



EXECUTIVE 15th September 2022

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| Report Title | Garden Waste: Future Service Provision |
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| Lead Member | Cllr Graham Lawman, Executive Member for Highways, Travel and Assets |

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| Key Decision | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Is the decision eligible for call-in by Scrutiny? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Are there public sector equality duty implications? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Does the report contain confidential or exempt information (whether in appendices or not)? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972 | |

List of Appendices

- Appendix A** – Equalities Screening
- Appendix B** – Equalities Impact Assessment
- Appendix C** – Fly tipping data

1. Purpose of Report

- 1.1. On 22nd February 2022, the Executive considered the current disparity in provision of kerbside collections of organic garden waste across North Northamptonshire (which have arisen as a result of local government reorganisation) and the options for harmonisation of the service. At that meeting, the Executive agreed to conduct a public consultation regarding the future provision of a kerbside garden waste collection service. The consultation has been conducted and the results are presented within this report. The Executive are now asked to consider the future of the garden waste service and how it will be funded. The steps required to implement the recommended service model are included within the report, together with the financial implications.

2. Executive Summary

- 2.1. As a result of previous arrangements implemented by the former local authorities, the current garden waste service differs across North Northamptonshire. The Executive are seeking to harmonise the service so that all residents receive the same level of service, and the service is funded in the same way.
- 2.2. A public consultation exercise was conducted during March and April 2022 to seek the views of residents on a range of factors relating to a future garden waste service.
- 2.3. The primary consideration for the Executive is to determine how the garden waste service is funded in the future. The service can be funded from general income, including taxation through the Council Tax charge, or it can be funded through a subscription paid by those who choose to use the service, or a balance between the two approaches. This paper presents options relating to all these funding models.
- 2.4. The current provision incurs a cost to the council. The annual net cost of providing the current garden waste service is £2.695m.
- 2.5. Using 2022/23 as a base year, it is estimated that a service funded by subscriptions set at £40/bin/year would contribute towards the costs of operating the service and improve the Council's financial position by £2.010m. It should be noted that the introduction of a subscription charge will not cover the full costs of operating the service and the Council will continue to cover some of the costs through general taxation and Council funding. A universal 12-month service would create a pressure on the Council's budget of £1.543m. There are also one-off costs associated with implementing a universal service which are estimated to be £692k, whilst the one-off costs associated with a subscription service are £182k.
- 2.6. It is proposed that those residents who choose to have more than one garden waste bin, will pay an additional charge for the additional bin(s). This rate will be set annually and will be set on a full recovery basis.
- 2.7. It is noted that not all residents require a garden waste service as they may not have a garden, or they may dispose of their garden waste through home composting or visiting one of the Council's Household Waste and Recycling Centres.
- 2.8. To contribute towards meeting the financial challenge presented by the Council's Medium Term Financial Plan, including the rising costs of inflation, it is recommended to fund the service through subscription charges.
- 2.9. The recommended option would provide residents with a 12-month service almost entirely funded by subscriptions from those who choose to receive the service. The subscription charge does not cover the full costs of operating the service and, therefore, those who do not use the service would still be

contributing to the operating costs through general taxation, albeit to a lesser extent.

- 2.10. The recommendation to provide subsidised home compost bins seeks to promote an environmentally sustainable alternative to kerbside collections and reduce the need for residents to subscribe to the garden waste kerbside collection. This approach reflects the Council's commitment to sustainable practices and to reducing the impact of the Council's services on the environment, including reducing carbon emissions.
- 2.11. In acknowledgement of the disparity between the different service offers across North Northamptonshire, inherited from the former districts and boroughs and, in particular the subscription charge that only applies in East Northamptonshire, it is proposed that existing garden waste customers in East Northamptonshire will receive a rebate of £20 on their garden waste subscription during the first year only of the new service.
- 2.12. The operational and financial implications for implementing the recommended option, as well as operational risks, are outlined in the report.

3. Recommendations

- 3.1. It is recommended that the Executive:
 - a) Agree to harmonise the garden waste collection service across North Northamptonshire;
 - b) Recover some of the costs of providing the service only from those who use it by charging a subscription fee for a service operating 12 months of the year (option C as set out in the report).
 - c) Agree that, from 1st April 2023, for North Northamptonshire, the annual subscription charge will be set at £40/bin/year (for the first bin) and £16.50 for the ad hoc sack collection service. Additional bins will be charged on a full cost recovery basis.
 - d) Agree to change the current subscription charge of £55/bin/year in East Northamptonshire to £40/bin/year (for the first bin) for all residents in East Northamptonshire from 1st November 2022. Additional bins will be charged on a full cost recovery basis.
 - e) Agree to apply a rebate of £20/bin/year for all existing garden waste customers in East Northamptonshire who renew their subscription (and only on their next renewal) after 1st November 2022, for a period of 12 months only,
 - f) Agree to provide subsidised home composting bins, as set out in the report, to promote home composting as an environmentally sustainable alternative to kerbside collections of garden waste.
 - g) Delegate authority to the Executive Member for Highways, Travel and Assets in consultation with the Executive Director of Place and Economy to take any further decisions and / or actions required to conclude this

process and implement any approved service updates. This will include, but not be limited to:

- i. finalising the Terms and Conditions of the service;
- ii. approving the updates to the Council's Waste and Recycling Policy in relation to any changes to the garden waste service.

3.2. Reasons for Recommendations:

- The recommended option will harmonise the garden waste service across all North Northamptonshire which will ensure parity across North Northamptonshire
- Option C makes a contribution to the overall financial stability of the Council and to its Medium Term Financial Plan (MTFP). It reduces the need to use budgets allocated for other services to fund a garden waste service.
- The recommended course of action will reduce the Council's carbon footprint by reducing the number of Heavy Goods Vehicles used for service delivery, assuming participation is at 40%.
- Current staffing issues, which have been experienced by many local authorities across the country, have reduced the reliability of the garden waste service for some residents, particularly in the Wellingborough area. Reducing the number of crews required to deliver the service reduces the number of staff members required and thus reduces the risk of disruption caused by staff vacancies and absences.
- A subscription service provides residents who need to dispose of garden waste with the choice of whether they wish to use, and pay towards, an opt-in service or whether they wish to use another legitimate disposal route, such as home composting or visiting the Council's Household Waste and Recycling Centres (HWRCs). The tax contribution from those who do not need the service, such as those without a garden, would be reduced considerably by covering most of the operating costs through the subscription charge. This is considered a more equitable method to fund this optional service.
- The option to use the compostable sacks service provides residents with the choice to have their garden waste collected on an ad hoc basis for a lower price. This seeks to provide an alternative for those with smaller gardens or who are not in a position to subscribe for the 12-month, fortnightly service.
- Home composting is an environmentally sustainable alternative to kerbside collection of garden waste, which the Council wishes to encourage and promote. The subsidised offer for home composting bins seeks to encourage this environmental practice.
- The rebate of £20/bin/year for existing garden waste customers in East Northamptonshire who renew after 1st November 2022 acknowledges the disparity that has existed since Vesting Day in the way in which the garden waste service is funded. It also seeks to retain their custom during the period of transition to the new service.

- The charge for the first bin has been set below the cost recovery threshold in an effort to make it more affordable for residents, particularly in light of the current cost of living pressures. For additional bins, it is not considered appropriate that the cost of providing these bins is met from general taxation and therefore they will be charged on a full cost recovery basis.
- 3.3 Alternative Options Considered – to fully inform the decision on the future of the garden waste service in North Northamptonshire, an analysis of service delivery options has been conducted by an officer working group to identify impacts and benefits for each of the alternative options.
- 3.4 The option to retain the service under the current legacy arrangements was considered, which would continue the situation with different areas receiving different services. The Council had received significant feedback from residents living in the area of East Northamptonshire, who were only able to access the subscription service, whilst other residents in North Northamptonshire had access to a service which did not require a subscription payment. Residents expressed their expectation that parity for chargeable services was one early benefit to them of the recent formation of the new Council. Delaying the harmonisation of the service across North Northamptonshire would not resolve the concerns raised by residents in the area of East Northamptonshire and has therefore been dismissed.
- 3.5 Providing a universal service funded by general taxation has been considered and forms part of the analysis later in this report. It has been rejected on the basis that it does not support the Council's MTFP and requires all taxpayers to contribute towards its operating costs, even if they do not require or use the service. Delaying the implementation of a subscription-based service beyond the recommended date would delay the financial contributions to the MTFP, which are required as a contribution towards balancing the Council's budget in 2023/24 and beyond.
- 3.6 It would be possible to continue charging residents in East Northamptonshire £55/bin/year until 1st April 2023 and offer no rebate. This option has been discounted as it further exacerbates the disparity in the current garden waste services operating across North Northamptonshire and would likely lead to existing customers delaying their renewal until 1st April 2023, which could have further operational and financial implications for the Council. The disparity between those residents located in East Northamptonshire and other North Northamptonshire residents exists due to local government reform. The Council notes that East Northamptonshire residents have paid for a service that other residents have not and therefore to address this unfairness, the rebate of £20 seeks to reduce this disparity. The £20 has been determined by the new subscription rate of £40 less the current rate of £55 plus a small financial sum to acknowledge the disparity.
- 3.7 The subscription charge could be set at various levels to reflect the Council's approach to funding the service. A higher subscription rate would reduce the financial burden on the Council and require individual residents to pay more for the service if they choose to subscribe. The recommended level of

subscription charge reflects the Council's objective to recover most of the operating costs from those who use the service whilst being mindful of the current economic conditions putting pressure on households.

- 3.8 Delivering the service via a third-party commercial operator has been considered, but rejected, as it does not align with the Council's current delivery model, whereby waste services are delivered by in-house teams in three of the four operational areas.
- 3.9 It would be possible to reduce garden waste collections to a monthly service. This option has been discounted for operational reasons and because it would be unpopular with residents given recycling and general waste are both collected once a fortnight. A garden waste bin left for 4 weeks becomes compacted, begins to rot (and smell) and produces liquid. This leads to bins that are very heavy and often overweight, which either become unsafe to manoeuvre (for residents and employees), or they break when lifted on the vehicle. The consultation indicated that 10% of properties expect to need two bins under a fortnightly collection service. This is expected to rise significantly with a 4-weekly service. Not all properties will have space for an additional garden waste bin and there is an additional capital cost in providing additional bins to those that request them.

4. Report Background

- 4.1. The Council currently offers fortnightly kerbside collection of household and garden waste for their residents. There are no proposals to change the arrangements for the collection of household waste.
- 4.2. Residents can also dispose of their household and garden waste, free of charge, at any of the Household Waste and Recycling Centres (HWRCs) in North Northamptonshire; which are sited in Corby, Kettering, Rushden and Wellingborough.
- 4.3. The former district and borough councils covering the area of North Northamptonshire operated kerbside garden waste services which differed from one another. These services were transferred to the new unitary authority on 1st April 2021 and remain in operation. The current services provided in each area are outlined below:

| Area | Collection Period | Subscription Charge |
|---------------------|---|----------------------------|
| Corby and Kettering | 12 months, alternate weekly | Nil |
| East Northants | 12 months, alternate weekly | £55 per annum |
| Wellingborough | Early Mar – Early Nov, alternate weekly | Nil |

- 4.4. This current situation has resulted in disparities between the services across North Northamptonshire. Notably, the kerbside collection service in

Wellingborough operates for a shorter period (8 months of the year) and residents in the East Northamptonshire area who choose to use the service are required to subscribe for it and pay a subscription charge. In East Northamptonshire, the garden waste service is delivered by FCC, who are contracted by the Council to undertake all waste and street cleaning operations in the area. This contract runs until July 2025. Any significant change to the contract (such as adding additional properties to the garden waste service) will result in additional costs to the Council, which have been included in the financial analysis. It should be noted that in the East Northamptonshire area there is an additional private operator, separate to the Council, who offers a similar service to residents on a subscription basis.

- 4.5. The existing budget for the waste service for 2022/23 includes provision of £507,000 subscription income from the East Northamptonshire area, however, the actual income is approximately £625,000, fluctuating with take-up. Changes to the service will impact on the budget outturn for this fiscal year and for future years.
- 4.6. Research, conducted in October 2021, shows that over 80% of Waste Collection Authorities in England and Wales currently make a charge for the collection of garden waste. Charges vary across councils from £14 to £96 per annum, however, the national average was approximately £46 per annum.

5. Issues and Choices

- 5.1. The primary consideration for the Executive is to determine how the garden waste service is funded in the future. The service can be funded from general income, which includes Council Tax receipts, or it can be entirely paid for by those who choose to use the service through a subscription fee. The recommended option takes a balance of both whereby a subscription charge will cover most of the costs of operating the service and the Council will fund the remainder from general income.
- 5.2. Officers developed four main options to explore the costs and operational factors of each funding approach. A breakdown of the costs for each option can be found at 7.1.
- 5.3. **Option A – Universal service with no subscription charge operating all year (12 months):**
Household garden waste collections provided to every property in North Northamptonshire, irrespective of individual household participation. Each property to be allocated one 240 litre container which will be collected from the point where the property meets the public highway on a fortnightly basis. The garden waste service will have a suspension for two weeks over the Christmas and New Year period and residents would be able to dispose of Christmas trees through the service when it resumes in January.
- 5.4. **Option B – Universal service with no subscription charge operating during the growing season (eight months):**

Household garden waste collections provided to every property in North Northamptonshire, irrespective of individual household participation. Each property to be allocated one 240 litre container which will be collected from the point where the property meets the public highway on a fortnightly basis. The garden waste service would be suspended from operations between November and February. There would be no collection of Christmas trees.

5.5. Option C – Subscription based service operating all year (12 months):

Household garden waste collections provided to every property in North Northamptonshire on a pay-in-advance subscription basis. Each property may subscribe to multiple 240 litre containers which will be collected on a fortnightly basis from the point where the property meets the public highway. The garden waste service will have a suspension for two weeks over the Christmas and New Year period. Subscribers to the service would be able to dispose of Christmas trees through the service when it resumes in January.

5.6. Option D – Subscription based service operating during the growing season (eight months)

Household garden waste collections provided to every property in North Northamptonshire on a pay-in-advance subscription basis. Each property may subscribe to multiple 240 litre containers which will be collected on a fortnightly basis from the point where the property meets the public highway. The garden waste service would be suspended from operations between November and February. There would be no collection of Christmas trees.

5.7 Properties which are not suitable for wheeled bins may access the green waste service by way of a paper sack which can be presented in the same way as the wheeled bin. In Options C and D, these would be available through an ad hoc pre-pay solution, which residents could access via existing payment channels. The current cost of this service is £16.50 for 10 x 75litre compostable sacks.

5.8 As a result of introducing a standardised service, there will be a variety of implications, which are outlined in sections 5.9 and 5.10 below.

5.9 If either option relating to a universal service with no subscription charge (Options A and B) is approved, the following implications have been identified and inform part of the service design and mobilisation phases of the project. These implications are in addition to the financial costs outlined in 7.1.

- It will be necessary to provide current non-subscribers in the East Northamptonshire area with a garden waste service; this currently relates to approximately 30,000 households and would constitute a significant new service mobilisation for the former East Northamptonshire area. As collection services for this location are outsourced, it would require the current provider to lead and manage any mobilisation to offer this service universally in this area. It is expected that mobilisation costs would be approximately £687,000. This relates to costs associated with the delivery of a large number of containers over a relatively short time frame.

Existing subscribers may expect a refund for any future months which they have paid for, but, which would no longer be subject to a subscription fee.

This will be a significant administrative burden affecting the customer service teams and the existing waste administrative resource allocated to this service.

- Creation of a budget pressure for fiscal year 2022/23 because of lost income for the remaining months of the service. The full year impact is approximately £625,000; the actual loss will depend on when the service begins and how many residents are due to renew after that date. There will also be increased costs for the delivery of the service to all households which has not been previously included within budgets.
- The amount of garden waste material collected at the kerbside is likely to increase and it is estimated that this will relate to an approximate 1 – 2% increase in the Council's overall recycling rate.
- Implementation of this option will be dependent on the Council's contractor in East Northamptonshire being able to mobilise to service additional properties across East Northamptonshire who do not currently receive a garden waste collection. The time to mobilise vehicles and crews is significant and is likely to take months. The production of the necessary quantities of additional wheeled bins, and their subsequent distribution, is also significant and is expected to take several months. Exact timeframes would need to be agreed with the contractor but it is unlikely the service could commence in Spring 2023.

5.10 If either option relating to a subscription-based service (Options C and D) is approved, the following impacts have been identified and inform part of the service design and mobilisation phases of the project. These impacts are in addition to the financial costs outlined in 7.1.

- Based on comparison with similar Local Authorities that have introduced a subscription for garden waste collections, it is estimated that 50 - 60% of households will cease to participate in the service and some residents will request a retrieval of the redundant container. Large scale container retrieval is a costly and labour-intensive process if attempted over an abbreviated period and it would require significant additional resources to the service. To reduce these costs, the retrieval of bins will be offered on a longer term, geographically based collection basis. This is expected to require additional crews and delivery vehicles to respond to resident requests to remove their bin. Depending on demand, residents may have to wait several weeks before their bin is removed, however the council recognises this approach may need to be revisited should there be an increase in customer enquiries on this approach.
- Some residents may dispose of their garden waste via the non-recyclable waste stream. The existing waste collection processes have already been developed to address this behaviour. The policy enables the Council to use both educational and waste enforcement resources to raise awareness of the correct way to dispose of different waste-streams and, if necessary, to enforce those behaviours.

- Residents who choose not to opt-in to the scheme would continue to have other options available to them to dispose of their garden waste, including:
 - Composting at home, which is the most environmentally sustainable way to dispose of garden waste.
 - Taking their waste to one of the Council's four HWRCs.
- To enable customers to access the garden waste service, including paying and managing their subscription, it is necessary to develop new processes, utilising existing Council systems and platforms.
- To enable the back-office teams to manage the subscription service, it will be necessary to increase the size of the team and develop back-office systems utilising existing Council systems and platforms.
- Some other waste disposal costs may increase, such as material received via HWRCs; additional disposal costs have been factored into the resource modelling to account for any increases. These figures are estimations as it is not known how residents will choose to dispose of their waste.

5.11 In acknowledgement of the disparity between the different service offers across North Northamptonshire, inherited from the former districts and boroughs, and in particular the subscription charge that only applies in East Northamptonshire, it is proposed that existing garden waste customers in East Northamptonshire will receive a rebate of £20/bin on their garden waste subscription when they renew their subscription during the first year only of the new service. In effect, these customers will pay £20/bin when they renew at the end of their current subscription period for the next 12 months only. This will be applied from 1st November 2022 onwards. This rebate will not be applied to new customers or to customers who have had a break in their subscription. The £20 has been determined by the new subscription rate of £40 less the current rate of £55 plus a small financial sum to reflect the disparity.

5.12 The Council currently offers a subsidised home composting container and it is recommended to enhance this scheme to promote more home composting as an environmentally sustainable option and to support residents who do not wish to subscribe to the garden waste service. It is proposed that the Council subsidise the cost of home compost bins so that residents can buy a bin for £5 plus a delivery charge of £6.99. This is a subsidy provided by the Council of £17/bin. To limit the cost to the Council, this will be capped at 1,000 bins per year. These prices may be subject to change if the supplier alters their costs and charges. This scheme will be promoted widely to encourage take-up.

5.13 Consultation results (see background papers below for the website address to access the full results) indicate that many prospective subscribers would prefer to use direct debit as a method of payment for this service. As the Council is still operating legacy income management systems and processes, it is not currently possible to offer direct debit payments for new garden waste subscribers. If a subscription-based service is implemented, it is intended for direct debit payments (or recurring payments on card transactions) to be offered

as part of a later service development phase and is expected in 2023. Until then, existing cashless web-based payment portals are proposed to reduce the administration costs of providing the collection service and in turn reduce the cost to subscribers.

- 5.14 Through the consultation exercise, residents have indicated a concern that introducing a subscription-based service will increase fly tipping levels. Analysis of the waste data flow information, which is submitted to Defra each month, for East Northamptonshire over the last five years shows that incidents of fly tipping that are comprised of garden waste material constitute 7.5% of the overall numbers reported.
- 5.15 The data in **Appendix C** shows the actual number of reported fly tipping incidents that related to garden waste. This indicates that fly-tipping of garden waste material is rare. Furthermore, on inspecting this waste, it is often fly tipped by unauthorised contractors providing services to residents. The Council operates a zero-tolerance policy in respect of incidents of environmental crime and will seek to address any incidents of fly-tipping through education and enforcement activities. Residents are advised to only use contractors who have a valid Waste Carrier's License and ensure they know where the contractor is disposing of any garden waste arising from their property.

6 Next Steps

- 6.1 If Option C (a subscription-based service for 12 months) is approved, the following next steps will be required;
- Working with ICT and Customer Service teams, produce a workflow to manage subscriptions and users accessing the service;
 - Confirm user terms and conditions and produce service information for both hard copy and web-based communication channels;
 - Produce and deploy communication and engagement strategy, including a Frequently Asked Questions document, for changes to the service and information to residents;
 - Create an administrative centre with additional resource, for the service to provide customer assistance and query resolution;
 - Produce and deploy a communication and engagement strategy for changes to the service and information for residents;
 - Update the website and frequently asked questions;
 - Briefing information to be developed and deployed to key stakeholders;
 - Revise waste collections policies;
 - Introduce and promote the enhanced subsidy on home composting bins to promote this environmentally sustainable practice;
 - Procure and deploy resources to collect unwanted bins.
- 6.2 If approved, the intention is to implement Option C in Spring 2023 with the subscription service starting on 1st April 2023 for all residents in the former areas of Kettering, Corby and Wellingborough. This is likely to be the time of year when gardeners most value the service and seek to subscribe to it. It is intended that the service will allow residents to register their subscription prior

to the operational start date. This will allow the administration and routing to be planned. An additional benefit is that the Council can spread the customer contact requirements across a number of weeks and reduces the pressure during early April, which would conflict with the highest levels of Council Tax enquiries. It will be important to ensure the necessary administrative processes and resources are in place to respond to likely high demand. All residents wishing to access the service would need to start paying a subscription charge.

- 6.3 To support those in East Northamptonshire who are already paying a subscription charge, the Council will implement the new charge in this area from 1st November 2022 rather than continue to apply the existing charge of £55. This will help to avoid residents in East Northamptonshire paying a higher rate for months in 2023 compared to residents in the rest of North Northamptonshire. A rebate of £20/bin will be applied during the first year of operating the service in East Northamptonshire as explained above.

7 Implications (including financial implications)

7.1 Resources, Financial and Transformation

- 7.1.1 Overall, the number of customers who responded to the consultation who said that they would take up the new service, if introduced, was 27% of those that answered the question with a further 11% suggesting they would require a second bin. A further 19% said they did not know whether they would take up the service if a subscription was required. Within East Northamptonshire, the current subscription rate is approximately 31%. Additional residents choose to use an alternative private provider, but these numbers are unknown.
- 7.1.2 The participation rate of a subscription-based service will affect the tonnage collected as well as the income. If the tonnage goes up, the cost of disposal also increases. The higher the participation rate, the lower the cost per household of running the service.
- 7.1.3 The full year effect of removing subscriptions i.e., introducing a universal service, for existing services in East Northamptonshire would result in the loss of £624,423 income from the service's base budget. There are also additional operational costs because of providing the service to all residents, these costs are outlined below.
- 7.1.4 In order to compare the costs of delivering the four different options, base year scenarios have been created using costs from 2022/23. The scenarios are an estimation based on many assumptions regarding take-up of the service; disposal tonnages; disposal costs; resident behaviour; and supplier and contractor costs. These base year scenarios do not account for any future inflation. These scenarios are presented for comparative purposes and should not be used to set future budgets.
- 7.1.5 The base year scenarios assume a participation rate of 40% in a subscription service. Whilst this is used for modelling purposes, a 40% participation rate is not likely to be achieved in the first year of operation. The subscription service

within the base year scenarios assumes the subscription charge would be set at the recommended level of £40/bin/year. The 8-month subscription charge is pro-rated and rounded based on the 12-month charge.

7.1.6 The figures in Table 1 illustrate that the net cost to the Council of providing the current service is £2.695m, after the subscriptions for East Northamptonshire are included.

7.1.7 As has been previously mentioned in this report, the proposed subscription charge does not cover the full cost of operating the service. The base year scenarios indicate that if a 12-month subscription service were introduced, it would have a favourable effect on the Council's budget of £2.010m a year. A universal 12-month service would create a pressure on the Council's budget of £1.543m.

Table 1: Estimated annual costs and income of the options (Base Year Scenarios)

| | Current service | Option A: Universal 12 months | Option B: Universal 8 months | Option C: Subscription 12 months | Option D: Subscription 8 months |
|---|-----------------|-------------------------------------|------------------------------------|--|---------------------------------------|
| Total Operational Costs | £3,319,958 | £4,239,057 | £4,120,830 | £3,088,465 | £2,637,064 |
| Subscription income | (£624,423) | £0 | £0 | (£2,403,616) | (£1,617,818) |
| Net Cost to the Council | £2,695,535 | £4,239,057 | £4,120,830 | £684,849 | £1,019,246 |
| Difference to current service (budgetary impact) | £0 | £1,543,523 | £1,425,295 | (£2,010,686) | (£1,676,289) |

Note: The base year scenarios do not include any future inflationary pressures and assume a participation rate of 40% for subscription services.

7.1.8 Projected costs of operating a 12-month subscription service over the next three years have also been modelled. This includes assumptions of future inflationary pressures and a steady rise in the participation rate. Table 2 illustrates that, in year 1, the service would cost £66 per household to operate. If the subscription charge were set at £40/bin/year, it would be insufficient to cover the total cost of operating the service. Under this proposal, the Council will continue to subsidise the service through general taxation. Compared to the current service costs, the service would still return a favourable effect on the Council's budget of £1.587m in year 1.

7.1.9 The subscription charge will be reviewed annually in line with the Council's process for setting fees and charges. The actual participation rate and cost of running the service can be used to inform the setting of the charge and the Council could adjust the charge if it were deemed to be over or under recovering compared to the cost of operating the service.

7.1.10 The provision of a limited number of subsidised home compost bins is expected to cost the Council £17k per year.

7.1.11 Providing a rebate of £20/bin to existing garden waste customers in East Northamptonshire during the first year of its operation in this area will reduce the anticipated income to the Council during 2022/23 by £152k and in 2023/24 by £142k. This assumes they all choose to renew at the end of their current subscription period. This will be met from within Council resources and as this

is a one-off cost it will be underwritten through reserves, using delegations available to the Executive Director of Finance.

Table 2: Three-year projection of 12-month subscription service

| | Base Year (22/23) | Yr1 (23/24) | Yr2 (24/25) | Yr3 (25/26) |
|--|---------------------|---------------------|---------------------|---------------------|
| Participation Rate | 40% | 35% | 40% | 45% |
| Subscription rate | £40.00 | £40.00 | £40.00 | £40.00 |
| Total Operational Costs | £3,088,465 | £3,449,787 | £3,452,724 | £3,582,649 |
| Subscription income | (£2,403,616) | (£2,103,164) | (£2,403,616) | (£2,704,068) |
| Net Cost to the Council | £684,849 | £1,346,623 | £1,049,108 | £878,581 |
| Difference to current service (budgetary impact) | (£2,010,686) | (£1,587,466) | (£2,037,868) | (£2,339,729) |
| Operational cost per household | £51 | £66 | £57 | £53 |

Mobilisation costs in 2022/23

7.1.12 In order to launch a 12-month subscription service (Option C) during Spring 2023, additional costs are expected to be incurred during the 2022/23 financial year. There is not currently any budget allocated to these activities within the 2022/23 budget.

7.1.13 ICT and back-office administration start-up costs for a subscription-based service are approximately £50,000 which will be required in 2022/23.

7.1.14 For options A or B, additional costs to provide services for an additional 30,000 properties in East Northamptonshire will incur an additional £687,000 in year one. It is assumed this would be allocated to capital expenditure but still represents a cost to the Council.

Table 3: Mobilisation costs in 2022/23

| | Universal service (Options A or B) | Subscription service (Options C or D) | Funding source |
|---|------------------------------------|---------------------------------------|----------------|
| ICT development | Nil | £40,000 | Revenue |
| Recovery of bins | Nil | £92,000 | Revenue |
| Communications | £5,000 | £50,000 | Revenue |
| Delivery of new bins (for East Northants) | £687,000 | - | Capital |
| Total | £692,000 | £182,000 | |

7.1.15 To develop further the customer journey for a subscription service, a further £50,000 will be required in 2023/24 to develop the direct debit payment option and integrate the service with new income management and customer relationship systems. An on-going revenue cost is also expected for paying for this service; this will be confirmed once the direct debit option has been designed and sufficient budget will be required to cover this cost.

Medium Term Financial Plan Context

- 7.1.16 As indicated in the Authority's medium-term financial plan, approved by Council at its meeting on 24th February 2022, the Council faces significant funding gaps in future years which must be addressed. The timing and scale of these will be dependent on the outcome of the Government consultation regarding the changes to the financing regime for Local Government, both in terms of business rates retention and the general funding allocation. As yet, this consultation has not been announced and the sector receives only single year budget settlements, which makes future planning difficult.
- 7.1.17 Further to this, and since the budget has been set, the Council, and Local Government in general, is facing a significant increase in costs resulting from high inflation and continuing growth in demand for services, particularly in areas such as social care, transport and housing. A recent announcement of the employer pay offer for 2022/23 also indicates that the costs for the pay award will outstrip the budget available, presenting the Council with a recurring pressure into future years. The pay offer has not yet been accepted.
- 7.1.18 The Council is statutorily required to present a balanced budget each year. Any forecast budget gap will need to be met through service change, greater efficiencies and/or income generation.
- 7.1.19 It is worth noting that, although Council Tax contributes to the overall funding of the Council, the total income budget of the Council comes from many sources beyond Council Tax including Business Rates, Government grants and contributions, use of reserves, fees and charges and other miscellaneous income. The Council must consider its obligation to set a balanced budget based on all income and expenditure across a wide range of services. Most of the funding a Local Authority receives is not specific to an individual service but is for the general provision of public services in areas such as Social Care, Waste Management, Highways and Education - services that are important to people either daily or at different points in their lives. Payment of Council Tax is a legal requirement, as set out in the Local Government Finance Act 1992 and subsequent regulations.

7.2 Legal and Governance

- 7.2.1 The Environmental Protection Act 1990 requires local authorities to provide waste collections to households (section 45) and the Waste (England and Wales) Regulations 2011 requires those collections to encompass arrangements to separately collect paper, metal, plastic, and glass as a minimum. The Environment Act 2021 amends these provisions to define recyclable waste as:

- (a) glass;
- (b) metal;
- (c) plastic;

- (d) paper and card;
- (e) food waste
- (f) garden waste.

7.2.2 The Environmental Protection Act 1990, at section 46, allows the Council to specify the size and type of containers in which waste is collected as well as the frequency of those collections.

7.2.3 The Council is permitted to charge for the collection of garden waste under Schedule 1 of the Controlled Waste (England and Wales) Regulations 2012. Section 45(3)(b) of the Environmental Protection Act 1990 further provides that any charge must be “reasonable”. The Act does not define “reasonable”, but the usual meaning is that the charges should be comparable with those levied by other authorities and service providers and reflect the costs of delivering the service.

7.2.4 It is a requirement that the Executive make a decision based upon the evidence before it. Members should look at the available information contained within the report and reach a considered view in light of their powers and duties.

7.2.5 The relevant considerations include but are not limited to;

- The recommendation;
- Responses to consultation and written/verbal representations received and the impact of these on the options provided;
- Cost of decision;
- Effects of decision on others (including but not limited to giving due regard to the Public Sector Equality Duty);
- Advice from officers both within the report and verbally;
- Alternative options.

7.2.6 The decision must be proportionate otherwise it may be considered “Wednesbury Unreasonable”, and members must therefore be satisfied that there are justifiable and compelling public interest reasons for why they are making the decision and have discounted alternative options. Reasons for decision are required for each element of the decision and those reasons must be proportionate and evidence based otherwise there is an increased risk of legal challenge.

7.2.6 A right to consultation is implied as part of the Council’s duty to act fairly and therefore a lack of proper and meaningful consultation could lead to a risk of legal challenge. Consultation responses have been provided to the Executive to enable them to consider these as part of their decision making. Where consultation responses differ from the recommended option, Members must have considered this as part of their decision making.

7.2.7 Whilst there is no legal requirement to harmonise all services across the unitary authority within a prescribed timeframe, it could be determined to be inequitable if services are paid for, or charged for, differently across the area. The risk of a successful legal challenge increases the longer any disparity exists.

7.2.8 Whilst the Council is mindful that some residents are paying for a service that others are not, this was as a result of local government reorganisation. The Transition Regulations, provide that any policies or decisions that were made by a predecessor authority continue to the new Council until such time as a decision is made by the new authority. It is therefore lawful that East Northamptonshire Council's decision to implement a subscription service has remained in place until such time as a decision is made by the new authority. The new authority is bound by previous decisions until such time as it makes new decisions. It should be noted that there has not been a decision until now to remove or change the subscription charge.

7.2.9 It is however noted that whilst the subscription charge is lawful and should be relied upon, it is neither an equitable nor fair situation for East Northamptonshire residents. It is recommended therefore within the report that for those customers who have previously paid a subscription charge and are signing up for the service again, they will receive a reduced subscription fee for one year (through a rebate). It should be noted that in making such a decision, there is a risk that there is disparity again for North Northamptonshire residents and an increased risk of legal challenge exists compared to not making the decision. However, the reasons for this decision are set out in the report and reflect the inequality and public interest reasons why the recommendation is considered reasonable and proportionate.

7.2.10 If the Council was seeking to "remake" East Northamptonshire's decision by rebating the entire subscription fee which has been in place since transition, then there would be a legal risk that the Council would be acting outside of its powers.

7.2.8 The public sector equality duty obliges local authorities, as a public body, in the exercise of their functions, to have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that the EqA 2010 prohibits.
- Advance equality of opportunity and foster good relations between those individuals who share a relevant protected characteristic and those who do not.

7.2.9 Although there is no legal obligation to complete a formal equalities impact assessment, the Equalities and Human Rights Commission favours undertaking an analysis of the effects on equality of the decision and therefore an Equality Impact Assessment was undertaken. This has been considered in forming the recommendations in addition to the Public Sector Equality Duty.

7.3 Relevant Policies and Plans

7.3.1 The proposal is in line with the Council's Corporate Plan, particularly the commitments to provide modern public services and create a greener, sustainable environment. The recommendations seek to promote a harmonised service, which is easy to use and cost effective to provide. The recommendations include the promotion of home composting as an environmentally sustainable alternative to kerbside collections. Furthermore, a

subscription service will reduce the Council's fuel use, which will reduce carbon dioxide emissions associated with this activity and contribute positively to the Council's climate change and air quality objectives

7.3.2 The Council approved its Waste and Recycling Collection Policy in October 2021. A full copy of the policy can be found at this link: <https://northnorthants.moderngov.co.uk/documents/s3804/Appx%20A%20-%20NNC%20Waste%20Recycling%20Policy%20V0.1%2013.10.21.pdf>

7.3.3 These policies have been designed to meet our statutory obligations in relation to waste collection and recycling and to ensure that there are clearly defined policies and standards in relation to the collection and disposal of waste and recyclable materials.

7.4 Risk

7.4.1 The risk of a successful legal challenge increases the longer any disparity between different service offers exists. It is therefore recommended that the Council seek to harmonise the garden waste service across North Northamptonshire at the beginning of the next financial year rather than leave it to be resolved at a later date.

7.4.2 Due to global factors, lead times and costs for all materials, products and services that form part of the wider infrastructure that provide critical support to waste collection services such as fuel, vehicles, replacement parts and containers are increasing. These factors negatively impact the service delivery teams' ability to expedite service updates at pace and may extend the timeframes for the delivery of new services or service changes. There is a particular risk of delay from ordering large quantities of new bins for a universal service.

7.4.3 Whilst the projected costs of operating a subscription service have included inflationary increases, these are estimates and may not reflect reality. Processors of waste charge the Council a gate fee, which is a charge per tonne of material accepted at their site. This contributes towards the cost of their operations. Gate fees, together with any inflationary change, are set as part of the procurement and contract agreement stages. The cost for disposing of garden waste through a composting facility remains less expensive than disposing of it as general waste, largely because general waste attracts a landfill tax per tonne. The Council will be re-procuring its garden waste disposal contract later this year. If gate fees for garden waste disposal increase, this will put a further pressure on the service. Given the current economic conditions, this is likely.

7.4.4 If subscription rates are lower than expected, this would also put pressure on the income and the financial risk and implications, would fall to the Council.

7.4.5 The Council holds an overarching risk for the waste and recycling service which is recorded on the Council's corporate risk register: *H&W08 - Waste collection (kerbside and HWRC (Household Waste Recycling Centre) services) and street*

cleaning services that fail to perform statutory functions. Failure could result from disruption to waste disposal facilities, disruption to collection arrangements (vehicle break-down or staff shortages), or lack of budget to provide adequate services.

7.4.6 The table below highlights the key risks and control measures in place if a universal service funded by wider taxation is approved.

| Risk | Potential Controls |
|---|---|
| Creation of a budget pressure due to the removal of subscriptions for residents in East Northamptonshire, which cannot be met from in-service efficiencies. | <ul style="list-style-type: none"> • Additional budget provided in 2022/23 to off-set the loss. • Budgets to be readjusted from 2023/24 to account for the loss of income. • Fully costed options analysis available to identify all resourcing potential for the service. |
| Increase in calls to Customer Contact Centres requesting information | <ul style="list-style-type: none"> • Funding for additional short-term resources will be required to assist existing teams • Full and detailed Frequently Asked Questions available for end users and colleagues. |
| Increase in complaints / dissatisfaction with the service. | <ul style="list-style-type: none"> • Funding for additional short-term resources will be required to assist existing teams • Full and detailed Frequently Asked Questions available for end users and colleagues. |

7.4.7 The table below highlights the key risks and control measures in place if a subscription-based service is approved.

| Risk | Potential Controls |
|---|---|
| Residents may begin to dispose of their garden waste in their household waste bin, increasing landfill costs to the authority | <ul style="list-style-type: none"> • Waste collection policy specifically prohibits disposal of organic waste via the non-recyclable containers. • Awareness raising, and where necessary, enforcement of these policies. • Information to be provided to residents to encourage the use of free or subsidised home composting containers or self- |

| | |
|--|---|
| | <p>delivery of garden waste to HWRCs</p> <ul style="list-style-type: none"> • Full and detailed Frequently Asked Questions available for end users and colleagues. |
| Potential increase in fly-tips containing garden waste | <ul style="list-style-type: none"> • Information to be provided to residents to encourage the use of free or subsidised home composting bins or self-delivery of garden waste to HWRC's • Awareness raising, and where necessary, enforcement activity to combat this behaviour • Full and detailed Frequently Asked Questions available for end users and colleagues. |
| Environmental issues due to increase in residents burning garden waste | <ul style="list-style-type: none"> • Information to be provided to residents on how to avoid causing nuisance in conjunction with Environmental Protection. • Full and detailed Frequently Asked Questions available for end users and colleagues. |
| Reduced customer satisfaction and increased complaints | <ul style="list-style-type: none"> • Ensure that decisions regarding the service are communicated timely and effectively. • Full and detailed Frequently Asked Questions available for end users and colleagues. |
| Households attempt to access the service without paying subscription. | <ul style="list-style-type: none"> • Deploy use of a bin sticker for subscribers to assist collection personnel to identify active users. • Full and detailed Frequently Asked Questions available for end users and colleagues. |

7.4.8 During the consultation phase, to inform the emerging Environment Bill, the Government asked whether local authorities should be required to introduce a free fortnightly garden waste collection service. Although the outcome of that consultation has still not been published, the Environment Bill is now enshrined into UK law, having been granted Royal Assent in November 2021. Within the Act, there is no restriction on charging for the collection of garden waste. The Government may still change the regulations and restrict local authorities' flexibility to charge residents a fee to receive a garden waste service, but, they have not indicated any further intention to do so. If Government were to do so, the Council may have to pay to reintroduce a universal service and may lose the subscription income, unless the Government reimbursed the authority for these costs.

7.4.9 The Government has indicated in the drafting of the Environment Bill that separate food waste collections will become a statutory requirement for all authorities in the coming years. Whilst the timeframes or details have not yet been confirmed by Government, this would come at a significant cost to introduce and sustain. This could be an additional financial pressure on the Council which is currently unbudgeted.

7.5 Consultation

7.5.1 The Council conducted a consultation exercise between March 2022 and April 2022. The public consultation was conducted by the Council's Consultation and Engagement Team. The structure and design of the consultation set out the proposals and enabled both online and non-digital means of participation, in accordance with nationally recognised good practice.

7.5.2 During the Garden Waste Collection Service consultation period, using the various means available to consultees, local people, interested parties and organisations contributed to the consultation 9,587 times. Nearly all the feedback received was via the questionnaire, with 9,447 respondents participating via the questionnaire and 140 respondents submitting a written response.

7.5.3 99.5% of the respondents to the consultation said they had a garden.

7.5.4 73.2% of respondents either strongly agreed or tended to agree that the service should be the same for all residents.

7.5.5 Respondents were then presented with the following two statements and asked which option they agreed with the most:

- Kerbside garden waste collection should be paid for by only those households who use the service and those households should pay a subscription charge. 21.1% of respondents agreed most with this statement.
- Kerbside garden waste collection should be paid for through wider taxation, so all households contribute to its cost even if they do not use the service. 78.9% of respondents agreed most with this statement.

7.5.6 When reviewing the feedback given by respondents who said, 'Kerbside Garden waste collection should be paid for through wider taxation, so all households contribute to its cost even if they do not use the service,' their comments focussed mainly on three themes which are listed below.

- Respondents were concerned that introducing a subscription charge would lead some residents to fly-tip their garden waste rather than pay for the service.
- Respondents noted that they already receive kerbside collection for garden waste as part of their Council Tax and that they would be reluctant to pay more, particularly in the light of current cost of living increases.

- Respondents asked questions about what makes garden waste collection different from other services, and why is it not funded as part of the services already covered by Council Tax.

7.5.7 Out of all the respondents, 45.8% said they would stop using the service if they had to pay a subscription charge. The likelihood of respondents subscribing to a chargeable service slowly declined from 37% to 8% as the cost increased from £40-£45 to £56-£60 per year.

7.5.8 A copy of the full analysis report can be found at the link provided in the Background Papers section below.

7.5.9 Consultation responses have been considered in making the recommendations within the report and balanced against the other factors as set out within the report. Although the majority of respondents were in favour of a universal service funded through general taxation and funding, the recommendation to introduce a subscription charge has been made when considering the financial implications and context of the Council's MTFP, as outlined in the relevant sections above. It is also acknowledged that a universal service is funded by residents who do not need or choose to use the kerbside garden waste collection; the recommendation seeks to reduce this by covering the majority of the operating costs through a subscription charge paid by those residents who opt to use the service. The proposed approach is considered to be more equitable. The additional offer of subsidised compost bins, the opportunity to use sacks for ad-hoc collections also ensures alternatives to subscribing have been taken into consideration.

7.6 Consideration by Executive Advisory Panel

7.6.1 The results of the survey were presented to the Service Delivery, Performance and Customers Executive Advisory Panel on 29th June 2022. Members of the Climate Change, Environment and Growth Executive Advisory Panel were also invited to attend the meeting.

7.6.2 The Panel supported the proposal to harmonise the garden waste service so that all residents receive the same service and for the service to be funded in the same way across North Northamptonshire. They supported the introduction of a 12-month service rather than an eight month one. They noted that whilst the consultation results were informative, they did not necessarily represent the views of all residents because the vast majority (>99%) of respondents had a garden. If more residents without a garden had responded, the panel believed the responses to the questions regarding how the service should be funded may have been different.

7.6.3 In light of the cost-of-living pressures experienced at present, the panel noted that a subscription service could put further pressure on some households and this should be considered when making any decision.

7.6.4 The Panel were generally interested in the waste treatment process and the end destination of the garden waste. Officers explained the material is sent for composting and the majority of the resultant compost is used as soil conditioner on agricultural land.

7.6.5 To raise awareness of the benefits of home composting and to encourage sustainable methods of maintaining gardens, a Members' Awareness Session on home composting was provided at the Climate Change, Environment and Growth Executive Advisory Panel on 4th August 2022. All Members were invited to attend, and the meeting is available on You Tube: <https://www.youtube.com/watch?v=jOJG8MvO534>

7.7 Consideration by Scrutiny

7.7.1 The matter was discussed at the meeting of the Finance and Resources Scrutiny Committee on 16th August 2022. To further enhance the decision-making process, members of the Scrutiny Commission were also invited to attend this meeting. Following a debate, the Finance and Resources Scrutiny Committee held a majority view in favour of harmonising the service as a 12-month, universal service with no subscription charges for the collection of garden waste, including additional bins and optional sack collection.

7.8 Equality Implications

7.8.1 In line with the Equality Act 2010, an Equality Screening Assessment has been undertaken and included as part of this report.

7.9 Climate and Environment Impact

7.9.1 The Council's Garden waste collection service supports the environment by diverting organic waste from the processes used to treat and dispose of non-recyclable material, thereby avoiding the cost of landfill tax and the associated production of methane and leachate, which will contribute positively to the Council's climate change objectives.

7.9.2 The Council is committed to promoting home composting as an environmentally sustainable alternative to kerbside collections. The provision of subsidised home compost bins seeks to encourage this environmental practice and reduce the need for residents to use the kerbside collection service.

7.9.3 A universal service is expected to capture higher rates of garden waste through the kerbside collection than a subscription service. Some of this material is likely to be taken to the Council's HWRCs rather than be collected as part of the kerbside collection. A change in the tonnages collected at the kerbside or the HWRCs would affect the Council's recycling rate.

7.9.4 The application of a subscription service will result in fewer Council vehicles being used for the service and a reduction in the Council's fuel use, which will reduce carbon dioxide emissions associated with this activity and contribute positively to the Council's climate change and air quality objectives.

7.9.5 Depending on how residents choose to dispose of their garden waste, a subscription service may increase the number of private vehicles travelling to the HWRCs. This could lead to an increase in vehicle emissions from these vehicles.

7.10 Community Impact

7.10.1 The recommendations in this report will benefit the community by contributing to a sustainable and appropriately resourced waste collection service. Waste collection services are highly valued by all residents and any service updates contribute to overall wellbeing and economic development for the area.

7.10.2 The introduction of a subscription charge may affect some residents who rely on the kerbside collection service but feel unable to pay a subscription charge for the service. They will have a choice to compost their garden waste at home, purchase sacks or take it to the HWRCs.

7.11 Crime and Disorder Impact

7.11.1 There is a concern that there will be an increase in environmental crime, specifically the offence of fly tipping which is a criminal offence under Section 33 of the Environmental Protection Act. The Council operates a zero-tolerance policy in respect of incidents of environmental crime.

8 Background Papers

8.1 Executive Update on Garden Waste Service – 22nd February 2022
<https://northnorthants.moderngov.co.uk/documents/s5739/Update%20on%20Garden%20Waste%20Service.pdf>

8.2 Consultation on the future provision of the garden waste service: results and analysis: <https://northnorthants.citizenspace.com/cet/garden-waste-service>