



**Committee - Prosperous
Communities**

Date 5th December 2017

Subject: Introducing an annual charge for garden waste collections

Please insert ✓ or N/A to verify this report has been cleared by:-

Finance	Legal (MO)	HR	Directors Sign Off	Management Team
✓	✓	✓	✓	✓

To be removed by Committee Admin immediately prior to agenda despatch

Report to be with Committee Admin no later than 5 working days before Chair's briefing and final report no later than 6 working days before Committee.

Report by:

Chief Operating Officer

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Purpose / Summary:

For Members to decide on the introduction of a charge for kerbside garden waste collections.
If Members resolve to introduce a charge

- For Members to decide on the level of service to be delivered and,
- for Members to recommend a level of charge to Corporate Policy and Resources Committee

RECOMMENDATION(S):

- Prosperous Communities Committee resolves to discontinue free kerbside collections of garden waste and agree to the introduction of a charge for the service.**
- Prosperous Communities Committee resolves that Operational Services should deliver a service during April – November inclusive. (Option B)**

c. Prosperous Communities Committee resolves to recommend to Corporate Policy and Resources Committee an annual subscription of £35 per annum for all garden waste collections, and this be non-refundable in full or part.

IMPLICATIONS

Legal: Under Controlled Waste Regulations (2012) it is statutory for the Council to arrange for the collection of garden waste, but a charge for this service can be applied.

(N.B.) Where there are legal implications the report MUST be seen by the MO

Financial : FIN/112/18

The current Green Waste Services costs a total of £776k per annum. This cost is currently met within the overall budget envelope and therefore funded from all Council Tax payers.

The proposal to introduce charges for the Green Waste Collection Services is in line with our Fees and Charges Policy for introducing charges where no charges currently exist, and the necessity to meet the funding gap created by reducing Government Grant funding, whilst maintaining Council services.

Additional costs of introducing a charge for the Green Waste Service will be incurred for implementation, administration and promotion and totals £77k.

However, based on the forecast take-up and the proposed price of £35 (non-refundable in full or in-part) the income generated could be in the region of £758k therefore providing a net contribution towards the funding gap of £681k.

The Medium Term Financial Plan 2018/19 includes for a net contribution of £502k as this is deemed to be a prudent estimate for this purpose.

Staffing : HR ref is HR042-11-17

There are no immediate implications for the Councils workforce as a result of these proposed changes.

(N.B.) Where there are staffing implications the report MUST have a HR Ref

Equality and Diversity including Human Rights : An Equalities Impact Assessment can be found at Appendix 2.

Risk Assessment : A Project Risk Assessment can be found at Appendix 3.

Climate Related Risks and Opportunities :

Risk-

- Introducing a charged service may also increase the amount of resident visits to Household Waste Recycling Centres.

Opportunities-

- There would be an increased usage of compost bins, this is the most environmentally friendly disposal route for garden waste.
- Introducing a charged service could reduce the total amount of fleet miles

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

The DEFRA fly-tipping statistics 2016-17 referred to in paragraph 8.06 can be found by following the link below;

<https://www.gov.uk/government/statistics/fly-tipping-in-england>

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

No

Key Decision:

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

Yes

No

1. Executive Summary

- 1.01** Following an extensive community consultation, this report seeks approval from Members to cease the current kerbside garden bin service and implement a self-funding garden waste service by implementing a charge for the collection of household garden waste from April 2018.
- 1.02** The consultation began following approval from Members at this Committee on 12 September 2017. Delivery of this work has been identified by Members as part of the overall budget consultation saving proposals and forms part of the Councils' draft medium term financial plan.
- 1.03** The consultation exercise was inclusive, 4031 responses were received which is 4.3% of the population of the District. The full consultation is discussed later in the report and at Appendix 1, however it is reasonable to conclude that residents consider it fair to implement a small charge rather than increase Council Tax, most households would subscribe to the service, most prefer the current delivery model and most would pay online.
- 1.04** The report considers the national and local picture regarding charging for this service and identifies the appropriate legislation.
- 1.05** It identifies the cost of providing the current service and four scenarios for future service delivery.
- 1.06** The paper offers information around resident's primary concerns with introducing a charge.
- 1.07** It introduces a fairness principle by suggesting that a user pays ethos should be introduced. Currently, the cost of service is borne by all Council Tax payers, whether they have access to, or choose to use the service. A payment per bin seems fairer.
- 1.08** The financial model is based on a unit cost principle, it costs a certain amount to empty each bin and this cost should be used to develop a cost recovery model. There has been an emphasis on making the primary product as good value as possible, this has meant difficult decisions around discounts and payments methods have been made.
- 1.09** This report also updates the standards applicable to the waste service in connection with the introduction of a chargeable garden waste service.
- 1.10** An EIA has been carried out and can be found at Appendix 2

2. The Financial Position

- 2.01** Since 2013/14 West Lindsey District Council has delivered £3.4m of savings and efficiencies to meet the cost of growth and Government funding reductions. In 2015/16 the Government announced it will continue to reduce the Revenue Support Grant to WLDC from £2.5m to nil by 2019/20.
- 2.02** To ensure that services have continued, WLDC has embarked on a strategy of increased efficiency and income generation whilst continuing to deliver quality services.
- 2.03** Part of this strategy is to consider charging for services which are currently provided for free. The service which provides the most potential for the authority to raise income is the kerbside garden waste collection service.

3. Legislation

- 3.01** Legislation demands that residual and dry recycling collections are provided to residents without a charge.
- 3.02** Under the Controlled Waste Regulations (2012) and Environmental Protection Act (1990), it is statutory for WLDC to arrange collection of garden waste but a charge for collection can be made.
- 3.03** There is often debate around whether WLDC could choose to stop collecting garden waste and take the cost of service as a saving. At October 2017, there were 30 authorities which did not provide a dedicated garden waste service garden waste service. Officers have established most of these authorities provide a collection mixed with other recyclables such as food waste or cardboard, charges cannot be introduced in this instance. Just three Councils, Hammersmith and Fulham, isles of Scilly and Westminster do not provide any level of garden waste service. Some, who traditionally did not provide a service, including South Holland and Bassetlaw, have introduced a charged service in the last financial year.
- 3.04** It is highly likely that the Council would be challenged if it resolved to stop providing this service. This challenge could come from the Waste Disposal Authority as it would compromise its ability to achieve statutory recycling targets, from an environmental action group or from a disgruntled resident.
- 3.05** For these reasons, stopping collections is not being considered as part of this report

4. Current Service

- 4.01** The current garden waste collection service has been free to most residents since the introduction of the Triple Bin Scheme in 2009.
- 4.02** Around 2,000 households, mainly in the South West Ward of Gainsborough but also including some remote properties, cannot receive the service. This is either because the properties are unsuitable for wheeled bins or because the garden waste freighters are too big to service the properties.
- 4.03** The service runs from the first week in April until the last week in November, residents receive eighteen collections each year. Members resolved to suspend collections during four winter months in July 2012 following analysis showing comparatively little material was collected in those months.
- 4.04** Residents can subscribe to additional garden waste bins at a cost of £30 per year. In 2016/17 there were around 1,767 subscribers bringing in £51k income to the Council.
- 4.05** The current service costs £776k, Table 1 below identifies how this budget is made up.

Table 1

Direct Costs	
Operational Costs	£318,890
Vehicles	£200,850
Management	£80,470
Total Direct Costs	£600,210
In Direct Costs	
Depots	£14,350
Support Services	£62,740
Depreciation	£99,100
Total Indirect Costs	£176,190
Full cost of service	£776,400

- 4.06** The Waste Services provided by the Councils in-house team are very popular with residents and regularly receive satisfaction ratings of over 90% (source-Citizens Panel)
- 4.07** The service benchmarks itself against other authorities through the Association of Public Service Excellence. It has been nominated for awards on the national stage in each of the last six years and won the Best Performer for Refuse Collection for two of those years.

4.08 The garden waste service consists of four collection rounds and five crews. Staff work four days per week, vehicles work for five days each week to ensure that best value is achieved from these expensive resources.

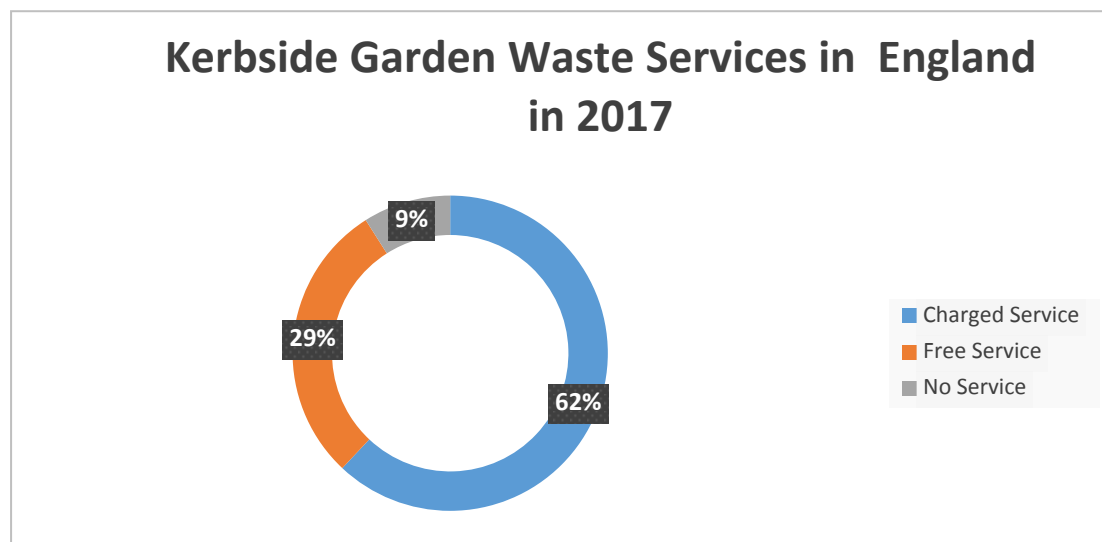
4.09 In 2016/17, operatives collected almost 12,000 tonnes of garden waste which accounted for well over half of the 51.5% recycling rate achieved last year.

4.10 Neither WLDC as the Waste Collection Authority or Lincolnshire County Council (LCC) as the Waste Disposal Authority (WDA) achieve any income from the sale of this material, in fact the WDA pays a 'per tonne' gate fee to dispose of it.

5. The National Picture

5.01 Desktop research has revealed that 62% of local authorities in England currently charge an annual fee for kerbside garden waste collections, more are considering introducing a charge for this service in coming years. Chart 1 shows the percentage of Local Authorities in England which charge for garden waste collections.

Chart 1



5.02 Of the 9% that offer no service, almost all collect garden waste with another recycling stream such as food waste or cardboard. In these cases it is not legislatively possible to charge.

5.03 Findings show that the introduction of annual garden bin fees has recently rocketed, as Council's look for ways to cope with ever-tightening budgets. A record number introduced charges in 2016/17.

5.04 The lowest subscription for a 240 litre bin is £20 per year, the most expensive is £96. The mean price for collections in England is £41.36 per year.

6. The Local Position

6.01 Table 2 below shows the situation in Lincolnshire and Bassetlaw with regard to the provision of garden waste collections including the cost, year of implementation and take up of the service.

Table 2

Authority	Current Charge 1st bin	Additional bins	Year introduced	Winter service	Take up
Boston Borough Council	£30	£15	2016	No service Dec-Feb	47%
City of Lincoln Council	£33	£15	2013	All year	38%
East Lindsey DC	£40	£40	2013	Monthly in winter	47%
North Kesteven DC	£30	£12	2012	Reduced service Dec-Jan	52%
South Holland DC	£49	£30	2016	No Xmas collections	Still being piloted
South Kesteven DC	£33	£16.50	2011	Monthly Dec/Jan/Feb	52%
North Lincs Council	Free		N/A		
North East Lincs Council	£35	£35	2015	No service December to February	Unknown
Bassetlaw Council	£30	£30	2017	No collection Dec/Jan/Feb	Unknown

6.02 Apart from the unitary North Lincs Council, West Lindsey is the only authority in Greater Lincolnshire and Bassetlaw which is providing garden waste collections free of charge.

6.03 The average charge in Lincolnshire and Bassetlaw is £35

7. Consultation

- 7.01** In September 2017, Prosperous Communities Committee resolved to task officers with undertaking a comprehensive consultation exercise
- 7.02** This consultation sought to understand the views of various stakeholders regarding the proposed change in service. These stakeholders included all residents, Parish and Town Councils, disability network group, the Waste Disposal Authority and District Council Members.
- 7.03** The consultation cost the authority £1,838, this has been funded from within existing operational budgets.
- 7.04** The consultation lasted for six weeks and closed on November 19th.
- 7.05** Responses were anonymous, however postcodes were collected and used to model which wards had particular issues.
- 7.06** Full details of the consultation results are available at Appendix 1, the following paragraphs will summarise these results.
- 7.07** **Disability Network Group**-The Council hosts regular meetings with this group, officers attended in order to describe the proposed service and understand concerns of the group. The issues raised included the affordability of the service, the ability to pay through a variety of means and the reduction in choice as disabled residents are less able to take garden waste to Household Waste Recycling Centres. The Group was highly complementary of the current level of service received. An Equality Impact Assessment has been included at Appendix 2
- 7.08** **Waste Disposal Authority(WDA)**- Lincolnshire County Council are responsible for the disposal of all waste in Lincolnshire and also operate a number of Household Waste Recycling Centres throughout the County, Officers wrote to County Council colleagues explaining the potential changes. The WDA replied and in summary asked that Members understand the impact on the residual waste stream and consider the increased use of Household Waste Recycling Centres. They also questioned whether enforcement activity would increase and whether Compost Bins would continue to be promoted.
- 7.09** **Parish and Town Councils**- Officers wrote to all Parish and Town Councils inviting them to complete an online form to give their views, seven councils completed the survey online. In summary, Parish and Town Councils understood the need to implement a charge, the main concerns raised were;
- Increase in fly-tipping
 - Distance to Household Waste Recycling Centres
 - Council should sell the end product (compost)

Workshops were also organised at Caistor, Gainsborough, Market Rasen and Welton, representatives from Town and Parish Councils were invited. There was very low attendance at these events, an average of just two Parish Councils were represented at each of the venues. There was general agreement with the principle of charging. Market Rasen Town Council asked that their opposition to charging be noted. Snitterby Parish Council asked that their comments be recorded also, whilst they understand the financial pressure the District Council is undergoing, it is disappointed a charge is being considered.

7.10 Residents-A booklet outlining the potential changes and why the Council was considering them was distributed to every household in the District during mid to late September. Residents were asked to complete an online consultation, alternatively they could call the Customer Service Centre and representatives would fill the forms out on their behalf. Officers also held drop in centres at Gainsborough and Market Rasen every Tuesday and Friday throughout October. In total 4031 residents responded to the consultation. Around 90% of respondents were over 44 years old, this compares to 54% in the 2016 census. The full results of the consultation can be found at Appendix 1 but are summarised below:

Q3: After considering all information, including the level of Government cuts and the scale of the financial challenges that West Lindsey faces, to what extent do you agree or disagree with the following statement: “Given the circumstances, it is fairer to introduce a small charge to fund the garden waste service for only those that use it, rather than making all residents pay for it through increased Council Tax.”

- Strongly agree (20%)
- Agree (51%)
- Neither agree or disagree (12%)
- Disagree (8%)
- Strongly disagree (9%)

Q4: If a chargeable garden waste service is implemented, how do you think you would deal with your garden waste?

- Pay the annual fee for one bin (62%)
- Compost at home (15%)
- Pay the annual fee and use more than one bin (10%)
- Take more garden waste to HWRC (8%)
- Other (5%)

Q5: If you think that you might like to subscribe to the service, please tell us which of the collection options you’d prefer

- Option A: Fortnightly collections (Apr-Oct) (20%)
- Option B: Fortnightly collections (Apr-Nov) (42%)
- Option C: Fortnightly collections (Mar-Nov) (24%)
- Option D: Fortnightly collections (Apr-Nov) + mthly (14%)

Q6: If you were to take the service, how would you prefer to pay?

- On-line (48%)
- Direct Debit (28%)
- Phone (17%)
- Post Office/Pay Point (5%)
- No response (2%)

7.11 Members-Two workshops were held for Members on 27th November

7.12 The following paragraphs will address the main issues raised throughout the consultation.

8. Flytipping

8.01 The primary concern raised by most stakeholders throughout the consultation was that bringing in a charge would result in an increase in fly-tipping.

8.02 Nationally, flytipping rates have increased in the last year and it is estimated that local authorities spent £58m on dealing with this environmental crime.

8.03 Rates in West Lindsey reduced last year, it is estimated that the 983 incidents cost the authority £58k.

8.04 Officers have consulted colleagues at neighbouring authorities, Table 3 summarises the results. The highlighted data indicates the year a charge for garden waste collections was implemented.

Table 3

	Number of fly-tipping incidents					
Authority	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
North Kesteven	846	811	957	863	978	1013
South Kesteven	679	372	752	930		683
East Lindsey	1447	1786	2053	1620	1504	1517
CoLC	885	934	1050	1258		1455
West Lindsey	722	764	638	1043	1477	970

8.05 It can be seen that fly-tipping rates have been dynamic in these authorities and there is no obvious link between charging for garden waste collections and an increase in fly-tipping.

- 8.06** A DEFRA report has recently been released and can be seen at <https://www.gov.uk/government/statistics/fly-tipping-in-england>
- 8.07** It identifies that there has been an increase in fly-tipping over a number of years, although does urge caution when considering this data as there have been improvements to the way authorities record and deal with these incidences, this is true in West Lindsey. It also identifies that incidents of green waste being fly-tipped have decreased over the monitoring period despite many authorities introducing a charge.
- 8.08** A recent report to Lincolnshire Waste Partnership identified the composition of fly-tipping in the County, it can be viewed at Appendix 4. It shows that green waste makes up less than 6% of fly-tipping in all Lincolnshire authorities. Paradoxically, West Lindsey has the highest rate of green waste fly-tipping despite offering a free collection service.
- 8.09** All this data suggests that understanding the reasons for fly-tipping incidents is complicated, there does not appear to be any evidenced connection between charging for garden waste and an increase in incidents. It does however, remain a legitimate concern for residents and other stakeholders, Members may feel it proportionate to protect against the perceived risk.
- 8.10** As part of the strategy to combat fly-tipping, the Council has recently acquired the ability to undertake covert surveillance. A recent campaign in an identified hot spot did not result in prosecution but did prevent any new incidents.
- 8.11** It is proposed to monitor the levels of garden waste fly-tip incidents during the first six months of delivery and work in conjunction with the Corporate Enforcement Team to resolve emerging issues.

9. Council Tax

- 9.01** A common viewpoint from respondents to the consultation was that as the cost of the service is currently accounted for within the annual Council Tax bill, the authority should continue to fund it.
- 9.02** The financial position of the Council is well-publicised. Reducing Government funding means Members are carefully considering priorities and must make difficult decisions around service provision.
- 9.03** The Council has been able to make efficiency savings and deliver commercial projects such as Commercial Waste to boost our income streams, to meet our funding gap. Therefore, unlike all other districts in Lincolnshire, we've been able to resist the consideration of a direct charge until now.

10. Recycling Rate

- 10.01** Whilst a proportion of customers do not currently use the garden bin service, it should be noted that the implementation of this scheme will reduce the overall tonnage of compostable material sent for processing.
- 10.02** Benchmarking the experiences of other authorities suggests that introducing a charged service could potentially reduce the Councils' overall combined recycling and composting rate by around 3-5% to approximately 45%.
- 10.03** The current legislative target is for authorities to recycle 50% of waste arisings by 2020. There is some debate about whether this is a combined national target or a target for individual disposal authorities.
- 10.04** Despite this target being enshrined in European and UK legislation, there is still no clear guidance on where, or what the nature of, penalties for failure to achieve this will fall.
- 10.05** Work is being undertaken through Lincolnshire Waste Partnership to improve the amount and quality of blue bin dry recycling, which will help to mitigate the loss of compostable material. Other potential recycling streams are also being scoped.

11. Residual Waste Stream

- 11.01** There has been some suggestion from stakeholders that residents may dispose of their garden waste in residual waste bins to avoid paying the charge.
- 11.02** The Waste Disposal Authority in their consultation response, suggest this may have happened in other areas when a charge was introduced
- 11.03** One of the results of this practice would be a reduction in performance levels at the Energy from Waste plant at North Hykeham, this is because the calorific value of garden waste is much lower than other waste streams.
- 11.04** However, an audit of the County's residual waste stream has recently been conducted, the first one since 2009. It reveals that there is a lower percentage of green waste in the residual waste stream now than there was at that previous audit despite most Lincolnshire Authorities charging for the service.
- 11.05** In 2009 10% of the residual waste collected was garden waste, the audit in 2017 revealed this had reduced to 4%. Some of this reduction is due to two collection authorities, who previously had limited separate garden waste collections, introducing a service.

- 11.06** However, it is significant that during this period all other Lincolnshire authorities introduced a charge for garden waste. A common misconception is that more garden waste will end up in the residual stream as a result of charging, but this latest evidence appears to counter that argument. It should also be considered that West Lindsey have a comparatively small residual waste wheeled bins at 180litres, there is little room to fit in garden waste on top of residual requirements.
- 11.07** Officers recommend mitigating this risk by confirming Waste Enforcement Policies which will be refreshed and brought to this Committee for approval in March 2018.

12. Household Waste Recycling Centres (HWRC)

- 12.01** Lincolnshire County Council as the Waste Disposal Authority are responsible for the provision of Household Waste Recycling Facilities.
- 12.02** They have a non-statutory policy of ensuring that 95% of Lincolnshire residents should be within 12 miles distance of an HWRC. Within West Lindsey, there are facilities at Corringham Road in Gainsborough and Gallamore Lane at Market Rasen. Residents can also use other facilities within Lincolnshire free of charge, the Great Northern Terrace in Lincoln and Fairfield Industrial Estate in Louth sites are popular with West Lindsey residents.
- 12.03** Whilst this covers most of West Lindsey residents, a small part in the north of the district is outside of this limit, this affects households mainly in the Keelby area. For these residents, it is closer to take waste to sites provided by neighbouring authorities rather than the Rasens HWRC in Market Rasen.
- 12.04** There is currently no cross border agreement between Lincolnshire County Council, North Lincolnshire Council or North East Lincolnshire Council
- 12.05** West Lindsey residents can pay to use sites in North Lincolnshire, for an annual subscription of £144 they can use the facilities 12 times. There is no formalised way for West Lindsey residents to use facilities in North East Lincolnshire.
- 12.06** West Lindsey District Council is a Waste Collection Authority and has no powers relating to the disposal of waste.
- 12.07** Officers have lobbied disposal authorities to find a solution to this apparent anomaly and will continue to do so. There are some good practise examples nationally of cross-border working between disposal authorities and Officers will continue to promote similar solutions in Greater Lincolnshire.

13. Composters

- 13.01** The consultation identified that 15% of residents would use composting as a means of disposal for garden waste.
- 13.02** Composting is the most environmentally friendly route of disposal and it should be encouraged as much as possible
- 13.03** The Council has an agreement in place through Lincolnshire County Council and Straights Manufacturing to provide residents with subsidised compost bins. The following are examples of sizes and prices, residents can also benefit from a buy one, get one half price offer.
- 220 litre bin for £17.98
 - 330 litre bin for £19.98
- 13.04** The Council will continue to support and promote this subsidised offer.

14. Disposal

- 14.01** Some respondents to the consultation questioned whether the material collected could be sold by the Council to raise income and avoid a charge for the service.
- 14.02** In a two tier local government system, District Councils act as a collection agency and County Councils deal with disposal, in effect the material is not the District Councils' to sell.
- 14.03** The reality is that the process to transform the material collected into a usable product is time consuming and labour intensive. The material is decontaminated and then piled into 'open windrows'. These are then turned several times until the process eventually produces a soil conditioner. This is used on local farmland and occasionally in commercial greenhouses, it is not of a high enough quality to sell to the public. As this process is lengthy and resource heavy, the disposal authority currently pays a per tonne fee to dispose of it.
- 14.04** The Council could potentially consider setting up a processing site. However, it would be reliant on procuring a site capable of processing 12,000 tonnes per year of garden waste, and for the County Council to award the processing contract to West Lindsey. An additional barrier would be the increased fleet and labour costs of hauling material to one site rather than the four currently utilised. For these reasons, it is not viewed as a viable proposition.

15. The Fairness Principle

- 15.01** The consultation considered the principle that only users of the service should pay for it. It explained that a minority of residents who could not receive the service could currently be perceived as paying for it through their Council Tax contributions.
- 15.02** Some respondents highlighted that if this pay-as-you-use ethos could be applied to other services such as planning, libraries and the emergency services.
- 15.03** It's fair to consider that many of these services are not provided by the District Council, of those that are many are statutory meaning the Council has no option but to provide them and share the cost across Council tax payers. Some services already operate on a charge as you use basis, such as Development Management, Commercial Waste and Building Control. Others such as street cleansing and residual waste collections are statutory and charges cannot be applied.

16. Consultation Conclusion

- 16.01** The consultation process has been inclusive and consistent. Over four thousand residents either completed the online form or were assisted to do so through telephone conversations or via face to face support. Officers have consulted Parish and Town Councils, the Disability Network, the waste Disposal Authority and District Council Members
- 16.02** Stakeholders were given comprehensive and evidenced information about the current service and were asked about how they might use the service in future should a charge be introduced. They were also given the opportunity to choose one of four options proposing different levels of service.
- 16.03** Its clear most householders consider this to be a good service and whilst they have some concerns around the introduction of a charge, the majority understand why the Council needs to do it. The majority of those who submitted a survey indicated they would subscribe to the service.
- 16.04** In general Parish and Town Councils understood the decision, again with some reservations.
- 16.05** The Waste Disposal Authority raised some issues around enforcement and use of HWRC's.
- 16.06** As a result of this generally positive consultation, Officers recommend that Members consider introducing a charge for this service from April 2018.

17. The Proposed Service

- 17.01** Should Members approve a chargeable garden waste service, the existing free green bin service will cease immediately and be replaced with a new chargeable garden waste service. When collections resume in April 2018, only 'paid for' green bins would be emptied.
- 17.02** Introduction of a charged service will mean an increase in cost of service as additional administrative, operational and promotional services will be required. This cost has been included in budget projections
- 17.03** It will be an opt-in service, only residents who wish to benefit from the service will pay for it.
- 17.04** Service policies for the garden waste service will be refreshed and brought to this Committee for approval in March 2018.
- 17.05** Residents would be able to share bins with neighbours if they have low usage.
- 17.06** Residents who choose not to subscribe would have other options to dispose of their garden waste. This could be done through the subsidised home composting scheme or by delivering the waste to one of a network of Household Waste recycling Centres in Lincolnshire.
- 17.07** Officers have modelled four possible options, the current model gives residents eighteen collections per year and runs from the beginning of April until the end of November. The proposed options are (the % in brackets is the proportion of respondents to the consultation who voted for that option) ;
- Option A - Collect April to October (20%)
 - Option B - Collect April to November, as now (42%)
 - Option C - Collect March to November (24%)
 - Option D - Collect March to November plus monthly in Dec/Jan/Feb (14%)
- 17.08** Whichever option is chosen, the service will remain the same as it is currently delivered during year one. For the majority of residents this means their garden waste collections will take place on the same day as residual or recycling bins. Before collections start in year two, a review of collection rounds will take place in order to maximise efficiencies within the service.

- 17.09** In July 2011, Members resolved to suspend collections in winter months based on efficiency savings and limited weight collected. Evidence presented at the time suggested only around 11% of the total weight for the year was collected in the four winter months.
- 17.10** Given this evidence and the consultation data, Officers recommend that Option B should be chosen.
- 17.11** Terms and Conditions have been developed and can be found at Appendix 5.
- 17.12** In-cab technology may be fitted into collection vehicles in order that crews will be able to easily identify who has paid for the service.

18. Financial Appraisal

18.01 Table 4 below shows the cost and projected income for the service delivery options identified in the consultation. The tables presumes the following principles

- Income generated should be somewhere between the operational cost and the cost including recharges. Any shortfall below operational cost would mean council tax payers would pick up the burden, anything above the cost including recharges could attract accusations of profiteering.
- Assumes uptake of 50%, this is in line with other similar authorities and consultation feedback
- Assumes 75% of current second bin subscribers will continue to pay for second bins
- The operational cost increases as the level of service increases.
- The cost of a charged service is higher than a free one as additional administration, communication and operational budgets are required.

Table 4

	Option A	Option B	Option C	Option D
	Apr - Oct	Apr - Nov - "Current offer"	Mar - Nov	Apr - Nov + Monthly Winter
Direct Costs - Minimum costs to recover	£645,402	£676,980	£708,558	£740,136
Full Cost recovery (Includes support & depreciation)	£821,592	£853,170	£884,748	£916,326
*Charge Range	£30 - £38	£31 - £39	£33 - £41	£34 - £42
Charge	£32	£35	£38	£41
Percentage take up to achieve minimum cost recovery	46%	44%	43%	41%
Percentage take up to achieve full cost recovery	60%	57%	54%	52%
Income received	£692,832	£757,785	£822,738	£887,691
Total Contribution Achieved	£647,640	£681,015	£714,390	£747,765

18.02 A full financial appraisal can be found at Appendix 6 (restricted).

19. Pricing

- 19.01** The proposed new service is based on a reasonable subscription per bin to cover collection costs only. The objective is to deliver a self-funding garden waste service in West Lindsey and to achieve this it is proposed to charge £35 per bin (should Option B be chosen), per year. It is intended that this charge is reviewed annually to reflect ongoing running costs and customer take up.
- 19.02** Throughout the project, officers have used a principle of unit pricing, i.e. how much it costs to empty each bin. The emphasis has been on reducing this unit price as much as possible to ensure the best possible price to the subscriber.
- 19.03** Therefore, Officers propose to have one standard price for each bin and have a policy of no concessions or discounts for any group of customers including pensioners, second bin subscribers, disability groups or benefit applicants.
- 19.04** Discounting for any purpose will result in increased costs, for example it is predicted that having a policy of half price second bins would result in a loss in income of £17,800 plus additional administration costs and would push the price of a first bin up by £1.
- 19.05** Some Councils offer a discount for second bins, the principle being that the vehicle is passing anyway so a multi buy discount should apply. Having calculated the cost per bin at a unit price level, the principle is the cost should be the same for every bin. Ultimately, if enough residents subscribe to the second bin option another vehicle and crew would be required, these would not come at half price to the Council so that potential saving could not be passed on to subscribers using this pricing model.
- 19.06** £35 is the average price in Lincolnshire and Bassetlaw, the average in English Authorities is over £41.

20. Conclusion

- 20.01** A comprehensive consultation exercise has shown that 70% of residents feel that, given the circumstances, it would be fairer to introduce a small charge for garden waste collections than add the charge to Council Tax for everyone.
- 20.02** 72% of respondents said they would subscribe to the service for either one bin or more.
- 20.03** The majority of respondents said they wanted service delivery Option B

- 20.04** Respondents highlighted a number of concerns should a charged service be introduced, these have been addressed within the report.
- 20.05** The report highlights the national and local position regarding charging for this service.
- 20.06** Taking into account all the evidence presented, Officers recommend the following:
- a. Prosperous Communities Committee resolves to discontinue free kerbside collections of garden waste and agree to the introduction of a charge for the service.**
 - b. Prosperous Communities Committee resolves that Operational Services should deliver a service during April – November. (Option B)**
 - c. Prosperous Communities Committee resolves to recommend to Corporate Policy and Resources Committee an annual subscription of £35 per annum for all garden waste collections, and this be non- refundable in full or part.**