

Report to: **Hub**
Date: **19 April 2016**
Title: **Options for future garden waste service design**
Portfolio Area: **Cllr R F D Sampson Commercial Services**

Wards Affected: **All**

Relevant Scrutiny Committee:

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:

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Recommendations:

The Waste Working Group recommends that:

1. Option C - Provide an opt-in, charged garden service with collection from reusable sacks, be approved.
2. The Council steps up the promotion of home composting as the best environmental option for garden waste and introduces a targeted campaign in tandem with any changes brought about by recommendation 1.
3. Any changes considered necessary to the terms as highlighted are delegated to the Lead Specialist Waste Strategy (Strategy & Commissioning) in consultation with the Lead Hub Member for Commercial Services.

1. Executive summary

1.1 The Waste Working Group are considering the specification for the waste and cleansing service when the current contract expires on 31 March 2017.

1.2 The service is currently free to all households and the cost is shared by all council tax payers, irrespective of whether they use the service or not. The garden waste collection service is not a statutory function of the Council and this report details the options available for the future provision of this service and considers the response from the recently carried out public survey.

1.3 About 45% of all English local authorities already apply an annual charge for garden waste collections and more are considering introducing a charge in the near future. In Devon, districts offer a variety of garden waste options. A charged service offers a saving on the cost of service provision on top of an annual income.

1.4 There is a risk that the Waste Disposal Authority may charge for disposal for this type of waste in the future. If it became desirable to charge for this collection during the lifetime of a future contract, then full savings from the cost of service provision would be unlikely to be passed on to the Council by the contractor.

1.5 A decision is required now to inform the specification which will be sent to prospective bidders for the waste contract in early July. Should the future service be provided through a Local Authority Controlled Company, then the decision could be made in principle but the introduction of any chosen option could be delayed until such a time that it is needed to inform future service needs.

1.6 The complete withdrawal of the garden waste service has not been included as an option as the working group concluded that the effect of this on the Council's reputation would be significant. In addition, this waste is tied in to the Waste Disposal Authority's contract for organic waste disposal.

1.7 The Waste Working Group have identified three potential options:

- Option A Retain the current service
- Option B Provide an opt-in, charged garden service with collection from wheeled bins
- Option C Provide an opt-in, charged garden service with collection from reusable sacks

1.8 The group recommend Option C - Provide an opt-in charged garden service with collection from reusable sacks as this option could reduce service costs, whilst maximising income.

1.9 The benefits of this option include:

- This would offer a fairer system financially for residents who do not produce garden waste and a means of delivering a more bespoke service for residents who take up the service.
- Operational costs would be reduced.

- Significant annual income may be expected of around £200,000 in the first year and £260,000 in subsequent years. If the service goes out to tender, the first year would be 2017-18.

1.10 The risks of this option include:

- A potential fall in recycling rate of between 2-6%
- A loss in public satisfaction
- A potential diversion of some of this waste into the residual waste stream
- A potential increase in fly tipping

1.11 The working group recommend further work to introduce best practice in home composting in line with the Devon Authorities Waste and Resource Strategy.

1.12 This report fits with the Council's core objectives of Environment and Resources.

2. Background

2.1 The Waste Working Group are considering the specification for the waste and cleansing service when the current contract expires on 31 March 2017. One of the areas under consideration is the garden waste collection service which is currently free to all households but which is not a statutory function of the Council. Councils do not have a duty to collect garden waste and under the Controlled Waste Regulations, if the service is provided, may charge for its collection. The Waste Working Group have been considering the options available for the future provision of this service.

2.1.1 The cost of the current service is shared by all council tax payers, irrespective of whether they use the service or not.

2.1.2 The garden waste collected on the kerbside is delivered to the Waste Disposal Authority's sites and does not attract recycling credits. It accounts for around 17% of the West Devon's recycling rate.

2.1.3 About 45% of local authorities already apply an annual charge for this service and more are considering introducing a charge in the near future. In Devon, districts offer a variety of garden waste options. South Hams, North Devon and Torquay provide a free of charge wheeled bin service, while Exeter, Mid Devon and Teignbridge provide a charged service mainly from wheeled bins. Charges here range from £34 to £47 per year. East Devon do not provide any garden waste service although a local community group provides a limited service. A charged service offers a saving on the cost of service provision on top of an annual income.

2.1.4 A public survey has recently been undertaken to gather views on the current and future waste services provided by the Authority. The survey was undertaken over a four and a half week period, and views were gathered via an online questionnaire with paper copies available from receptions and other venues. Nine roadshows/outreach events were

held and 583 responses in total were received. The following paragraphs summarise the responses relevant to this report.

2.1.5 When asked 'Do you think it is fair that all residents should share the cost of this service through council tax, 77% of respondents felt it was fair, whilst 23% felt it was not fair. Of those who felt it was not fair, just over a half expressed a wish for a free compost bin.

2.1.6 When asked about charges for garden waste collections, 84% said there should not be a charge with 16% stating that there should be a charge.

2.1.7 When asked about wheeled bins for garden waste, 60% stated that there was no practical reasons why their property could not have a wheeled bin, with around 36% stating that there was a practical reason that their property could not have a wheeled bin.

2.2 This report is pertinent now in the event that the Council decides to continue to deliver the service through an external provider as this decision will inform the specification which will be sent to prospective bidders in early July.

2.2.1 Should the future service be provided through a Local Authority Controlled Company (LACC), then any decision taken now would be more flexible in terms of introduction as a decision could be made in principle but the introduction of any chosen option could be delayed until such a time that it is needed to inform future service needs.

2.3 This report fits with the Council's core objectives of Environment and Resources. It is also in line with developing action plans from the proposed Devon Authorities Waste and Resource Strategy and follows the principals of the international waste hierarchy.

2.4 The garden waste service affects all households in the Borough.

3. Outcomes/outputs

3.1 The Waste Working Group have considered the options available for the garden waste service in anticipation of the start of any new service on or after 1 April 2017 and these are detailed below

4. Options available and consideration of risk

4.1 The complete withdrawal of the garden waste service has not been included as the Waste Working Group concluded that the effect of this on the Council's reputation would be significant. In addition, this waste is tied in to the Waste Disposal Authority's contract for organic waste disposal.

4.1.1 The Waste Working Group have identified three potential options and their associated benefits and risks are set out below.

- **Option A Retain the current service**

- **Option B Provide an opt-in, charged garden service with collection from wheeled bins**
- **Option C Provide an opt-in, charged garden service with collection from reusable sacks**

4.2 Assessment of potential impacts and risks involved

4.2.1 Option A - Retain the current free service

Recycling rate would be maintained. Any change in service affects public satisfaction, and so this option would create the least reaction as borne out by the survey responses.

4.2.2 However, there is a risk that the Waste Disposal Authority may charge for disposal for this type of waste in the future. If it became desirable to charge for this collection during the lifetime of a future contract, then savings from the cost of service provision would be unlikely to be passed on to the Council by the contractor.

4.2.3 Option B - Provide an opt-in charged garden service with collection from wheeled bins

This would offer a fairer system financially for residents who do not produce garden waste, and a means of delivering a more bespoke service for residents who take up the service as a second bin could be offered.

4.2.4 Operational costs would be reduced, however, this is difficult to quantify as these costs are shaped by participation rate which is affected by the level of the charge levied. It is also subject to round size and local demographics and geography.

4.2.5 As West Devon already has a free service, it would be reasonable to expect, based upon the CIPFA (Chartered Institute of Public Finance & Accountancy) nearest neighbours classification, that an annual charge of £38 would produce a participation rate of around 35%. Please note that this level of charge has been used for illustration purposes only and any actual charge would be set by Members at a later date. This equates to gross income of £332,500. After removing the cost of bins, administration and promotion, around £100,000 of income could be expected in the first year with around £250,000 in subsequent years. If the service goes out to tender, the first year would be 2017-18. Bins could be chipped to maximise administrative efficiency though the cost of this is not included in these figures. An incentive could be offered for early take up to maximise participation.

4.2.6 Research by other authorities has shown a fall in recycling rate of between 2-6% when a charged collection is introduced.

4.2.7 A certain amount of public satisfaction is likely to be lost though the public survey suggests that a lesser amount may be gained.

4.2.8 The response to the survey also suggests that 36% of households would not be able to accommodate a bin. This in turn would mean either one of the following:

- i) A dual system with some residents using bins and others sacks would need to be developed ultimately requiring more resources for administration.
- ii) The service would only be available to those having the ability to accommodate bins.

4.2.9 There would be a risk of garden waste being put into the residual waste stream. However, this would be minimal due to the inconvenience of using sacks to contain this type of waste and garden waste in sacks is relatively easy to identify, and therefore deal with.

4.2.10 This option also carries a risk of increased fly tipping of garden waste, however, research from other districts show little evidence of an actual increase in incidents.

4.2.11 Option C - Provide an opt-in charged garden service with collection from reusable sacks

As in B, this would offer a fairer system financially for residents who do not produce garden waste and a means of delivering a more bespoke service for residents who take up the service as additional sacks could be purchased.

4.2.12 Operational costs would be reduced although, as in option B, this is difficult to quantify. However, using sacks rather than bins would reduce other operational costs such as additional bin lifting apparatus and bin maintenance arrangements.

4.2.13 On the same principles as paragraph 4.2.5, a gross income of £332,500 would be expected. After removing the cost of reusable sacks, administration, communications and bar coding of sacks, around £200,000 of income might be expected in the first year with around £260,000 in subsequent years. An incentive could be offered for early take up to maximise participation.

4.2.14 Most authorities offer a single 180 litre wheeled bin which equates to 2 sacks. By allowing the current 4 sack allowance in a charged scheme, West Devon households would receive a much more competitive service than most other areas.

4.2.15 Sacks could be barcoded to minimise theft and this has been shown to work in other authorities.

4.2.16 As in B, research by other authorities has shown a fall in recycling rate of between 2-6% when a charged collection is introduced.

4.2.17 A certain amount of public satisfaction is likely to be lost though the public survey suggests that this may be less than in option B.

4.2.18 This option also carries the risk of garden waste being put into the residual waste stream though for the reasons set out above this would be minimal.

4.2.19 This option also carries a risk of increased fly tipping though research from other districts show little evidence of an actual increase in incidents.

5. Proposed Way Forward

5.1 The Waste Working Group recommend that Option C - Provide an opt-in, charged garden service with collection from reusable sacks, be approved if the Council decides to continue to deliver the service through an external provider. Should the future service be provided through a Local Authority Controlled Company, then a decision in principal is recommended to inform the future waste service.

5.2 This option could reduce service costs, whilst maximising income.

5.3 Although, it is likely to result in an amount of public dissatisfaction, this is expected to be less than that generated by Option B. In order to mitigate any adverse reaction, a subsidy could be offered to those on lower incomes and a comparison could be drawn in any promotion of the scheme, highlighting the competitive pricing structure compared with many other Local Authorities. An Assisted Collection service would be offered in line with the current policy for all other waste collections.

5.4 In addition, residents will be signposted to the two Household Waste Recycling Centres in the Borough, where garden waste can currently be taken free of charge.

5.5 In line with the Devon Authorities Waste and Resource Strategy, the Council should continue to promote and subsidise home composters which is the best environmental option for this material. The Waste Working Group recommend further work to introduce best practice in this area.

5.6 This recommendation fits with the Council's core objectives of Environment and Resources.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	Members' approval to the proposal is required as the recommendation involves a change in the way that the Council delivers its services. Controlled Waste Regulations 2012.
Financial	Y	Potential annual revenue income of £332,500, providing a net income of £200,000 in the first year and £260,000 in subsequent years. Potential reduction in operational costs.

Risk	Y	Potential reduction in recycling rate of between 2-6%. Loss of public satisfaction.
Comprehensive Impact Assessment Implications		
Equality and Diversity		The impact on residents on low incomes has been considered.
Safeguarding		None
Community Safety, Crime and Disorder		None
Health, Safety and Wellbeing		None
Other implications		None

Supporting Information

Background Papers: None

Process checklist	Completed
Portfolio Holder briefed	yes
SLT Rep briefed	yes
Relevant Exec Director sign off (draft)	yes
Data protection issues considered	yes
If exempt information, public (part 1) report also drafted. (Cabinet/Scrutiny)	n/a