service**

Report by:

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Purpose / Summary:

For Members to consider the introduction of a charge for the provision of green waste collections and if such a charge was agreed, consider increasing collections in Winter months. Also, for members to approve a call on ear-marked reserves to fund the set-up costs of implementing a charged service.

**RECOMMENDATION(S):**

- 1. That Members RECOMMEND to the Policy and Resources Committee that an appropriate annual charge, options for this charge are detailed in paragraph 4, be introduced for garden waste wheeled bin collections with effect from 1st April 2014**
- 2. That Members consider re-introducing a green garden waste collection service during winter months, options are detailed in paragraph 5, commencing March 2015**
- 3. That Members support the call on ear-marked reserves of approx. £99.5k for initial set up costs and RECOMMEND to the Policy and Resources Committee that these be released**
- 4. To approve that a report be presented to Prosperous Communities Committee in October 2014 giving an update on the**

**implementation of the charged service.**

**IMPLICATIONS**

**Legal:** Under the Controlled Waste Regulations (2012) and Environmental Protection Act (1990), it is statutory for the Council to arrange collection of garden waste, but a charge for collection can be made.

**Financial :** (FIN/10/14)

The initial set up costs which would be incurred during 2013/14 are estimated to be £99.5k. It is proposed that these costs be met from an earmarked reserve held by the Authority to support service development within Operational Services.

Based on a charge of £25 per annum, and take up of 60% it is anticipated that the service will cost £68k pa more than the income generated, but will generate contributions of approx. £572k pa. This would equate to an actual operational saving of £500k pa.

The figures above include a loss of income of approx. £17k pa on the sale of second green waste bins due to the proposed reduction in fee.

The details of the financial impacts of the proposal are identified in the report.

**Staffing:** Introducing a charged service will not result in any redundancies.

**Equality and Diversity including Human Rights :**

An Equality Impact Assessment has been carried out.

**Risk Assessment:** Risks have been identified and appropriate measures to manage these risks will be implemented

**Climate Related Risks and Opportunities:** There may be opportunities to reduce the fleet emissions in future years as collections rounds are redesigned to accommodate demand.

**Title and Location of any Background Papers used in the preparation of this report:**

Cost of implementation paper, risk assessment, citizen engagement paper, budget analysis paper and benchmarking paper, Equality Impact Assessment

**Call in and Urgency:**

**Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?**

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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**Key Decision:**

A matter which affects two or more wards, or has significant financial implications

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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**1. Introduction**

- 1.1 The scale of the challenges faced by the Governments austerity measures have been well publicised, with the implications of this for WLDC set out in the Councils Financial Strategy. The timescale for the implementation of these austerity measures has been extended as Central Government said in 2010 that these measures would be in place until 2015, however due to the poor state of the economy it is likely further measures will be needed until at least 2020.
- 1.2 Prior to the reductions in central government beginning funding in excess of £8m was received in Formula Grant (Revenue Support Grant). This figure has already fallen by over £2.5m to circa £5.5m (after removal of rolled in grants) and based on latest announcements this will fall by another £2m over the next 2 years.
- 1.3 Through the Councils approach of finding efficiencies, scaling back non-essential spending and generating income the Council has managed to deliver a balanced budget without making redundancies or reductions in front line services. This approach is continuing and significant realisable savings of circa £600,000 have already been identified for the coming financial year with an additional £500,000 anticipated for the following year, however, it is projected that there will be a shortfall and this proposal would help to meet that shortfall.
- 1.4 Most residents in West Lindsey have received free collections of their garden waste bin since the introduction of the Triple Bin Scheme in 2009. In 2011, Members decided to suspend the service during four winter months, this measure along with round efficiencies made savings of £156k per annum.
- 1.5 Green waste collections are a statutory service that WLDC can make a charge for. Many other authorities currently charge for the service or are moving from a free service to a charged one.
- 1.6 Given the current financial pressures it is appropriate that WLDC explore the option of introducing a charge per household with the aim of achieving a cost neutral position for green collections.

- 1.7 Around 2000 properties with access issues, mainly in the South-West Ward of Gainsborough, do not receive the garden waste collection service, however they do receive a weekly sack collection of residual waste and recycle. As council tax payers these residents are indirectly funding the green waste service and it could be perceived that there is some level of inequality within the service provision. Introducing a charged service would introduce the ethos/ideal of 'user pays' and any such perception of inequality would be eradicated.
- 1.8 If Members were minded to approve the recommendations in this report the new service would be implemented from April 1st 2014.

## **2. Analysis and Findings**

- 2.1 Benchmarking data has identified 106 authorities out of 289 nationally (not including London) that are currently charging for green waste collections, eight others are currently considering introducing a charge. The average take up of this service is 48% of households.
- 2.2 The average annual fee which other authorities charge is £38 and the highest is £90 (Harlow District Council), however most Lincolnshire authorities have pitched their charge at £25 pa

See Appendix A table for neighbouring authority data.

## **3. Costs**

- 3.1 Currently, the budget for the garden waste collection service is £569k, less income of £30k pa generated from residents who take additional green bins.
- 3.2 Additional costs will be associated with the introduction of a charge. Estimated start up costs are £99.5k and on-going costs are £72k pa. By way of a comparison, set up costs for North Kesteven to implement the scheme were £195k.
- 3.3 It is proposed that the initial set-up cost of approx. £99.5k be met from the reserve earmarked to support service development within Operational Services. Ongoing costs will be reflected in the cost of service.

## **4. Income**

- 4.1 The authority has run a charged service previously and this attracted 14,500 subscribers (approximately 36%), before Members chose to make the service 'free for all' in 2009. At that time the Authority was able financially to introduce a free service as Government funding was over 30% higher than present. Further radical cuts in funding are proposed up to 2017.

- 4.2 There are currently 1,272 households that pay for a second green bin, the current charge for this is £23.40.
- 4.3 In Lincolnshire, four authorities currently charge £25 per year for this service, South Holland charge for a bagged service and Boston charge a one-off £25 joining fee.
- 4.4 Detailed below are potential income scenarios, profiled by take up, assuming that the additional bin sales remain at the current level.

**£38 Charge, 2<sup>nd</sup> bin £10**

Take up	Total Income	Ongoing Costs	Operational Savings
48%	£699,700	£72,000	£627,700
60%	£878,900	£72,000	£806,900

£38 is the average charge nationally, the income levels are significant. However the charge is much higher than other authorities charge in Lincolnshire and there would be a significant risk of low take up of the service.

**£25 charge, 2<sup>nd</sup> bin £10**

Take up	Total Income	Ongoing Costs	Operational Savings
48%	£454,500	£72,000	£382,500
60%	£572,400	£72,000	£500,400

The four other authorities in Lincolnshire who have introduced a charge have set it at £25 although East Lindsey are asking their residents to pay £25 for additional bins, whereas others have set their charge at £10.

**£20 charge, 2<sup>nd</sup> bin £10**

Take up	Total Income	Ongoing Costs	Operational Savings
48%	£360,200	£72,000	£288,200
60%	£454,500	£72,000	£382,500

A £20 charge would mean West Lindsey residents would receive the cheapest service in Lincolnshire of those that have to pay. This lower charge this would affect income levels significantly.

## 5. Winter Shutdown

5.1 If a charge was to be introduced, members may wish to consider changing collection arrangements during the winter months. This, along with other methods such as allowing residents to have informal arrangements in place to share bins, may serve to mitigate the negative impact of the charge. Other authorities in Lincolnshire which have introduced a charged service either continued with the service in winter or re-introduced it (details at Appendix A).

5.2 Below is a summary of green waste collected in winter months in previous years. Depending on weather conditions an average month during the green waste collection season will produce around 1250 tonnes.

Year	December	January	February	March
2008/9	125t	101t	189t	451t
2009/10	251t	113t	221t	497t
2010/11	0t	300t	326t	715t

5.3 The table below summarises the additional costs of re-introducing different levels of service during winter months.

	Fortnightly in March	Fortnightly in February and March	Monthly in Dec, Jan, Feb and March
Additional cost	£32k	£64k	£71k

5.4 Currently, the service is suspended between first week in December until the last week in March. The options for Members to consider are:

1. Leave the winter shutdown as it is (no cost)
2. Introduce fortnightly collections in March (£32k)
3. Introduce fortnightly in February and March (£64k)
4. Introduce a monthly service in the December, January, February and March (£71k)

These additional costs would impact on actual operational savings highlighted in paragraph 4.

## 6. Budget Engagement

6.1 Charging for green waste has been a topic with the recent Budget Engagement exercise.

6.2 Part of this exercise was a series of budget engagement workshops at which officers received a positive response to charging for the green waste service. Budget engagement votes were cast as follows.

Option 1- Leave service as it is

Option 2- Charge for the current service

Option 3- Charge for service and reduce the period of winter shutdown

Attendees voted as follows:

Option 1	Option 2	Option 3
27	53	14

## 7. Bin Ownership

7.1 If they choose to, residents would be free to share bins with neighbours and are encouraged to make their own informal arrangements.

7.2 Most authorities are encouraging residents to keep their green bins, whether subscribing to the service or not, it is proposed that WLDC adopt a similar policy.

## 8. Impact on Recycling rate

8.1 It may be expected that the garden waste recycling rate would fall broadly in line with the number of households leaving the service. However, most other authorities who are charging are not reporting a significant reduction in the recycling rate.

8.2 The collection of garden waste contributes roughly half of the total recycling collected by the Council – see table below:

Year	Percentage Recycled	Percentage Composted (Garden waste)	Total Recycling
2011/2012	26.87%	25.75%	52.6%
2010/2011	26.29%	26.78%	53.1%

There is a national target of recycling 50% of waste by 2020.

## **9. Key Risks**

- 9.1 Low up take - If demand for the service is not as high as predicted the level of income will not be achieved.
- 9.2 Potential increase in fly-tipping/impact on recycling rate – fifteen other authorities who have recently introduced a charge were contacted by officers. Of those that responded, none have indicated they have experienced either an increase in fly-tipping or an impact on the recycling rate.
- 9.3 Lincolnshire County Council - may experience an increase in disposal costs as some green waste may be deposited either in the residual bins or at Household Waste Recycling Centres. These issues have not stopped other authorities introducing a charge and it is unlikely to result in any further increase in costs to the District Council.
- 9.4 Resident opposition- Some residents will be opposed to this proposal, a programme of engagement events and a well prepared communications campaign will help counter this opposition.

## **10. Communication Plan**

- 10.1 It is expected that the decision to introduce a charge will not prove popular with residents, although offering features such as buying additional bins at a reduced rate, sharing bins informally with neighbours and reducing the length of the winter shutdown period may mitigate the concerns of some residents.
- 10.2 A well-handled communications plan has been prepared and budgeted for from start-up costs, this will be implemented following the Member decision. The plan will offset any questions that residents may have.
- 10.3 A frequently asked questions and answers document is attached as Appendix B

## **11. Conclusion**

- 11.1 The Waste Service in-depth business review and recent budget engagement events have confirmed this is a suitable and reasonable proposition given the current financial climate. Officers recommend the following:
  - 1. WLDC introduce an appropriate charge for garden waste wheeled bin collections.
  - 2. Members consider the re-introduction of a collection service during winter months.
  - 3. Members support the call on earmarked reserves of approx. £99.5k for initial set up costs.
  - 4. Members approve that a report be provided for Prosperous Communities Committee in October 2014 giving an update on the implementation of the charged service.



## Appendix A

- The table below shows what other Lincolnshire authorities are charging, the take up and the winter shut down period. The take up percentages should be treated with caution as it is dependant on whether the previous service was opt-out (as West Lindsey's is) or an opt-in service (as South Kesteven).
- A useful comparison is with North Kesteven as they are a similar authority demographically to West Lindsey and previously provided a service which was 'free for all'.
- Currently, most authorities in Lincolnshire provide some form of winter collection of green waste.

Authority	Charge	Take up	Winter collections
WLDC	£0	95%	No
Lincoln City	£25 (additional bins £10)	45% of existing customers	Fortnightly all year
North Kesteven	£25 (additional bins £10)	58%	Monthly in winter
South Kesteven	£25 (additional bins £10)	90%	Monthly in winter
South Holland	Bagged service £1.50 per bag		
East Lindsey	£25 (additional bins £25)	Just approved	Previously no, in future fortnightly all year, break at xmas
Boston	£25 one off payment	45% (13,000 out of 28,650) but rising daily.	No

### Frequently Asked Questions – GREEN BIN (Garden Waste) CHARGING

#### Why are you charging for collection?

The Council is being forced to reduce its spending by £3million over the next three years because of a reduction in Government grant support. Through the Councils approach of finding efficiencies, scaling back non-essential spending and generating income it has managed to deliver a balanced budget without making redundancies or reductions in front line services. This approach is continuing and significant realisable savings of circa £600,000 have already been identified for the coming financial year with an additional £500,000 anticipated for the following year. However, it is projected that there will be a shortfall, therefore we have reviewed all services to decide if they can be continued or if there is a way of keeping the service by making a charge towards their cost.

The collection of green waste is a service which not everyone needs and which costs the council £569,000 each year. The income from charges will reduce the net cost and enable the council to continue providing the service.

We think the £XX annual charge (which is less than XXp per week) represents good value for money for collection of your garden waste and helps reduce the waste going to landfill, increases recycling rates and saves people the cost and inconvenience of taking their garden waste to their local Household Waste Recycling Centre.

#### Do I have to pay?

No, the service is entirely optional. If you don't want the service then you don't need to do anything.

If you have not paid by 1 April 2014, we will not empty your green bin if it is left out for collection. However, as you can join the scheme at any time, it is important that you keep your green bin in case you change your mind.

#### What will it cost?

The annual charge for one bin will be £XX

#### How can I pay for my bin?

Please pay on-line for your bin at [www.west-lindsey.gov.uk](http://www.west-lindsey.gov.uk) from 1<sup>st</sup> January 2014, or if you do not have access to the internet please call 01427 676676 and speak to a member of our Customer Services Team.

### **Can I have more than one green bin?**

Yes. As a resident you will be entitled to request additional bins up to a maximum of 4, additional bins will be charged at £10 per bin per year.

### **What if I change my mind and I do want a garden waste collection?**

You can join the scheme at any time; this is why it is important to keep hold of your green bin.

### **I don't want to pay so will I be allowed to keep my green bin?**

Yes, you will be able to keep your bin for your own use. If you wish to join the scheme at a later stage you will only have to pay for the collection.

### **How will you know who has paid?**

Residents who have paid for this service will be issued with a sticker which they should display on the lid of the bin. The Council will keep records of who has paid and we will only be collecting bins from properties from which we have received a payment

### **Will there be more collections in the winter months?**

Yes, residents told us they wanted more collections so we will commence collections in xxxx next year.

### **I don't want to pay so will you come and collect my green bin?**

In these early stages we would urge you to keep your green bin in case you change your mind and wish to join the scheme at a later date. However, if you wish to have your green bin removed then you will be able to request this at a later stage.

### **Will I notice any difference in the day or time you collect?**

You may notice a change in the time we collect, but not the day. Please ensure your bin is out ready for collection by 7am. Garden waste rounds may need altering at some point in the future but this will not be until after your current collection calendar has expired in October 2014.

### **If I join the scheme half way through the year, do I get a discount?**

No, the collection charge is £XX, regardless of when you join.

### **What happens if I move house in West Lindsey, do I have to pay again? Does my bin go with me? Do I get a discount or money back if I leave the District?**

Please take your green bin with you to your new home in the district. However, you will need to let us know that you have moved so we can make sure your new address is registered. If you are moving out of the district there is no refund for the remainder of the charged period.

### **My green bin is damaged – will I be able to have a new one?**

Yes, if your green bin is damaged during the collection process then we will replace it free of charge. If you damage your bin then we will ask you to pay for a replacement.

## Isn't this new scheme going to increase fly-tipping?

We have been monitoring other authorities who have implemented a charged service; they have not reported any increase in levels of fly-tipping.

## What do I do with my garden waste if I don't want to pay for my green bin?

We feel that a charge of £XX per year is good value for money compared with the time and trouble of going to your local Household Waste Recycling Centre. However, if you do not want to join the scheme you will need to make your own arrangements to dispose of garden waste by either home composting it, or by taking it to one of the local Household Waste Recycling Centre's which can be found at:

Summergangs Lane Household Waste Recycling Centre, Gainsborough DN21 1AH  Opening hours Friday – Monday 9am – 4pm	The Rasens Household Waste Recycling Centre, Gallamore Lane, Market Rasen LN8 3HA  Opening hours Friday – Monday 9am – 4pm
Great Northern Terrace Household Waste Recycling Centre, Lincoln, LN5 8LG  Opening hours Monday – Sunday: 9am – 4pm	Whisby Household Waste Recycling Centre, Eagle Road, Whisby, LN6 9BT  Opening hours Monday, Thursday and Friday: 9am – 4pm Saturday: 9am – 12 noon

Further information can be found at [www.lincolnshire.gov.uk/hwrc](http://www.lincolnshire.gov.uk/hwrc) or by calling 01522 782070

## How do I obtain a home compost bin?

Subsidised compost bins are available to order by visiting [www.getcomposting.com](http://www.getcomposting.com) or by calling 0844 571 4444.

## I don't want to pay for a garden waste collection; can I put my garden waste in my black bin?

No, garden waste is not allowed in your black bin.

## Are there any concessions?

As the charge only covers the collection costs, there are no concessionary rates.

## Can a village hall, community centre, Church or other such facility join the scheme?

Yes they can but the same charges will apply.

## I have difficulty presenting my bin, will you collect it?

If you are eligible for our assisted collections scheme (because you have difficulties moving the bins), you will also receive assisted collections for garden waste.

### **Can I share a bin with my neighbour?**

Yes, and this would be a good idea for many residents with small gardens. However, you need to make your own informal arrangements with your neighbour. The bin needs to be registered at the address where the bin is collected from.

### **What's to stop other people in the neighbourhood swapping my bin with theirs?**

Residents who have paid for the garden waste collection service will be issued with a sticker which they will display on their green bin to show they have paid for the service. We will also keep records of who has paid and will only be collecting bins from these homes. We also suggest that you put your house number or house name onto your wheeled bins.

### **What if I'm renting and / or am not responsible for the garden where I live?**

If you are a tenant and occupier of a property then it is your responsibility to make arrangements for the collection of your waste.

### **Does the Council get an income from our garden waste?**

No, the garden waste collected by our refuse collection vehicles is delivered to local composting facilities. Lincolnshire County Council, which is the waste disposal authority for the County, has to pay for the material to be processed at these sites.

### **What happens to my garden waste?**

All the garden waste collected from across the district is taken to local composting facilities where it is turned into compost that is suitable for agricultural use.