

# **East Herts Council Report**

## **Council (Extraordinary)**

**Date of meeting:** 13 January 2021

**Report by:** Councillor Graham McAndrew, Executive Member for Environmental Sustainability

**Report title:** Implementation of a Chargeable Garden Waste Service

**Ward(s) affected:** ALL

## **Summary**

Like many Councils, East Herts District Council is facing a number of financial challenges which has been exacerbated by the impact of the COVID-19 pandemic. Finding ways to bridge the gap in the Council's finances is essential. The Council no longer receives funding from the Revenue Support Grant from government to support the delivery of its services to East Herts residents. As part of planning process for the medium-term financial plan, all service expenditure has been reviewed to identify where the Council could save money. Waste and Recycling is the single largest expenditure on services for the Council.

Faced with significant financial pressures the Council could cease to collect garden waste as this is non-statutory. We know that more than 60% of Council's nationally now charge for the collection of garden waste; and that this is a service that residents value and many are content to pay for too. The proposal here is to act in line with the majority and introduce a paid for service. This focuses this discretionary service on households generating garden waste, rather

than all households, with a range of options to pay for one or more garden waste bins to be collected.

This report proposes that a chargeable service is implemented ready for 1 April 2021, and therefore providing the single largest contribution to the Council's financial gap in 2021/22 without removing the service in its entirety.

## **RECOMMENDATIONS FOR COUNCIL:**

- a) Approval be provided, having regard to the results of the public consultation, for the cessation of the existing mixed organic waste collection and this be replaced with a chargeable garden waste only collection service**
- b) Approval of a £49 annual fee for the first year of the service (2021/22), reduced to £45 for residents signing up through a direct debit scheme before 15 March 2021.**
- c) Approval of a £35 cost per additional bin and £49 for collection of additional bins.**
- d) Adoption of the key principles of the terms and conditions as stated in Appendix 1**
- e) Given the comments raised during the consultation about the benefits of food waste reduction, run an enhanced food waste reduction and home composting campaign as outlined in Appendix 3**

### **1.0 Proposal(s)**

- 1.1 In order to bridge the gap in the Council's finances (specifically the revenue account) it is proposed that the current mixed organic waste collection service which costs circa. £1.05m to deliver is ceased and replaced with a chargeable garden waste only collection service. The scheme would be charged at £49 per annum per bin for the first year

(1 April 2021 to 31 March 2022) with a reduced rate at £45 for the first bin, should residents sign up via direct debit before 15 March 2021. Pricing for residents with sack collections will be the same, with 4 sacks placed out at a time being considered 1 collection.

- 1.2 A review of the price will take place annually. All residents will be notified of any changes in price prior to the service commencing for the next financial year.
- 1.3 Residents will be permitted to request up to two additional bins for collection. The additional bin including the delivery will be charged at £35. The additional bin collection will also be £49 per annum.
- 1.4 The proposed terms and conditions attached in Appendix 1 identify the key principles and requirements of the service and have been developed with consideration of services offered by other Councils.
- 1.5 The public consultation ran from 2 December 2020 to 31 December 2020. 4,579 responses have been received and Members are asked to consider the responses outlined in the report and detailed in Appendix 2.
- 1.6 Introduce a focussed food waste reduction campaign, alongside the new chargeable garden waste service and prior to the introduction of a weekly food service in 2023 subject to the government's Resources and Waste Strategy. This will ensure that when a separate food waste collection is mandatory the Council will be in the best position to commission the minimal number of vehicles (to reduce carbon footprint) and resources (to reduce expenditure) required to collect food waste. The current draft strategy states that weekly food collection should be provided by

2023. An outline communications plan for the food waste reduction campaign can be found in Appendix 3)

## **2.0 Background**

- 2.1 At the time the shared service was formed in 2017 each authority had an opportunity to introduce a charged garden waste collection service for the start of the new collection contract in 2018. At this time East Herts District Council (EHDC) decided to maintain a free garden waste collection service.
- 2.2 In January 2020, the option for charging for a garden waste service was approved at Council as part of the Medium Term Financial Plan. It identified an income of £400,000 for 2021. This report therefore seeks approval to implement the scheme based on the charging policy and terms and conditions of the service described in this report.
- 2.3 East Herts Council as Waste Collection Authority (WCA) has a legal duty under the Environmental Protection Act 1990 (EPA) to make arrangements for the collection of household waste and commercial waste where requested by the occupier of a premises.
- 2.4 Under the Controlled Waste Regulations 2012 for some waste that is considered household waste, the local authority may recover a reasonable charge for collection. The Council already charges for bulky waste collection.

### *Garden Waste Charge in Other Authorities*

- 2.5 A number of local authorities in Hertfordshire already charge for garden waste, these include North Hertfordshire District Council, Welwyn Hatfield Borough Council, Watford, Broxbourne Borough Council and Three Rivers District Council. The introduction of a charge is also being proposed in St Albans District Council.
- 2.6 Charges for East Herts have been determined based on contract costs and anticipated administrative costs and are in line with charges made by surrounding districts. As this

change is proposed mid-contract, the negotiated contract costs are not the same as those which would have been in place had the service been taken up at the start of the contract and are therefore higher.

- 2.7 Examples of charges from neighbouring authorities based on 2020/21 charges are in the table below. Any changes for 2021/22 have not been confirmed.

	Standard Charge in 20/21	Direct Debit Charge (if different)
Broxbourne	£42	£34
Harlow	£42	
North Hertfordshire	£40	
Uttlesford	£46	
Three Rivers	£45	£40
Watford	£45	£40
Welwyn Hatfield	£35	

- 2.8 Research published by the Press Association in 2019, showed that, of 326 English councils that collect waste and recycling from homes, 212 of them (65%) charge for a garden waste collection service.

### *Government Resources and Waste Strategy*

- 2.9 Chapter 3 of the Resources and Waste Strategy for England focuses on resource recovery and waste management and sets out the government's commitment to reducing greenhouse gas emissions from landfill by ensuring that every householder and appropriate businesses have a weekly separate food waste collection, subject to consultation. EHDC has set out in its Environmental Sustainability Action Plan a commitment to introducing separate weekly food waste collection for 2023 (subject to the final dates within the Resources and Waste Strategy). As this would be a legislative change it becomes a 'new

burden' which government would have to fund. A separate weekly food collection service is currently not financially viable for EHDC to deliver.

- 2.10 Chapter 5 of the Resources and Waste Strategy for England specifically focuses on cutting down on food waste and its aim is to demonstrate the government's commitment to reducing food waste, reducing our carbon footprint and also meeting the UN Sustainable Development Goal to halve food waste at consumer and retail levels by 2030. Therefore, in advance of the introduction of weekly food waste collections; EHC is committed to focusing its waste reduction campaign work on food waste and home composting of food waste as outlined in Appendix 3. Work packages include waste reduction champions and volunteers, home composting seminars and training and developing community cohesion and civic pride through events. Each compost bin diverts approximately 150kg from landfill/incineration (WRAP, 2009), therefore this is a significant piece of work for the authority to undertake to mitigate food waste going into the residual bin.
- 2.11 A recent waste compositional analysis undertaken in by m.e.l waste insights on behalf of the Hertfordshire Waste Partnership has identified a likely 5,500 tonnes of food waste already in the residual waste stream as a result of residents not fully utilising the current mixed organic service. Based on data from the North Herts District Council separate food waste collection service, it is anticipated a further 2,500 tonnes of food waste may be diverted to the residual stream should waste reduction and home composting not be fully promoted and endorsed.

### *Consultation Feedback*

- 2.12 Following the Executive meeting on 24 November 2020, a public consultation took place regarding the waste and recycling service with specific questions regarding a proposed chargeable garden waste scheme which would

reduce the Council's net expenditure significantly. A summary of the results will be reviewed within this report with an overview of responses in Appendix 2

- 2.13 The recent survey identified that 46% of respondents would be either likely or very likely to pay for a charged garden waste service if the charge was up to £50. In 2017 during the previous survey only 35% of respondents identified that they would likely or very likely pay a charge up to £40. With 13% responding in the same way to a charge of up to £55. This demonstrates an increasing willingness to pay for the collection of garden waste.
- 2.14 The recent survey identified that 43% of respondents would be interested in home composting, including food waste, with more information and support, with 22% of those residents saying they already home compost.
- 2.15 The survey asked how residents would dispose of their waste in the future. The answers to this question are skewed because a free text option was available as a result of feedback on the survey question. 9% of respondents indicated they would home compost and 25% indicated they would use the Household Waste Recycling Centre (HWRC). We anticipate that the convenience of the charged service will mean the actual impact on the HWRCs is lower, or that they are used by residents with smaller quantities of garden waste. In the 2017 survey respondents indicated they would predominantly either compost at home or use the Household Waste Recycling Centres.
- 2.16 24% of respondents have indicated they are interested in having an additional garden waste bin. This option is not available as part of the existing service.
- 2.17 84% of respondents indicated they would be confident to pay online or would be with additional support. It should

also be noted that nearly 6% of respondents indicated that they had either no bank account (3.28%) or no debit or credit card (2.42%). In 2018 the Financial Conduct Authority (FCA) published a report on the key findings from the FCA's Financial Lives Survey, indicating that approximately 3% of UK adults were 'unbanked' i.e. had no bank account. The Council's customer services team will be provided training to enable them to provide advice on how to set up a bank account and refer them to Citizen's Advice for further support.

- 2.18 The shared service client team has taken learning points from Councils already operating charged garden waste collection services and will be producing an FAQ document which will be available on the EHDC website. This will be regularly updated with information on the new service. A draft FAQ document can be found in Appendix 4.

#### *Implementation*

- 2.19 Subject to Council approval, the existing organic waste collection service would cease on 1 April 2021 and the chargeable garden waste only collection service will commence.
- 2.20 The new service will be an 'opt-in' service meaning residents who do not wish or need to use the service, such as those in flats do not need to do anything.
- 2.21 The initial sign up to a charged garden waste collection service is sought over a short period of time, beginning on 1 February until 15 March 2021 with a high impact communications campaign. This gives just over seven weeks to implement the new service and will help ensure all residents are aware and prepared for the change.



- 2.22 Offering a reduced rate cost for early sign up by direct debit in the first year during this intense period of advertising will allow for the necessary time needed to schedule collections and plan routes for collection vehicles. A reduced rate of £45 for direct debit sign up (on the proposed full annual cost of £49) is proposed up to 15 March 2021.
- 2.23 Sign up will still be possible after this date at the full charge of £49 and operational resources will be allocated and routes mapped based on anticipated trends after the early sign up.
- 2.24 The council's financial management system is currently not set up for direct debit payments outside the Council Tax system, therefore a fully auditable IT system via the contractor is the preferred solution. Customers will access the information and payment portals for the service through the council's website. Guidance on how to make payments will be provided online.
- 2.25 Terms and conditions will be aligned as far as is reasonably practicable with those of North Herts to ensure consistency in messages delivered by the client team. Key terms and conditions include: -
- 2.26 The service is a garden waste only service, not a mixed organics service (i.e. garden and food waste).
- 2.27 A 14-day cooling off period and lead in time from sign up to service start.
- 2.28 The garden waste service will operate on a fixed year basis from 1 April each year, to 31 March the following year.
- 2.29 Residents will be allowed to purchase up to three garden waste fortnightly collections for the year.
- 2.30 Payment will be by direct debit, credit or debit card only.

- 2.31 Bins will be emptied fortnightly in the same week as the recycling bin, in line with other bin collection requirements.
- 2.32 Garden waste collections are for household waste only, commercial garden waste will not be collected.
- 2.33 Side waste will not be accepted, with the exception of real Christmas trees.
- 2.34 Bin stickers (permits) will be issued to residents who purchase the service.
- 2.35 A copy of the full draft terms and conditions can be found in Appendix 1.
- 2.36 Additional temporary resources will be required in the client team and in the customer service team to administer the sign up period each year, these have been costed into the proposals, but will be reviewed annually.
- 2.37 For the first 6 months of the roll out the Council will not collect the brown bins of those residents who do not sign up to the service. It is anticipated that residents may sign up at a later date and the client team will organise this option for residents once the service is bedded in.
- 2.38 The charge will not be prorated as scale back of resources is not possible.
- 2.39 Promotion of the new service will begin on 1 February 2021 and will include a leaflet distributed to every household during February. Vehicle banners will be used to promote the new service and food waste reduction messages. Alongside a two-pronged social media campaign encouraging sign up for the new service by direct debit and food waste reduction and home composting solutions.
- 2.40 The client team will produce a communication campaign promoting home composting including the opportunities for home composting of food waste through a number of

initiatives and incentives. An outline of the communications plan is provided in Appendix 3.

### Financials

2.41 The financial information in the table below highlights expenditure and projected income. It assumes residents sign up to the service via direct debit at £45. Should 45% of residents subscribe the projected net income expected in year 1 is £370,000, which provides a net reduction in the cost of the service of £546,000. These figures increase to £506,000 net income and £677,000 reduction in cost of service should 50% of residents sign up. Further details on expenditure and income can be found in Appendix 5.

Proposed Scheme: based on £45 DD sign up

	30% uptake	35% uptake	40% uptake	45% uptake	50% uptake
<b>Expenditure</b>					
Total one off-set up expenditure (Yr 1 only)	£ 74,100	£ 71,685	£ 71,140	£ 70,600	£ 70,050
Annual ongoing expenditure	£ 801,430	£ 806,335	£ 811,240	£ 816,124	£ 821,050
Total expenditure	£ 875,530	£ 878,020	£ 882,380	£ 886,724	£ 891,100
<b>Income</b>					
Gross income	£ 838,323	£ 978,044	£ 1,117,764	£1,257,485	£1,397,205
Net income	-£ 37,207	£ 100,024	£ 235,384	£ 370,761	£ 506,105
<b>Year 1 Net reduction in cost (Current cost of service - expenditure + net income)</b>	<b>£ 150,093</b>	<b>£ 284,834</b>	<b>£ 415,834</b>	<b>£ 546,867</b>	<b>£ 677,835</b>
<b>Year 2</b>					
<b>Net reduction in cost</b>	<b>£ 231,693</b>	<b>£ 364,019</b>	<b>£ 494,474</b>	<b>£ 624,967</b>	<b>£ 755,385</b>

### **3.0 Reason(s)**

- 3.1 As part of the medium-term financial plan the Council is required to find savings or generate income to offset the deficit in the budget. Charging for the collection of garden waste service provides the single largest contribution to the medium-term financial plan in 2021/22. In order for the service to be successful and meet budget targets; should it be approved it must be ready for the beginning of the growing season and therefore a decision needs to be considered prior to the budget approval process in March 2021.
- 3.2 A reduced 'early bird' introductory price for the new garden waste service will ensure levels of take up can be assessed in sufficient time to ensure adequate assets and resources are available to residents who request the service.
- 3.3 The use of direct debit for the 'early bird' sign up will assist with the renewal of subscriptions each year.

### **4.0 Options**

- 4.1 Options considered include the removal of the mixed food and garden waste service without the provision of a chargeable garden waste collection. This was discounted due to the negative impact this would likely have on residual waste collection services, the Household Waste Recycling Centres and fly tipping. Also, based on the take up in other authorities a paid service is able to provide a service to those residents that wish to take it up whilst positively impacting the council's finances.
- 4.2 The option to continue with the existing service was considered but also discounted due to the financial impact.
- 4.3 The option of a full service change was considered including:

- a separate weekly food collection service alongside a chargeable garden waste service
- reduce residual bin size

These options were discounted due to unaffordability. Appendix 6 provides an overview of the options appraisal.

## **5.0 Risks**

- 5.1 There is a risk that there will be insufficient sign up to the new service to meet budget targets. This will be mitigated by a high-profile promotion of the service.
- 5.2 There is a risk that residents signing up after 17 March do not have a continuation of service between the existing service and new service due to the legal requirement for a 14-day cooling off period. This will be mitigated by the promotion of the 'early bird' sign up period.
- 5.3 There is a risk that removing food waste from the brown bin negatively impacts on the future recycling behaviour of some residents. Ongoing proactive communication campaigns will be required to help mitigate this.
- 5.4 There is a risk that an increase in residual waste tonnage (from additional food waste collected) will negatively impact on payments made by Hertfordshire County Council through the Alternative Financial Model (AFM). However, this risk has been considered and will be mitigated by a food waste reduction campaign.
- 5.5 There is a risk that the ability for Councils to charge for garden waste collections may be revoked by a change in law under the Waste and Resources Strategy. This risk is considered to be small and unlikely to be in place before 2023.

5.6 There is a risk that recycling rates will drop for the Council. Alternative methods for garden waste management such as home composting and food waste reduction campaigns will help minimise the impact.

## **6.0 Implications/Consultations**

### ***Consultations***

6.1 Feedback has been received from Hertfordshire County Council from both the Minerals and Waste Team and the Cabinet Member for Community Safety and Waste Management. A public consultation also took place.

### *Cabinet member response*

6.2 The Cabinet Member for Community Safety and Waste Management at Hertfordshire County Council recognised that there were financial challenges and decisions to be made by authorities. However raised some matters for consideration including potential budget implications for HCC should the guaranteed minimum tonnage (GMT) not be met for the contract with Cumberlows composting facility (an in-vessel composting site) and potential additional costs of haulage and treatment costs should there be a significant increase in tonnages greater use of HCC Recycling centres from EHC residents. The amount of funding EHDC receive from HCC via the Alternative Financial Model (AFM) could also reduce.

6.3 The Cabinet Member also requests a deferral of the decision for 12 months in order to understand the outcomes from the second consultation on the Resources and Waste Strategy and to explore options for joint working opportunities.

6.4 The Minerals and Waste Team at the county council, as Waste Planning Authority, consider the proposal to remove garden

waste collection to be contrary to the principles of the adopted Waste Local Plan. Policy 2: Waste Prevention and Reduction of the Waste Core Strategy and Development Management Policies Document 2012 states that residents will be encouraged to reduce waste generation and separate waste/recycling at the source.

- 6.5 Both responses have not recognised that the proposal is a short term measure to support the medium term financial plan. The Council will be promoting an enhanced food waste reduction campaign to mitigate the volume of food waste that is redirected to the residual bin. The Council will be delivering a separate food waste collection in line with the government's Resources and Waste Strategy. It is anticipated this is likely to be mandated from 2023. A separate food waste collection service requires approximately 6 additional diesel fuelled vehicles to collect food waste daily and releasing CO2 emissions throughout rural villages of East Herts.
- 6.6 A public consultation was undertaken where 4,579 responses were received, key findings are described within this report with detail in Appendix 2. In addition, comments were also sent to the Council; where residents raised concerns regarding the content and structure of the consultation, food waste being diverted to the residual bin, the risks of additional fly tipping and impacts on Household Waste Recycling Centres.
- 6.7 Following feedback at a member briefing in December 2020, the communications message was updated to provide further information of the survey in the context of the financial challenges the Council is facing.

6.8 In terms of flytipping there is no robust evidence to suggest that a chargeable garden waste service has a direct impact on the number of flytipping incidents.

## ***Implications***

### *Financial*

6.9 This service change will have a net positive impact on the budget.

6.10 A cashless web-based payment portal is proposed to reduce the administration costs of providing the collection service and in turn reduce the cost to subscribers. Direct debits will be promoted to reduce the administrative burden of the sign-up period each year. Details of the anticipated costings for the service are provided in paragraph 2.41 (approximately net reduction in cost of service of £545,000 based on 45% sign up). These do not include the impact and costs for Hertfordshire County Council.

### *Legal*

6.11 In Section 45(3) of the Environmental Protection Act 1990 restrictions on the charging for collection of household waste by a Waste Collection Authority is made. Prescribing that no charge can be made, other than where prescribed in regulations. This provision is made for in Schedule 1 Section 4 of The Controlled Waste (England and Wales) Regulations 2012 it sets out waste which is classified as household, commercial or industrial waste and household waste which may accrue a collection or disposal charge. Garden waste is specifically identified as waste for which a collection charge may be made. There is no such provision for food waste.



6.12 It is therefore necessary to proactively encourage residents to separate their food waste from garden waste. There is a risk that should food waste not be adequately separated that a challenge to legality of the charged garden waste collection service may be brought against the Council.

### **Community Safety**

Yes/No

### **Data Protection**

No – all personal data will be managed in accordance with GDPR requirements and under data sharing agreements. Data will only be used for the purposes of service provision and promotion of the service and its terms and conditions.

### **Equalities**

Yes – some residents who are either elderly or vulnerable may not have internet access and may not be able to therefore sign up online. The customer service team will be available to support and assist vulnerable residents to access the service should they wish to do so. An Equalities Impact Assessment is provided in Appendix 7.

### **Environmental Sustainability**

Yes – small positive impact of reduced fuel usage in the fleet from providing garden waste collections to only those households which require it. A greater negative impact from additional food waste being diverted to the residual (black) bin should a food waste reduction and home composting campaign be unsuccessful as waste would therefore go to an Energy from Waste facility or landfill'. The focus for waste communications for EDHC in 2021 will be food waste reduction.

Any waste collection, due to the use of HGVs creates a significant carbon impact. Waste collection schemes therefore rely on waste

reduction campaigns in line with the waste hierarchy to reduce the burden of collections as much as possible. A move to a charged garden waste collection allows us to reduce the vehicles on the road and reduce the mileage travelled by only collecting from properties which require the service. We will continue to encourage home composting as a more carbon friendly approach to managing this waste stream.

It is anticipated that government will legislate for separate food waste collections in 2023; in order for us to ensure our collections are as efficient as possible for this service the Council is embarking on a food waste reduction campaign to assist us in reducing the carbon impact of these collections. Using food waste collection data from a neighbouring authority, for every 1% of food waste we reduce we anticipate saving 314 tonnes of CO2. Eliminating food waste from the waste stream will have a greater impact of carbon reduction than collecting it separately.

### **Financial**

Yes – Net positive financial position of approximately £545,000 should 45% of residents sign up to the service. Details are provided paragraph 2.41 and Appendix 5.

### **Health and Safety**

No

### **Human Resources**

Yes – Impact on the resource availability in the client team on an ongoing basis and customer service team during the sign up period. In part mitigated by temporary staff employed during the sign up period.

### **Human Rights**

No

## **Legal**

Yes – noted in paragraph 6.11 and 6.12

## **Specific Wards**

No – all impacted.

## **7.0 Background papers, appendices and other relevant material**

7.1 Appendix 1 – Draft Terms and Conditions

7.2 Appendix 2 – Results of Public Consultation

7.3 Appendix 3 – Outline communications plan

7.4 Appendix 4 - Draft FAQs

7.5 Appendix 5 – Financial information – confidential

7.6 Appendix 6 - Options appraisal on service options

7.7 Appendix 7 - Equalities impact assessment

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