

HAMBLETON DISTRICT COUNCIL

Report To: Cabinet
6 September 2016

Subject: GREEN WASTE CHARGING

All Wards
Portfolio Holder for Environmental Services: Councillor S Watson

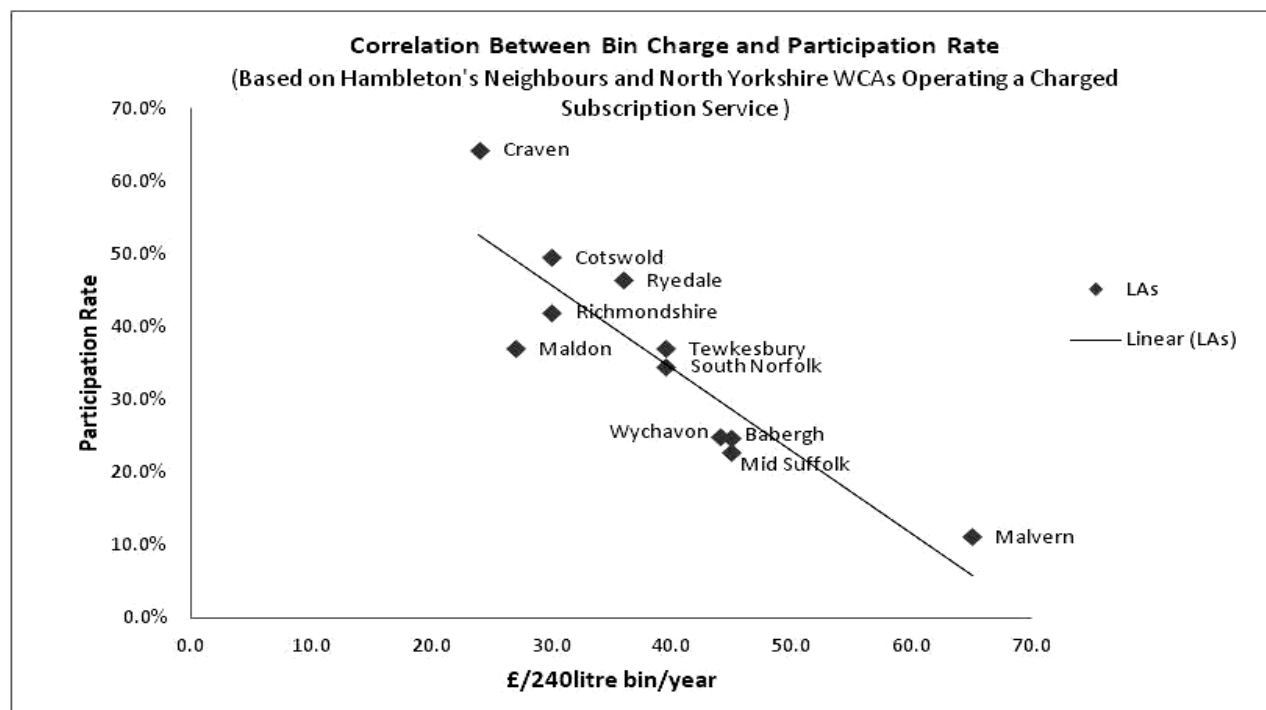
1.0 PURPOSE AND BACKGROUND:

- 1.1 At its meeting on 19 July 2016 the Council approved the principle of charging for green waste collections with the actual charge and collection policies being the subject of a further report (Minute C7 refers). This report seeks approval to implement a charge of £35 per annum per bin for green waste collections on an opt-in subscription basis from April 2017. It also sets out the proposed green waste collection policies covering matters such as charging for second bins.

2.0 LEVEL OF CHARGES:

- 2.1 The Cabinet report of June 2016 modelled various charging options and estimated their costs and potential income for the Council. There is a direct correlation between the charge and the take up rate for the service; the higher the charge that is levied the lower the take up. This is demonstrated in Figure 1 below:

Figure 1: Correlation Between Bin Charge and Participation Rate



- 2.2 Under the Controlled Waste Regulations 2012 Waste Collection Authorities can make a reasonable charge for the collection of garden waste from households. This means taking into account issues such as the costs to the Council of providing the service and what residents would regard as value for money.

- 2.3 A charge of £35 per annum would seem reasonable, it equates to a cost of £1.75 per collection and it sits within the range of charges introduced by neighbouring authorities and similar sized authorities to Hambleton throughout the country. The net cost to the Council of providing the current service is £456,000 per annum. Modelling work has shown that with a take up of 45% income would cover the costs and generate £380,810 net of costs and further savings in 2018/19.
- 2.4 The tables in Annex 'A' show current charges within North Yorkshire and for authorities that are most similar in size to Hambleton. The highest charge in North Yorkshire is £39 in Harrogate, while the lowest is Craven at £26. Richmondshire charge a fee of £20 per year, but this is for a bin with less than 60% capacity of the size used by other authorities. Of authorities nationally with a similar profile to Hambleton the charges vary between £24 and £65 per annum.

3.0 ADDITIONAL INCOME AND EFFICIENCIES:

- 3.1 It is anticipated that further income and savings would be made through promoting higher levels of participation. It is estimated that sales of second and third bins would generate a further £50,000 of income. Renegotiation of gate fees for green waste contracts could potentially save a further £20,000 in 2018/19. Route optimisation could save £252,610 from 2018/19; this improves the efficiency of the rounds enabling the removal of up to 2 vehicles and up to 6 staff.
- 3.2 In total this could potentially generate a further £322,600 from 2018/19. These savings cannot be taken in year 1 of operation because it is not possible to determine the locations of the properties that have subscribed and there will be changes to subscription numbers in year 2 as residents who have not subscribed in year 1 decide that they would like to opt in at that point. Therefore the vehicles will be required to drive the existing rounds until subscriber numbers and locations are settled and routes can be optimised.

4.0 ADDITIONAL EXPENDITURE:

- 4.1 The costs for delivering the new service are shown in Section 8.0. These are marginally lower than the position reported to Cabinet in June 2016. The costs of delivering the service in 2017/18 are estimated to be £93,130 but thereafter they decline significantly.
- 4.2 The costs include sums for: promoting the service; purchasing green sacks for residents who cannot accommodate a green bin; providing the licence which is attached to the bin; temporary staff to deal with the additional workload in Waste and Street Scene and Customer Services; collecting bins from properties that do not require them; providing discounted compost bins for residents that do not wish to subscribe to the service; and set up and ongoing costs to provide a system for taking card payments year on year without the need to chase customers for payments.

5.0 COLLECTION POLICIES:

- 5.1 The Council approved a Waste Collection Policy in December 2015. This report recommends that amendments are made to this policy to reflect the new charged green waste collection arrangements.
- 5.2 The specific proposals are set out in Annex 'B' and include the following:
- The green waste collection service being offered for 9 months of the year.
 - No limit to the number of bins allowed at each property.

- No discounts to be applied for extra bins, with a flat rate of £35 being charged per bin.
- Green waste collection sacks being available for properties where a green bin is not appropriate, charged at the same rate as the bin service.
- All properties to be allowed access to the service.
- Sharing bins between neighbours to be permitted, where only a small amount of green waste is generated.
- No larger or smaller bins to be offered.
- Green waste not to be placed in residual waste bin.
- Bins not displaying the tag will not be emptied.
- Green bins provided free of charge to subscribers in new properties, but previously used bins may be used.
- The assisted collection scheme will apply as with other waste collections.

6.0 LINK TO COUNCIL PRIORITIES:

- 6.1 The recommendation supports the Council Plan priority of 'Caring for the Environment' by improving the efficiency of refuse collections, reducing CO2 emissions and improving energy efficiency.
- 6.2 The recommendation also supports the Council Plan by assisting the financial sustainability of the Council by reducing the cost of delivering services and introducing a new income stream. Specifically, green waste charging will contribute towards the £1m efficiency target identified for 2017/18 in the Financial Strategy.
- 6.3 However, the current recycling targets in the Council Plan may not be achieved and would require amendment.

7.0 RISK ASSESSMENT:

- 7.1 The key risks in not approving the recommendations are:

Risk	Implication	Prob*	Imp*	Total	Preventative action
A charge below £35 may fail to recover the income needed to address the efficiency target.	Reduced income leads to the need to make efficiencies elsewhere.	5	4	20	Set charge at £35.

- 7.2 The risk in approving the recommendations is:

Risk	Implication	Prob	Imp	Total	Preventative Action
Route optimisation fails to deliver further savings from removing rounds and associated fleet and crew savings	Reduced income and efficiencies	3	4	12	Thorough project management to ensure accuracy of new rounds and early reporting on any reduced savings.

Prob = Probability, Imp = Impact, Score range is Low = 1, High = 5

8.0 FINANCIAL IMPLICATIONS:

- 8.1 The costs for implementation and the ongoing administrative costs are shown in the table below. The table shows the costs originally estimated in the Cabinet report of 7 June 2016 and the latest estimates which are lower.

Description	07/06/16 Cabinet – Initial Costs 17/18	Initial Costs (£) 17/18	07/06/16 Cabinet – Initial Costs 18/19	Costs (£) 18/19	Costs (£) 19/20
Promotion costs	5,000	5,000	2,500	2,500	2,500
Green sack purchase	0	2,000	0	2,000	2,000
Letters/postage/info pack	38,629	0	8,299		
Licence solution	15,992	18,130	15,992	18,130	18,130
Additional staff in WaSS	35,000	35,000	35,000	35,000	0
Additional staff in CSU	10,000	10,000	0	0	0
Collection of bins	0	0	2,500	2,500	0
Discounted compost bins	2,799	2,500	0	0	0
Recurring payment solution-set up costs	13,993	18,500	13,993	0	0
Recurring payment solution- licence costs	0	2,000	0	2,000	2,000
Total Costs	121,413	93,130	78,284	62,130	24,630

- 8.2 The estimated income received from charging £35 at a 45% participation rate of £538,830 is the same as reported at Cabinet in June 2016. The net income from charging taking into account the costs of administration and other potential savings are set out in the table below.

Revenue Effects	2017/18 £	2018/19 £	2019/20 £
45% participation rate at £35	(538,830)	(538,830)	(538,830)
Increased cost to deliver the service at 45% participation -	93,130	62,130	24,630
Additional bins per household (4%)	0	(50,000)	(50,000)
Reduction in gate fee	0	(20,000)	(20,000)
Reduction in service cost for 40% participation – 2 vehicles, 2 drivers, 4 loaders and fuel	0	(252,610)	(252,610)
Total	(445,700)	(799,310)	(836,810)

- 8.3 It is clear that by 2018/19 a saving of £800,000 will be made, however, as originally expected year 1 costs in 2017/18 will only realise £445,700.

9.0 **LEGAL IMPLICATIONS:**

- 9.1 There are no legal implications associated with approving the recommendation.

10.0 **EQUALITY/DIVERSITY ISSUES:**

- 10.1 Some residents are eligible for an assisted collection where they do not need to present their bin at the kerbside, the collection crews retrieve the bin from the rear of the property

and replace it after emptying. Assisted collections would continue to apply to the new green waste service.

11.0 RECOMMENDATIONS:

11.1. That Cabinet approves and recommends to Council that:

- (1) a charge of £35 per bin per year be adopted for green waste collections for 2017/18;
- (2) the amendments to the Waste Collection Policy set out in paragraph 5.2 be approved.

MICK JEWITT

Background papers: Review of Options for the chargeable Collection of Green Waste
January 2016 by WYG

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Annex 'A'

Table 1: York and North Yorkshire Waste Partnership authorities that have already introduced charged kerbside collection for garden waste.

Local Authority	Charged service (Y/N)	Plan to implement	Date Subscription introduced	Current participation rate (% of households)	Annual subscription cost per bin for the kerbside collection service
Craven DC	Y	n/a	July 2013	34% (This is due to only 60% of households being offered the service)	£26/bin/year for first (240- litre) bin licence – additional bins charged at £36.40 for the actual bin plus £26 per bin licence.
Richmondshire DC	Y	n/a	March 2014	42%	£20/bin/year for first (140-litre) bin licence and additional bins charged at £12/bin/year.
Ryedale DC	Y	n/a	June 2014	46%	£37/bin/year for each (240-litre) bin licence.
Harrogate	N	Summer 2017	n/a	n/a	£39/bin/year
Scarborough	N	n/a	March 2016	n/k	£38 per bin per year, discounted to £18 in year one.
Selby	N	Being considered.	n/a	n/a	n/k
York	Partial	n/a	2013/14	n/k	1 st bin free, additional bins £37 per annum.

Table 2: Comparison of charges in local authorities which most resemble Hambleton

Authority	Charged	Cost
Babergh District Council	Yes	£45 per bin/year.
Malvern Hills District Council	Yes	£65 per bin/year
Maldon District Council	Yes	£27 per bin/year
Harborough District Council	Yes	£40 per bin/year
Wychavon District Council	Yes	£44 per bin/year
Cotswold District Council	Yes	£30 per bin/year
Tewkesbury District Council	Yes	£39.50 per bin/year
Mid Devon District Council	Yes	£47 per bin/year
South Norfolk District Council	Yes	£39.50 per bin year
Craven District Council	Yes	£24 per bin/year
Mid Suffolk District Council	Yes	£45 per bin/year
Ryedale District Council	Yes	£36 per bin year
Stratford on Avon District Council	No	
West Devon Borough Council	No	
Derbyshire Dales District Council	No	