

Report of:	Meeting	Date	Item no.
Cllr David Henderson Street Scene, Parks and Open Spaces Portfolio Holder and Michael Ryan Corporate Director People and Places.	Cabinet	2 December 2015	5

<b>Waste Management – Review of Garden Waste Collection Service</b>
---

## 1. Purpose of report

- 1.1 To advise Cabinet of a reduction in funding from Lancashire County Council following their decision to terminate the Cost Sharing Arrangement from March 2018.
- 1.2 To explain the potential for the introduction of a charge for green waste collections.
- 1.3 To explain the wider issues affecting the Council based on potential changes by LCC.

## 2. Outcomes

- 2.1 The provision of a collection for green waste.

## 3. Recommendation/s

- 3.1 That Cabinet agree to the introduction of a charge for green waste collections if possible from 1 April 2016 but no later than 30 June 2016.
- 3.2 That the provision of additional green waste bins cease with immediate effect until the subscription service is launched.

## 4. Background

- 4.1 In November 2005 Cabinet agreed that the Council should enter into the Property Based Payment Agreement (cost sharing) as soon as possible. The contract was subsequently approved in February 2006.

- 4.2** The Cost Sharing agreement was introduced as an enhanced system to the former recycling credits to enable districts that signed up to it to invest in kerbside recycling collections to help reach the Lancashire Waste Strategy Targets of 90% of households receiving a three-stream collection.
- 4.3** The Cost Sharing Agreement had a number of conditions that the Council had to adhere to, these are not limited to but principally relate to the following:
1. There must be a minimum of 90% of properties within the borough served by a three-stream waste collection service.
  2. Introduction of an alternate week collection for residual waste.
  3. Green waste collected fortnightly.
  4. Dry recyclates must be collected at least fortnightly (paper, card, glass, plastic bottles, cans and textiles).
  5. Collection of residual and recyclates on the same day of the week.
- 4.4** The original cost sharing agreement paid £14.92 per compliant property and this was index linked to RPI each year. In 2012/13 the payment per property was £19.05, totalling £943,927 in the year.
- 4.5** LCC also agreed to pay a 'Loss of Recycling Income (LORI)' payment to districts for the loss of recyclate income when districts started using the new PFI facilities. This was calculated based on the 2003/04 recycling tonnages for paper and was indexed linked to RPI.
- 4.6** The Agreement was reviewed in 2012 following budgetary pressures at Lancashire County Council. Following the Cabinet meeting in October 2012 a fixed level of support for a 5 year period bringing together both the Cost Sharing Agreement and LORI payment was implemented with effect from April 2013. The total value of support offered for the five year period commencing April 2013 was £5,077,497 / £1,015,499 per annum.
- 4.7** LCC indicated following a Cabinet meeting held in October 2013 in subsequent correspondence with the Lancashire districts in January 2014 that the Cost Sharing Agreement would not be extended beyond its current term. Their rationale for this was that legislation is now in place requiring District Councils to undertake separate collections and that districts were reliant on the payments from LCC. In January 2014 LCC adopted a new Policy position statement in relation to payments linked to recycling and have offered to fund a review of collection services across Lancashire in order to establish what potential opportunities are available to achieve savings on collection services either individually or jointly.
- 4.8** LCC has asked the Waste Resources Action Programme (WRAP) to commission and manage this support in order for the review to be seen to be independent.

**4.9** The Invitation to Tender for the Lancashire Waste Collection Efficiency Review Project has now been issued and will be undertaken in accordance with the following timescales.

- Deadline for receipt of questions relating to this tender 12th August 2015
- Deadline for receipt of tender submissions 20th August 2015
- Notification of WRAP's decision 28th August 2015
- Commencement of work 1st September 2015
- Completion of work 26th February 2016.

## **5. Key issues and proposals**

**5.1** This decision of Lancashire County Council to cease the cost sharing arrangement leaves a significant funding gap for the Council, with a loss of £980,000 per annum which is currently used to support the Council's waste and recycling services.

This loss of income is in addition to other central budget cuts affecting the Authority.

**5.2** Wyre Council can choose to levy a charge for residents for the collection of green waste (and in fact did so prior to the introduction of wheeled bins). A charge is already made by around a third of Local Authorities in the UK, including Pendle within Lancashire. Many districts in Lancashire are also considering introducing a charge to offset the loss of funding from Lancashire County Council.

Charges and participation rates vary widely from authority to authority, with fees ranging from £24 to £80 per bin per year and participation rates from as little as 3% to over 70%.

To offset the reduction in funding by Lancashire County Council, Officers have considered a number of options and would suggest the following conditions be applied early in the financial year 2016/17.

- Residents instructed to place food waste in their grey residual bins. Food waste will still be processed and LCC have already indicated that they require more biodegradable material through the Mechanical Biological Treatment Process (MBT).
- Introduce a £30 per year subscription charge for a green domestic size waste bin collection (1 wheeled bin x 22 collections per year – with no collections from early December to mid-January. This equates to a cost per collection of £1.36, an average of £0.58 per week.
- Each additional wheeled bin will incur a subscription fee of £25 per annum.
- There will be no reductions for part year subscription.
- There will be no discounts for multiple year contracts.

- There will be no refunds or the ability to transfer the subscription to another property.
- The same subscription fee will be applied for the full range of domestic sized wheeled bins.

The introduction of a charge would involve initial set-up costs which some authorities have reported as being in the region of £100,000.

Wheeled bins no longer required would be collected within 5 months of the start-up of the subscription service, and would then be reused as replacements. This time lag is proposed based on the experience of other Local Authorities that saw residents take up the service part way through the initial subscription year following an initial reluctance and will therefore reduce unnecessary movements and storage.

A reduced take up of the service would inevitably reduce the Council's recycling rate and therefore the Council may not meet the national target of 50% recycling by 2020. Green waste composting currently accounts for half of Wyre's recycling rate which has reached the 50% target in 2014/15. The EU and Government have not indicated what the ramifications may be to Local Authorities that do not meet the targets. There is also the risk that customers will put green waste in their residual bin which will again impact on the recycling rates and could lead to the requirement for increased resources to collect the additional waste from residual bins.

Residents would be advised of alternative options for managing their garden waste, e.g. they could take it to their local household waste recycling centre or consider home composting which has the least environmental impact as it stops unnecessary transportation of materials.

The following risks and mitigating actions with this report were identified as:

Risk description	Mitigating actions
Impact on customers – introduction of a charge	Apply a charge which is reasonable and in line with other Councils. Ensure alternatives to this service are promoted.
Adverse impact on reputation of the Council	Communications strategy to ensure reasonableness of charge is communicated and the impact on other Council services of not introducing this charge.
Low participation rates - means income does not cover cost of the service	Seek to reduce costs at every opportunity. Review service after first year of operation.

Impact on the environment – reduction in recycling rate, not meeting EU targets of 50% recycling in 2020 and an increase in fly tipping	Promote alternative methods of recycling / composting to residents to reduce the amount of green waste which ends up in the residual bin or dumped.
---	---

The following opportunities have been identified

Opportunity description	Positive actions to increase likelihood / impact.
Additional income resulting from higher than anticipated participation	Strong promotion of the service. Affordable charge. Easy payments methods.
Reduction in future costs of the service	Reduction in service demand means no additional green waste rounds will be needed. Possibility of reducing rounds once the new service is embedded.

A flat rate is recommended to ensure residents all have equal access to the service providing a 26t RCV can get access.

It is not proposed that discounts be made available for those in receipt of benefits due to the additional cost of validating eligibility for discounts, and processing different payments.

Householders contaminating bins or attempting to use the service fraudulently will be barred from the service. Refer to Appendix 1 for suggested Terms and Conditions.

### 5.3 Potential future challenges or opportunities

LCC have been clear in their Policy position and correspondence to Districts that the Cost Sharing Arrangement will terminate in 2018.

Wyre must plan to make changes to ensure that it meets its legal duties with regard to residual waste and dry recycling. If LCC were to offer some form of financial incentive, it is likely to be based on stretch targets (recycling or residual waste), which would require some form of investment, change in operational methods, or restructure to focus efforts further on waste minimisation, recycling and behaviour change. At this stage there are too many uncertainties to be able to project potential implications / opportunities.

<b>Financial and legal implications</b>	
Finance	A charge of £30 for the first bin is proposed, being consistent with Authorities in the North West that have already implemented a charge. A discounted rate of £25 for each additional bin will be levied, with no further discounts for multiple bins.

The upfront one-off costs associated with implementing the scheme in Year 1 are estimated at £100,000, based on the experience of other similar local authorities. The estimate reflects the cost of administering the charge and includes expenditure on staffing, printing and postage.

The actual number of properties currently participating in the green waste scheme is unknown but based on the number of wheeled bins lifted (emptied) over a number of collection cycles the income at various take-up rates is as follows:-

<b>Anticipated take-up</b>	<b>Number of bins</b>	<b>Income based on £30 per bin</b>
100%	26,624	£798,720
75%	19,968	£599,040
50%	13,312	£399,360
40%	10,650	£319,500
30%	7,988	£239,610
25%	6,656	£199,680
20%	5,325	£159,750

*\*the above table profiles the potential income based on a flat rate take-up of one bin only.*

The percentage uptake is critical to the success of the proposal and although the take-up rate is not known, based on the experiences of other Local Authorities 20%-40% would be considered a realistic estimate. Once demand for the service is determined it may be possible to reduce the number of collection crews and make further reductions in the cost of operating the service, but this would have to be done through negotiation with Veolia.

For the purposes of inclusion in the Medium Term Financial Plan, an assumed take up rate of 30% will be used. Once the scheme has been established, further monitoring and analysis will be carried out to improve the accuracy of the forecast.

The withdrawal of the Costs Sharing Arrangement with LCC results in a loss of income of £980,000 in 2018/19. The introduction of a charge for the collection of green waste at an anticipated take up rate of 30% is expected to generate income of £239,610. In the pre implementation period there are one-off administration costs of up to £100,000.

Legal	<p>A council may recover a reasonable charge for the collection of green or garden waste under Section 4 of the First Schedule of the Controlled Waste (England and Wales) Regulations 2012 and s.45(3) of the Environmental Protection Act 1990. However, Wyre will need to instruct residents to stop putting food waste into their green garden waste bins.</p> <p>LCC as the Waste Disposal Authority would need to be consulted as it is recommended that the changes are introduced whilst the Costs Sharing Agreement is still in place.</p> <p>An online consultation exercise will be undertaken in accordance with the Best Value duty to consult.</p> <p>The Contract with Veolia allows for variations in the service and they are fully engaged in the process, but there may be financial impacts should the residual waste tonnage increase.</p> <p>In proposing revised arrangements for the collection of garden waste the Council is required to have regard to the provisions of the Equalities Act 2010 and s.17 of the Crime &amp; Disorder Act 1998. Nothing within the proposals to charge for the collection of waste contravenes the provisions of these Acts.</p>
-------	---

**Other risks/implications: checklist**

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
Sustainability	x
health and safety	x

risks/implications	✓ / x
asset management	x
climate change	x
data protection	x

report author	telephone no.	email	Date
Ruth Hunter	01253 88747	<a href="mailto:ruth.hunter@wyre.gov.uk">ruth.hunter@wyre.gov.uk</a>	6/11/15

<b>List of background papers:</b>		
name of document	date	where available for inspection

**List of appendices**

Appendix 1 Draft Terms and Conditions

arm/ex/cab/cr//15/0212rh2



## Appendix 1 - Draft Terms and Conditions of the Garden Waste Subscription Service

- 1 You have agreed to pay Wyre Council to collect garden waste that has been placed in a green domestic size wheeled bin (360 litre or below). The period of collection for 20xx/xx runs from 1st XXXX 20xx to xxth xxxx 20xx. However you can put your new sticker(s) on your bin(s) as soon as you get it/them.
- 2 In line with the Distance Selling Regulations, you have fourteen working days from receipt of these Terms and Conditions to request cancellation of this service. Requests to cancel the service must be in writing to Waste Services, Civic Centre, Breck Road, Poulton Le Fylde, FY6 7PU or emailed to [mailroom@wyre.gov.uk](mailto:mailroom@wyre.gov.uk). Cancellations cannot be accepted by phone.
- 3 For your property to be eligible to subscribe to this service, we have to be able to get access with a 26t RCV. If this is not possible you will not be able to participate.
- 4 Our crew will not empty any bin that does not display a valid current sticker, unless instructed to by a supervisor. If your sticker becomes detached or lost, contact us [mailroom@wyre.gov.uk](mailto:mailroom@wyre.gov.uk) or 01253 891000.
- 5 There will be no reductions for part year subscriptions and no refunds or part refunds for the cancellation of the service part way through the year. If there is evidence of misuse of the service or the bin by you, then the service may be cancelled. There will be no refund in these circumstances.
- 6 We empty green bins fortnightly, except for a short period over Christmas and New Year (usually a 4 week period) or when other factors stop us, such as very bad weather. If we miss your bin, we will do our best to collect it as soon as possible. We do not give refunds for missing a bin or being unable to collect a bin.
- 7 Your green bin(s) must be used for garden waste from domestic properties only (yours or your neighbour). Only garden waste may be placed loose in the bin. Garden waste includes grass cuttings, hedge clippings, tree loppings, twigs, bark, leaves, straw, hay, flowers, plants, small branches, fallen fruit and rabbit bedding, but not large branches, turf, earth, soil, stones, gravel etc. The garden waste must not be placed in plastic bags, as this affects the composting process. Food waste CANNOT be placed in the garden waste bin.
- 8 If you employ a gardener or handyman service to maintain your garden, they should make provision to take away the waste and dispose of it as commercial waste.
- 9 Contaminated bins (i.e. bins containing incorrect materials) will not be emptied. If your bin is contaminated, it is your responsibility to remove the item(s) of contamination prior to the next collection. If the contamination continues, we may remove the bin(s) and no refund applied.

- 10 The bin lid(s) must be completely closed and no side waste will be collected, i.e. no extra waste next to the bin(s) or placed on the lid(s). If the bin is too heavy to be lifted safely, the householder will be expected to remove some green waste making it safe to lift for the next scheduled collection.
- 11 The bin(s) is provided for use by residents, but remains the property of the Council. There is no limit to the number of bins a households can subscribe to for their property. The first bin will be charged at the rate of £30 for the period the service runs and subsequent additional bins at £25 per bin. Only bins supplied by the Council will be emptied. Bins supplied may be recycled ones. Garden waste presented in any other receptacles will not be collected. Bulk containers (only provided in exceptional circumstances), will be levied a fee according to their size, e.g 960 litre bin – a fee of £120.
- 12 If the bin is damaged through neglect or misuse, the cost of repair or replacement may be recharged to you. If your bin is damaged, email [mailroom@wyre.gov.uk](mailto:mailroom@wyre.gov.uk) or call us on 01253 891000.
- 13 If you move to another address in Wyre, do not take your bin(s) with you. The bin must remain at the address for which the subscription was paid.
- 14 Payment is required every year in advance using the online payment service by debit or credit card. You will be notified of the charge and payment date in XXXXX each year. If you don't pay by the specified payment date, we will withdraw our service until such time as you re-join the scheme.