



EAST STAFFORDSHIRE BOROUGH COUNCIL

REPORT COVER SHEET

Title of Report:	Consideration of a Subscription Based Garden Waste Service	To be marked with an 'X' by Democratic Services after report has been presented
Meeting of:	Corporate Management Team 17/01/24	X
	Pre Cabinet 25/04/24	X
	Leader's / Leader of the Opposition's Advisory Group 02/05/24 & 08/05/24	X
	Cabinet 20/05/24	
	Audit Committee [DATE] / Scrutiny Regeneration, Development and Market Hall Committee [DATE] / Scrutiny Health and Well Being Committee [DATE] / Scrutiny Climate Change and Environment Committee / Scrutiny Value for Money Council Committee [DATE]	



Is this an Executive Decision:	YES	Is this a Key Decision:	YES
Is this in the Forward Plan:	YES	Is the Report Confidential: If so, please state relevant paragraph from Schedule 12A LGA 1972:	NO

Essential Signatories:

ALL REPORTS MUST BE IN THE NAME OF A HEAD OF SERVICE

Monitoring Officer: **John Teasdale**

Date Signature

Chief Finance Officer: **Lloyd Haynes**

Date Signature

EAST STAFFORDSHIRE BOROUGH COUNCIL

Report to Cabinet

Date: 20 May 2024

REPORT TITLE: Consideration of a Subscription Based Garden Waste Service

PORTFOLIO: Environment and Climate Change

CHIEF OFFICER: Mark Rizk

CONTACT OFFICER: Paul Farrer **Ext. No. x1599**

WARD(S) AFFECTED: All

1. Purpose of the Report

- 1.1. To consider the introduction of a subscription based garden waste collection service.

2. Executive Summary

- 2.1. Waste collection is one of the most fundamental statutory services provided by the Council and there is a clear need to ensure the service is provided as efficiently and effectively as possible, ensuring value for money. Pressures remain on the Medium Term Financial Strategy (MTFS) and there is a need to explore options for further savings and/or generate additional income if opportunities arise.
- 2.2. The emergence of the Environment Act 2021 placed a statutory requirement on waste collection authorities to collect garden waste if requested to do so and a significant number of local authorities in England have already chosen to charge for this service. The annual cost of providing this service in East Staffordshire is approximately £1.1M. This report details the current collection arrangements, considers the introduction of a subscription based service, analyses the impacts this could have and identifies how the service could be delivered and operated.

3. Background

- 3.1. The Environment Act 2021 introduced a statutory requirement for waste collection authorities to collect garden waste from households if requested to do so. Schedule 1 of the Controlled Waste (England and Wales) Regulations

2012 allows local authorities to charge for the collection of garden waste, but not for its treatment/disposal. This position was reinforced in the Government's response to the consultation on Consistency in Household and Business Recycling in England, dated 21 October 2023, which stated the following:

Local authorities will be required to provide a garden waste collection service where it is requested but, as is currently the case, they can continue to choose to charge for this service. Householders will be able to make their own decision about whether they wish to use this optional service or make other arrangements.

- 3.2. Nationally, nearly 70% of local authorities in England have already implemented a subscription based service, with annual charges ranging from £25 to over £90 per bin. Across Staffordshire, seven of the nine waste collection authorities already charge their residents for the service, with their respective prices indicated in Table 1.0a below. For an annual service, the prices range from £38.50 to £43.60 per bin, with an average of £40.01.

Waste Collection Authority	Charge for 2024	Participation Rate
Cannock Chase District Council	£38.50	First year
Lichfield District Council	£40.00	59%
Newcastle under Lyme Borough Council	£39.95	41%
South Staffordshire District Council	£43.60	60%
Stafford Borough Council	£42.00	50%
Staffordshire Moorlands District Council	Currently no charge as mixed with food	N/A
Tamworth Borough Council	£36.00	49%
Average	£40.01	

Table 1.0a Garden Waste Collections in Staffordshire

- 3.3. Comparison has also been made with the Council's CIPFA 'Nearest Neighbours' as detailed in Table 1.0b below. This indicates that all, but one, local authorities currently charge their households, with annual prices ranging from £36 to £56. The average price for those that charge is £45.71.
- 3.4. When considering both the Staffordshire and the Nearest Neighbours group, the average price is £44.21.

Waste Collection Authority	Charge for 2024
Ashford	£45.00
Bassetlaw	£36.00
Blaby	£44.00
Braintree	£55.00
Chelmsford	No charge

Cherwell	£43.00
Colchester	£55.00
Lancaster	£41.00
Maidstone	£45.00
Newcastle-under-Lyme	£39.95
North Hertfordshire	£49.00
Rugby	£40.00
Tunbridge Wells	£56.00
Warwick	£44.00
West Suffolk	£47.00
Average	£45.71

Table 1.0b Garden Waste Collections – CIPFA Nearest Neighbours

- 3.5. In addition, the council has seen unprecedented reductions of £6.4m or 78% in its core funding from central government since austerity measures were introduced in 2011/12. During this period the Council’s pro-active and rolling approach to financial planning has continued to identify efficiency savings and new ways of working whilst prioritising frontline services. Nevertheless, the current Medium Term Financial Strategy identifies significant budget shortfalls from 2025/26 onwards, and as a result there is a continued need to explore options for further savings and/or income generation in order to balance the budget and ensure annual spending is contained within our resources.
- 3.6. The Council’s auditor in its Annual Report for 2022/23 has stated that the Council needs to develop a formal plan for income growth and savings in the longer term because it is potentially missing out on significant sources of income that other councils are benefitting from in order to become sustainable. Charging for green waste collection is specifically mentioned as a missed opportunity.

4. Contribution to Corporate Priorities

- 4.1. This contract supports the following Corporate Priorities:
- Creating a Prosperous East Staffordshire;
 - Developing a New Green Deal for East Staffordshire

5. Current Service

- 5.1. The Council first introduced a garden waste collection service in 2003, providing residents with a brown bin for their garden waste, and currently collects from approximately 90% of its households. The collected material is sent to an in-vessel composting facility, via a contract with Biffa Waste Services Ltd, where it is converted into a high quality compost. The current gate fee is £29.72 per tonne.
- 5.2. The annual cost of providing the service is approximately £1.1M, which includes income received from the County Council for recycling credits.

- 5.3. Weather conditions are the key factor in determining the demand on the service and the collection tonnages, with weekly tonnages ranging from 500 tonnes in the spring/summer to as little as 40 tonnes in the winter. Figure 1.0 below indicates the total annual tonnages collected in the last four years.

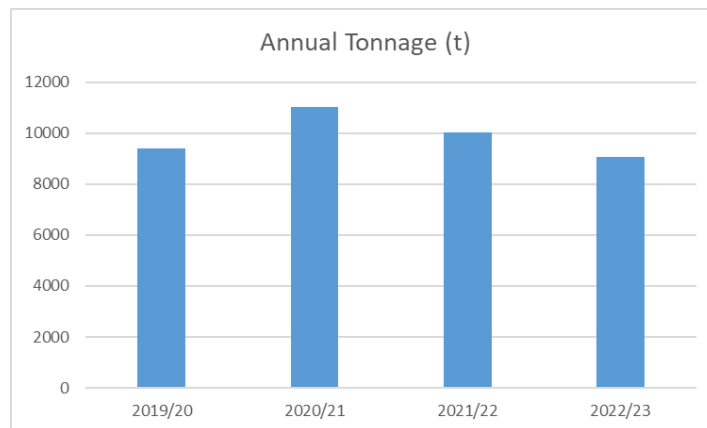


Figure 1.0. Annual Garden Waste Tonnages 2019/20 to 2022/23

- 5.4. For the last full financial year, 2022/23, the total tonnage collected contributed approximately 21% towards the Council's overall recycling performance.

6. A Subscription Based Service

- 6.1. A chargeable scheme would be introduced on an 'opt-in' subscription basis so that only those residents that use the service will be required to pay for it. Ideally, this should be operated on the basis of achieving full cost recovery to avoid any pressure on the Council's MTFS.
- 6.2. Many Authorities operate the service on a calendar year basis rather than the financial year, with a short break in the winter when the demand for the service is very low. For example, the service could commence at the end of January/early February and provide households with a total of 23 fortnightly collections, terminating at the end of November/early December. Tonnages in December/January currently fall to approximately 40 tonnes per week (from a peak of 500 tonnes). A break in the service would enable resources to be redeployed to support other material streams which increase during the Christmas/New Year period. The time could also be utilised to complete essential refresher training for employees.
- 6.3. Another benefit with this proposal is that the number of subscriptions will build more slowly as the service will commence during the 'quieter' months and avoids the peaks in the Spring. To compliment this timeframe, households would be able to subscribe to the service from October onwards for collections during the following calendar year.
- 6.4. It is proposed that residents will utilise their existing brown bins. Those that subscribe to the service will be recorded on the Council's back-office system and issued with an annual identification tag (e.g. permit sticker or bin tag) for their brown bin. Therefore, in order to receive the service, the resident's property must be recorded in the system and be displaying the necessary identification on their wheelie bin. . In addition to this visual identification,

collection crews will also be able to view those properties that have subscribed via their in-cab terminals.

- 6.5. On-line payments will be encouraged as this maximises efficiency. In addition, telephone payments will be accepted.
- 6.6. It is strongly recommended that all payments be for a full calendar year, regardless of the date of subscription, and paid in full. Therefore, households that sign up after the commencement date will not receive a discounted rate. This avoids any pro-rata calculations or phased payments both of which can significantly increase the level of administration. However, as set out in section 7 below, it is recommended a public consultation be undertaken on the level of charging and whether any concessions or staged payments should be included.
- 6.7. No refunds will be issued to residents who wish to cease the service after they have made their initial payment. Residents may opt out at the next renewal date. However, residents who move house within East Staffordshire will be able to transfer their subscription with no charge.
- 6.8. The current collection service allows residents to have a maximum of three brown bins at their property and it is proposed that this should continue with a subscription service. A full year's payment will be required for each bin.
- 6.9. It is suggested that non-subscribers should be encouraged to retain their brown bin at their property. This is because the bin is issued to the property not the householder and the latter may change in the future. The bin may also be used for storage or as a compost bin. Also, evidence suggests that some people who chose not to subscribe at the outset may change their minds at a later date. On this basis, the bin is already in-situ. It is also recommended the Council implements a charge of £35 for the supply and delivery of a new brown bin.
- 6.10. Based on experience from other Authorities, the Council may receive requests from residents to collect their unwanted bins. Whilst this will be discouraged, the costs associated with this should be accounted for.
- 6.11. Assisted collections will continue for those who are unable to present their bins themselves. This will be included within the annual subscription charge.
- 6.12. The introduction of a chargeable service will have an impact on resource requirements and the logistics of delivery. This will need to be reviewed regularly to reflect both participation rates and the location of participating households. It is possible that some wards will experience high take-up rates, whilst others will be low. Furthermore, subscription rates are likely to increase during the year, so resources will need to be balanced against these fluctuations. At the outset, the level of resources will remain as existing since the participation rates are unknown, although reductions may emerge in due course.
- 6.13. If approved as set out above, subscriptions would open in October 2024, with the service commencing in January 2025. This would avoid commencing the service during the peak growing season but would generate some income during financial year 2024/25 and lead to significant income in 2025/26. Based on this timetable and on information obtained from other Authorities, in year one approximately 38% of subscribers could sign up by December 2024 and 74% by March 2025.

7. Public Consultation

- 7.1. Section 3 of the Local Government Act 1999 requires local authorities to consult when making decisions on achieving best value. Therefore, it is proposed to undertake a public consultation on the potential charging structure, including any possible concessions for certain groups (e.g. elderly, disabled, those in receipt of certain benefits) to help guide the best outcome.

8. Implementation Plan

- 8.1. Should a decision be taken to proceed with a subscription based service, an implementation plan will be developed and include the following:
- a) Resident communication plan promoted via the Council's website, social media and wheelie bin tags. This will include information on the alternate methods for dealing with garden waste, including home composting and the free use of Household Waste Recycling Centres.
 - b) Procurement of wheelie bin identification system (e.g. permits/stickers/bin tags).
 - c) Design and implementation of an on-line payment system. This must be fully integrated with the Council's CRM system, the waste management back office and in-cab system, and the wheelie bin identification system. A test period is essential to a successful roll out.
 - d) Complete and publicise the Terms and Conditions of the service.

9. Recycling Performance

- 9.1. The introduction of a subscription based service will have a detrimental impact on the Council's recycling performance, since annual collection tonnages will reduce. At present, garden waste accounts for approximately 21% of the overall performance.
- 9.2. The level of impact will be dependent on the participation rate and collected tonnages. National studies indicate that those residents that subscribe to the service present higher yields per household than for a free service. Based on research from Newcastle and Lichfield/Tamworth, the introduction of their charges resulted in a reduction of approximately 5%. The Council's outturn performance for 2022/23 was 41%.

10. Household Waste Recycling Centres and Fly Tipping

- 10.1. There are two Household Waste Recycling Centres (HWRCs) in East Staffordshire; one in Burton upon Trent and the other in Uttoxeter. Responsibility for both these facilities rests with Staffordshire County Council.
- 10.2. The introduction of a chargeable garden waste service is likely to result in an increase in the use of these sites, although residents may dispose of their garden waste without charge.
- 10.3. In terms of potential increases in fly tipping, based on information received from the other Staffordshire Authorities that have introduced charges, there is no evidence that this has occurred. The Council will continue to monitor levels of fly tipping should a subscription based service be introduced.

11. Home Composting

- 11.1. Home composting is an ideal way to waste less, recycle more and save money. Simply putting most kitchen and garden waste into a compost bin will produce a free supply of rich brown compost for use in the garden. The Council continues to promote home composting through its website, including the ability to purchase reduced price composting bins via the 'Get Composting' scheme. <http://www.eaststaffsbc.gov.uk/bins-rubbish-recycling/composting>

12. Financial Considerations

This section has been approved by the following member of the Financial Management Unit: James Hopwood – Interim Chief Accountant

- 12.1. The main financial issues arising from this Report are as follows:
- 12.2. The current garden waste collection service operates at an annual cost of approximately £1.1M, excluding central support services. Table 2.0 below demonstrates the potential income levels for a range of charges and associated participation rates. As detailed in Table 1.0a above the current average rate applied across Staffordshire is £40.01 per bin. These figures are based on a number of assumptions using data obtained from other local authorities already offering a subscription service.

Charge per Bin	Estimated Participation Rate	Annual Income
£25	65%	£780,000
£30	55%	£792,000
£35	50%	£840,000
£40	45%	£864,000
£50	35%	£840,000

Based on 48,000 households (excludes flats)

Table 2.0 Potential Income Levels

- 12.3. In addition, sensitivity testing to demonstrate the effect of varying participation rates has been undertaken for the £25, £40 and £50 annual charge. This is shown in Table 3.0 below.

Charge per bin	Participation Rate	Annual Income
£25	65%	£780,000
	55%	£660,000
	45%	£540,000
£40	55%	£1,056,000
	45%	£864,000
	35%	£672,000
£50	45%	£1,080,000
	35%	£840,000
	25%	£600,000

Table 3.0 Sensitivity Testing

- 12.4. An estimated example annual budget for a 12-month period is detailed in Table 4.0 below. This is based on the 2024/25 MTFs with an annual subscription rate of £40 per bin, an estimated participation rate of 45% and a yield of 65% of current annual tonnages. It should be noted that any deviation from these assumptions will have an impact on the financial position.
- 12.5. Additional one-off costs may be required for the collection of unwanted brown bins, although this will be discouraged as set out above. The Council may need to explore procurement options for this.
- 12.6. The figure for recycling credits assumes the County Council will continue to provide a credit value that matches the gate fee for treatment.
- 12.7. Whilst the use of the on-line payment system will be promoted, the Council is likely to experience an increase in customer contacts, including requests for payment by telephone.

Example Annual Budget (Jan – Dec)	£'000
Employees	678
Transport Related Expenditure	219
Supplies and Services	47
Treatment Costs/Gate Fees	222
Prudential Borrowing Charges	142
Admin, Support, Transaction Costs (£2.80 per household)	60
Development costs	20
Promotional Costs	20
Subscription Charges	(864)
Recycling Credits	(222)
Net Amount (based on financial year 2024/25)	181

Table 4.0 Example Annual Budget (12-month period)

- 12.8. The estimated potential impact on the revenue budget is detailed in Table 5.0. This is based on the introduction of a subscription based service, priced at £40 per bin (45% participation rate, 65% yield), commencing Jan/Feb 2025 (subscriptions open October 2024).

Revenue Budget	2023/24 £'000	2024/25 £'000	2025/26 £'000
Annual subscription income	-	(173)*	(864)
Other changes to income and expenditure:			
Admin and support	-	30	60
One off development costs	-	20	-
Promotional costs	-	20	20
Overall estimated impact on budget.	-	(103)	(784)

*assumes 74% of subscribers sign up between 01/10/24 & 31/03/25, 2 months of service)

Table 5.0 Potential Impact on Revenue Budget

13. Risk Assessment and Management

- 13.1. The main risks to this Report and the Council achieving its objectives are as follows:
- 13.2. **Positive** (Opportunities/Benefits):
- 13.2.1. The introduction of a subscription based service will support the Council's financial position by seeking to recover operational costs.
- 13.2.2. The service will be operated on an 'opt-in' basis, so only those residents that subscribe will pay for the service.
- 13.3. **Negative** (Threats):
- 13.3.1. A subscription based service is likely to lead to resistance from some residents and adverse publicity. A petition against introducing charges has been launched and at the time of writing this report has over 1,900 signatures.
- 13.3.2. The financial position is based on a number of assumptions using data obtained from other local authorities already offering a subscription service. Any deviation from these assumptions will have an impact on the financial position.
- 13.4. The risks do not need to be entered in the Risk Register. Any financial implications to mitigate against these risks are considered above.

14. Legal Considerations

*This section has been approved by the following member of the Legal Team:
Glen McCusker – Locum Solicitor*

- 14.1. The main legal issues arising from this Report are as follows.
- 14.2. Section 57 of the Environmental Act 2021 (Amending s45A Environmental Protection Act 1990) introduced a statutory requirement for waste collection authorities to collect garden waste from households if requested to do so.
- 14.3. Schedule 1, Paragraph 4, of the Controlled Waste (England and Wales) Regulations 2012 allows local authorities to charge for its collection.
- 14.4. It is recommended that a set of standard Terms and Conditions be introduced for the proposed subscription service. Residents will be required to confirm acceptance of these when subscribing to the service.
- 14.5. The Council has a common law fiduciary duty to local tax-payers to ensure that it manages its finances in a prudent and efficient manner. This places an obligation upon the Council to assess and balance the financial/costs benefits to the Authority and local tax-payers.

15. Equalities and Health

- 15.1. **Equality impacts:** The subject of this Report is a policy, strategy, function or service that is new or being revised. An equality and health impact assessment will be produced should approval be granted for a subscription based service and after the terms and conditions have been finalised.

15.2. **Health impacts:** The outcome of the health screening question requires a full Health Impact Assessment to be completed. An equality and health impact assessment is required.

16. Data Protection Implications – Data Protection Impact Assessment (DPIA)

16.1. A DPIA must be completed where there are plans to:

- use systematic and extensive profiling with significant effects;
- process special category or criminal offence data on a large scale; or
- systematically monitor publicly accessible places on a large scale
- use new technologies;
- use profiling or special category data to decide on access to services;
- profile individuals on a large scale;
- process biometric data;
- process genetic data;
- match data or combine datasets from different sources;
- collect personal data from a source other than the individual without providing them with a privacy notice ('invisible processing');
- track individuals' location or behaviour;
- profile children or target marketing or online services at them; or
- process data that might endanger the individual's physical health or safety in the event of a security breach

16.2 Following consideration of the above and should a subscription based service be approved, a DPIA will be developed to address the collection and processing of personal data.

17. Human Rights

17.1. There are no Human Rights issues arising from this Report.

18. Sustainability (including climate change and change adaptation measures)

18.1. Does the proposal result in an overall positive effect in terms of sustainability (including climate change and change adaptation measures) Yes

18.2. Please detail any positive/negative aspects:

18.2.1. Positive (Opportunities/Benefits)

With the current garden waste collection service, the waste is bulked-up in collection vehicles and then processed to produce compost. When the compost is added to the soil the carbon it contains is stored in the soil rather than escaping to the atmosphere. The emissions associated with the transport and processing of the waste are the only concern. Charging for the service might result in more home composting. This would be beneficial because it would remove the transport and processing emissions. As suggested in the report, it would be environmentally beneficial to place a strong emphasis on promoting home composting.

18.2.2. Negative (threats)

A subscription service will reduce the number of households requiring a collection and therefore reduce the council's vehicle mileage and carbon dioxide emissions. However, there may be an overall increase in mileage and emissions if householders do not subscribe to the scheme and make

individual vehicle trips to the Household Waste Recycling Centres (HWRCs). Whilst the Councils recycling performance will reduce as a consequence of implementing a subscription based service, the overall level may be maintained through both home composting and the material deposited at the HWRCs.

19. **Recommendation(s)**

- 19.1. That Members give final consideration to the implementation of a subscription based garden waste collection service with the charging rate being subject to the outcome of a public consultation.
- 19.2. Should a decision be taken to implement the service, as at 19.1, it is recommended it commences in January 2025, with subscriptions opening to households in October 2024.

20. **Background Papers**

- 20.1. None

21. **Appendices**

- 21.1. None