

Working group; Chargeable garden waste collections Report for Joint Waste Management Board; July 2016

Background

It was decided at the last meeting of the Joint Waste Management Board, in May, that, following discussion on council priorities and areas for consideration, there was some interest by several councils in pursuing an investigation into the potential of charging for the collection of garden waste, as a method of generating income to the council to alleviate financial pressures. After the meeting of the Board, the Partnership Manager set up a meeting for councils to opt into according to their own priorities (4 of the 10 councils in SWP opted to take part in the working group).

Group meeting

The working group focusing on chargeable garden waste collections met on Friday 10th June. The group was attended by Officers from the following councils; Staffordshire County Council, Lichfield and Tamworth Joint Waste Service, Staffordshire Moorlands District Council, and Newcastle under Lyme Borough Council.

The aim of the meeting was to openly discuss the potential for moving from a free charge waste collection service to charging for the same service, and whether there would be any benefits from introducing the charge together as a group of councils rather than as individual councils.

All options open to us with garden waste are;

- Continue to offer a free service
- Stop the service (and potentially sell the customer base?)
- Outsource this non-statutory service
- Run a chargeable collection service as a trade waste service
- Charge for the collection service, to cover the cost of collection (and retain recycling credits to cover disposal costs)
- Charge for the collection service, to cover the cost of collection and processing (therefore ceasing recycling credits).

It is estimated that around 44% of local authorities now charge for collection of garden waste. Colleagues around the table noted that the recent examples of other local authorities in England / Scotland who have undertaken a chargeable garden waste collection service offer a variety of lessons learnt from their processes. The importance of benchmarking was noted, especially considering the move from free to charging services.

It was agreed that any common principles noted in the benchmarking would be applied to SWP. A strong emphasis was placed upon undertaking any service alteration, such as charging, as a group to ensure consistency, such as consistent pricing across council services, and partnership communications, with the possibility of a central admin point, acting as a conduit / potential trade waste service. It was considered that undertaking this alteration to service together (be that in clusters or as a full partnership) would offer a 'safety in numbers' approach in public engagement when expecting a backlash from residents.

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Key issues to be noted

At present, there are some inconsistencies between the garden waste collection services that are currently offered by SWP councils;

- All bar SMDC separately collect garden waste (SMDC = with food)
- Some councils charge for second bins, of which some offer an annual fee, but some offer a one off payment, all different prices
- Winter service stoppages vary between councils.

The group agreed that a standard methodology should be drafted, based on the key principles of the benchmarking and the considering the following issues of importance;

- Collection of garden waste decoupled from residual
- Leave all current bins out (rather than collect all in when removing the free service)
- Residents opt in to the service
- Consistent price
- Charges introduced at the end of the summer, as entering a quieter period
- Common bin size (with a variation in price for smaller bins?)

The group agreed that the charge to residents will be determined by collection costs and processing costs / recycling credit figures, and that the feasibility of any option depends on key dates such as contract end dates for processing / collection.

Plan of action

The group are currently undertaking the following tasks to progress this project forward;

- Benchmarking previously undertaken will require an update in order to present the best representation of the current market.
- Case studies will be created of nearest neighbour councils to establish in depth knowledge of key lessons.
- Knowledge sharing and seeking best practice information through professional organisations of LARAC, APSE, NAWDO and WRAP.
- Organise a meeting with Biffa to discuss the potential of what is involved with outsourcing garden collection services, as per their Garden Waste Club, as another potential option for discussion.
- Collate a database of all garden waste collection service information, both operationally and financially, including tonnage information over recent years.
- Use this information to;
 - Assess the potential impact of tonnage variation on disposal contracts – HWRCs and incineration,
 - Model scenarios to test service alteration viability,
 - Develop a standard collection service methodology (e.g. bin size, price, service sign up, payment mechanism, advertisement, etc).

The group agreed that the work by WRAP to model the potential for the Partnership to undertake separate food waste collections, along with the work by DEFRA to assess the

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disposal contract with Veolia for the Four Ashes incinerator, form an integral part of any modelling to assess the implications of introducing a charge to garden waste collections.

Speaking with WRAP, they are happy to extend the remit of their support to include the modelling of chargeable garden waste collection services as a separate aspect to any operations and as a standalone addition should councils wish to take on such alterations. This modelling will not affect the other modelling to be done by WRAP and is in addition to all other works for us – thus extending the level of support we are receiving free of charge. This also means such modelling is not required to be undertaken by us, resulting in internal cost avoidance as well.

The reports from WRAP and DEFRA are expected to be tabled at the Autumn JWMB meeting, meaning this working group can continue the work thereafter. Additionally, SWP progress on this project will be updated in a report at Autumn JWMB.

Case study – Durham Councils

Prior to 2009, Durham County had a two tier system of a disposal authority and 7 collection authorities. In 2009 they moved to a single tier and became a unitary authority. When in the two tier system, the majority of councils previously had a free garden waste collection service (5 WCAs, with 1 WCA offering no service and 1 WCA charging £15 per year). Upon moving to a unitary authority, the collection service was standardised to a free service.

In 2015, the garden waste collection service introduced a charge of £20 per year (totalling 16 collections per year), or £50 for a 3 year sign up. This charge was benchmarked to other local authorities in the North East of England and is slightly lower than the average (£23). Durham Council offered a cheaper price because it reflects the policies of affordability as there are some areas of deprivation. However this service is heavily subsidised by £1million per year (charge would be £40 to break even). In 2016, there was no price increase (however other neighbouring authorities increased their prices – new average of £25). The charge is subject to annual review and is expected to increase in 2017, although this has yet to be agreed. A £5 increase in price aligns Durham Council with its neighbours and would generate a further £250,000 whilst they expect to maintain the current customer base.

Of the 235,000 households in the authority, the free service was delivered to 155,000 households. When the charge was introduced, the service was offered to an extra 35,000 households, totalling 190,000 households. Initial uptake was 65,000 households in 2015 (of which 18,000 households signed up for 3 years), which increased to 68,000 households in 2016. Operationally, the service pinch point is 70,000 households, where an additional truck would be required. The scheme is therefore currently used to its full capacity now.

Tonnage collected annually during the free service totalled 26,000 tonnes. Upon introduction of the chargeable service, tonnage dropped by 10,000 tonnes for the first year, with only 1,500 tonnes increasing at the HWRCs, no major impact on residual tonnages, and no tonnage alteration to fly tipping amounts. The perception and recognition of fly tipping increased, but the tonnage collected from fly tipping remained steady and was mainly commercial waste. This means 8,500 tonnes was 'lost' from the collection service – it is expected some of this is due to home composting / bonfires, and reduction of gardening practices. It is expected that the current service is used more efficiently as residents wish to

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ensure value for money by filling the bin. It is also expected that there will be cases where several households have collaborated to share one bin.

Financial savings have been achieved by the streamlining of operations (reduction in trucks / staff etc), route optimisation and standardised service provision. Financial savings from disposal compares the cost of farm composting gate fees (3 sites on a framework agreement) at £24 per tonne with direct deliver, to the cost of the residual gate fee of £100 per tonne. Additional costs included the development of an in-house bespoke IT system to allow service sign up on line etc, which took time to create and is still a work in progress.

When weighing up the operational costs against the generated income, despite the service currently being subsidised (the aim is to reduce this year on year until it is a financially independent service), the council believes the charging of garden waste collection has been worth the time, effort and savings created operationally and by diverting from residual waste. A customer satisfaction survey in September 2016 is planned to assess the impact on residents' approval.

Durham Council has kindly offered SWP the use of example letters to residents, with terms and conditions, information for householders, FAQs etc.

Report prepared on behalf of the working group by;
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