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<b>PART B:</b>	<b>RECOMMENDATIONS TO COUNCIL</b>
<b>REPORT TO:</b>	<b>POLICY AND RESOURCES</b>
<b>DATE:</b>	<b>3 FEBRUARY 2022</b>
<b>REPORT OF THE:</b>	<b>PROGRAMME DIRECTOR PEOPLE AND RESOURCES MARGARET WALLACE</b>
<b>TITLE OF REPORT:</b>	<b>REPORT ON A MOTION REFERRED FROM COUNCIL GARDEN WASTE COLLECTION SERVICE</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## EXECUTIVE SUMMARY

### 1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to provide a response to the motion referred to Policy and Resources Committee by Council on 13 July 2021 (minute number 38) relating to the garden waste collection service:

*“In order to boost Ryedale’s recycling rate, this Council calls on Policy and Resources Committee to explore:*

- *scrapping the annual fee for green waste recycling, instead providing this service to all homes in Ryedale for free;*
- *extending the time period that green waste is collected from homes each year; and report its recommendations back to Full Council as soon as possible.”*

### 2.0 RECOMMENDATION

2.1 It is recommended that:

- (i) The motion is not supported and that decisions affecting the garden waste service are informed by the new legislation expected under the Environment Act 2021. This will be subject to the outcome of the Department for Environment, Food and Rural Affairs (DEFRA) consultations on the consistency of collections which propose that free garden waste collections are provided by local authorities from 2023/24.
- (ii) There is no change to the current garden waste collection service and the price for the annual licence remains at £38 in 2022/23 (Option 1).

### **3.0 REASON FOR RECOMMENDATIONS**

- 3.1 The Environment Bill was given Royal Assent in November 2021 and became the Environment Act 2021 (“the Act”) which makes provision for targets, plans and policies for improving the natural environment to deliver the National Waste Management Plan which includes the 25 Year Environment Plan and the Resources and Waste Strategy to preserve material resources by minimising waste and promoting resource efficiency.
- 3.2 The Act has been carried over due to the Covid-19 pandemic which has caused exceptional pressure on the Parliamentary timetable. There is currently no indication when the legislative position will change and the government’s formal response to its second consultation on consistency in household and business recycling (which closed on 4 July 2021) is still awaited.
- 3.3. The Act will require all waste collection authorities in England to arrange for the separate collection of garden waste for recycling or composting. It is expected that the outcome of the DEFRA consultations on the consistency of collections will mandate free garden waste collections from 2023/24.
- 3.4 Unlike the collection of general household waste, which the Council has a statutory duty to collect as a waste collection authority, the garden waste collection service is a discretionary service where waste collection authorities are able to make a charge for under the Controlled Waste Regulations 2012. If Ryedale District Council stopped charging for garden waste services, this would add an additional financial pressure on the Council to deliver a non-statutory service.
- 3.5 Across North Yorkshire currently 6 out of the 7 district/borough councils charge for the garden waste collection service (Selby District Council do not charge at present). The Local Government reorganisation process is now underway and any changes would need to be reported through this process that may impact on service delivery in the new unitary.
- 3.6 From a financial perspective, it is recommended the Council awaits the outcome of the country-wide mandated changes before implementing any changes at district level as approving the motion represents growth on the revenue budget for 2022/23.
- 3.7 The implementation timeline cannot be fully achieved in 2022/23 due to the requirement to procure additional collection vehicles to be able to service all households which has a 12-month lead time. There would also be the requirement to plan new collection rounds, recruit additional staff and communicate and market a new service.
- 3.8 The Council has successfully operated a chargeable garden waste collection service since June 2014 and there are a number of reasons to support continuing with the current service provision until new legislation comes into effect:
- Increasing year on year participation levels with 47% achieved in 21/22 representing 12,692 properties subscribing to the service
  - The significant financial implications (revenue and capital) associated with offering a free service to all households (detailed in Section 6.9)
  - The inability to offer the service to all residents due to requiring new collection vehicles which would require a lead time of at least 12 months
  - The climate change impacts arising from operating additional vehicles and increasing the carbon footprint

- The Council would not benefit from new burdens funding which is expected to cover all additional costs of introducing free garden waste collections as part of implementing any new national policy
- The time required and lack of capacity to implement a significant change to the existing service for a potentially short period of time running in parallel with Covid and local government review where strategic plans will be developed for transformed waste services for the new North Yorkshire Council including garden waste collections

3.9 Given all these factors the recommendation is to continue with the existing charging for the garden waste collection service pending new legislation expected under the Environment Act 2021 to minimise any cost implication to the council tax payer.

#### **4.0 SIGNIFICANT RISKS**

4.1 There are a number of significant risks associated with introducing free garden waste collections to all households:

- the legislative risk associated with making service changes prior to the introduction of expected new legislation under the Environment Act 2021
- the financial risk affecting the Council's 2022/23 revenue and capital budgets
- the service risk arising from the inability to actually implement a garden waste collection service to the 13,300 households not currently subscribing for a collection due to a lead time of at least 12 months to procure new collection vehicles and plan new rounds
- the reputational risk associated with any change to current licence charges due to the inability to offer all residents the service which is highly likely to cause customer dissatisfaction leading to increased levels of complaints
- the significant risk to securing new burdens funding where new legislation is likely to be introduced as retrospective additional costs or loss of income cannot be claimed
- the reputational risk associated with a change to a key frontline service during local government reform where strategic plans will be developed for delivery of all waste services by a new authority from 1 April 2023 taking into account any changes to legislation
- the risk to the local government review process and additional impact to the new unitary Council when 6 out of the 7 other district and borough Councils in North Yorkshire also charge for the garden waste collection service
- Officers professional recommendation does not support a decision to change the current garden waste service in 2022/23 on the basis that this would represent a greater risk to service delivery and performance which outweighs any potential benefits given the likelihood that new legislation will be introduced affecting the garden waste service from 2023/24

#### **5.0 POLICY CONTEXT AND CONSULTATION**

5.1 The Environment Act 2021 received Royal Assent on the 9 November 2021. The Environment Act ("the Act") comprises two thematic halves. The first provides a legal framework for environmental governance. The second makes provision for specific improvement of the environment, including measures on waste and resource efficiency, air quality and environmental recall, water, nature and biodiversity, and conservation covenants.

5.2 The Act makes provision for targets, plans and policies for improving the natural environment to deliver the National Waste Management Plan for England including the 25 year Environment Plan and the Resources and Waste Strategy which sets out how

material resources will be preserved by minimising waste, promoting resource efficiency and moving towards a circular economy for England.

- 5.3 The Act will require all waste collection authorities in England to arrange for the separate collection of garden waste for recycling or composting. It is expected that the outcome of the DEFRA consultations on the consistency of collections will mandate free garden waste collections from 2023/24 therefore any decision fundamentally affecting the current garden waste collection service will have an impact on the local government review process and the new unitary authority in 2023
- 5.4 The recommendations support the Council's priorities to deliver sustainability into the future by reducing our carbon footprint and increasing recycling rates in line with emerging national policy; and being an innovative and enterprising Council securing value for money by maintaining strong finances into the future by delivering customer-focused and cost-effective core services.

## 6.0 REPORT

### Background

- 6.1 At the Council meeting on 13 July 2021 a motion was referred to the Policy and Resources Committee (minute number 38). The motion reads as follows:

*"In order to boost Ryedale's recycling rate, this Council calls on Policy and Resources Committee to explore:*

- *scrapping the annual fee for green waste recycling, instead providing this service to all homes in Ryedale for free;*
- *extending the time period that green waste is collected from homes each year; and report its recommendations back to Full Council as soon as possible."*

- 6.2 Members are aware that in July 2021 DEFRA consulted on a series of proposals on consistency of collections which included a proposal to introduce free garden waste collections by local authorities from 2023/24 and indicated that any increase costs will be covered by new burdens funding.
- 6.3 The Environment Act 2021 received Royal Assent on the 9 November 2021 and will require all waste collection authorities in England to arrange for the separate collection of garden waste for recycling or composting. It is expected that the outcome of the DEFRA consultations on the consistency of collections will mandate free garden waste collections from 2023/24.
- 6.4 In February 2013 the Council resolved not to collect garden waste in the winter period December, January and February to deliver savings as part of the 2013/14 Financial Strategy. In October 2013 the Council made the decision to introduce charges for the garden waste service from 1 June 2014 to generate additional income to offset the costs of other waste and recycling services and to safeguard the continued provision of other essential council services as government funding cuts affected the Council's revenue budget. Links to both of these reports are included under background papers.
- 6.5 Across North Yorkshire currently 6 out of the 7 district and borough councils charge for the garden waste collection service (Selby District Council do not charge at present). If Ryedale District Council stopped charging for garden waste this would be an additional impact on the local government review process and for the new unitary council.

## Garden Waste Service – Options Appraisal

6.6 When undertaking the options appraisals, it was identified that it should aim to boost Ryedale's recycling rates

- *scrapping the annual fee for green waste recycling, instead providing this service to all homes in Ryedale for free; and extending the time period that green waste is collected from homes*

A series of options appraisals have been undertaken considering the legislative, financial, political, economic, social, environmental and technological implications associated with any changes to the current garden waste service.

6.7 The options appraisals have considered the implications of 5 potential scenarios for the garden waste collection service:

### Option 1

#### No changes to the current service

Continue with the current residents subscription garden waste collection service with an annual licence charge of £38 pending any changes in national legislation under the Environment Act 2021 following the outcome from the DEFRA consultations.

**This is the recommended option for the garden waste service as outlined in 3.0.**

### Option 2

#### Reduce the price

Continue with the current residents subscriptions garden waste collection service at a reduced charge for an annual licence to operate the service on a cost recovery basis

### Option 3

#### Stop charging

Do not charge the properties currently subscribing to the garden waste collection service.

**Options 2 and 3 are based on existing service demand for garden waste collections (12,350 properties subscribe to the service). There is not the capacity to extend the existing service to all 26,000 properties therefore these options does not offer an equitable service for all residents.**

**Options 2 and 3 cannot be implemented for all properties from 1 April 2022.**

### Option 4

#### Operate the current service for 12 months

Operate the garden waste collection service all year round i.e. with no winter closedown from 2022/23

There is an additional cost associated with operating the current garden waste collections in December, January and February which would have environmental impacts. A carbon impacts assessment based on the additional miles travelled and fuel consumption compared with the forecast 0.5% increase in recycling illustrates that the emissions for the 3 month period work out at 21.12 tonnes CO<sub>2</sub>e which is the equivalent of removing 79,800 car miles transporting garden waste to household waste recycling centres over the 3 month period – anecdotally it is extremely unlikely that residents are incurring this level of mileage to dispose of their garden waste and highly likely that the garden waste produced in winter is actually recycled by either composting at home or in the brown wheeled bin until collection resume in March.

**Option 4 therefore does not deliver additional environmental benefits.**

**Option 5****Plan to introduce free garden waste collections for all properties**

Option 5 cannot be implemented from 1 April 2022 due to a lead time of at least 12 months to procure vehicles and the requirement to introduce a new operating model including planning new rounds and is therefore not a viable option.

**IMPACT ASSESSMENT**

- 6.9 An impact assessment to show the financial implications for these options together with the advantages and disadvantages, based on 2021/22 budget figures, is summarised below in Table 1 and a budget comparison is provided in Appendix 1:

**Table 1 – Options Appraisal: Impact Assessment**

Option	Forecast Revenue Impact	Forecast Capital Impact	Advantages	Disadvantages
	£	£		
1. No changes to the current garden waste collection service	0	0	<p>Minimal budget impact in 22/23 continuing with an annual licence charge of £38</p> <p>Garden waste is a discretionally service and local authorities do not have a statutory duty to run. The service provides additional services to residents. New Environment Act 2021 has received Royal Ascent and will be implemented in 2023, continuing with the current service would allow the Council to consider the implications, receive government guidance and understand any financial implication. This would also align with any introduction of a new Unitary authority operational model for waste services</p> <p>Maintaining the current subscription service does not cause confusion to residents at a time of significant change across North Yorkshire due to LGR</p>	Does not provide the residents with a free garden waste service
2. Reduce the price of the annual licence to operate the service on a full-cost recovery basis	121,420	0	Residents who pay a current subscription would get a service at a reduced cost	<p>This would represent growth compared to the 21/22 revenue budget</p> <p>This creates equality impacts as cannot offer the service to all residents</p>

<p>3. Stop charging now for the properties currently subscribing to the garden waste collection service</p>	<p>469,300</p>	<p>0</p>	<p>Residents who pay a current subscription would receive a free service</p>	<p>This represents growth compared to the 21/22 revenue budget</p> <p>This creates equality impacts as cannot offer the service to all residents</p>
<p>4. Operate the existing garden waste service all year round ie no winter closedown (see note 1)</p>	<p>36,000</p>	<p>0</p>	<p>Residents would receive an all-year service</p>	<p>This represents additional growth to the 21/22 revenue budget for additional staff and vehicles to operate in Dec, Jan and Feb</p> <p>This creates environmental impacts ie increased mileage and fuel consumption</p>
<p>5. Plan to introduce free garden waste collections for all properties</p>	<p>981,550</p>	<p>865,350</p>	<p>A free service for all residents</p>	<p>Garden waste is a non-statutory service for local authorities. If implemented residents who do not have a garden or living in flats would subsidise the service through council tax</p> <p>Additional staff, vehicles and equipment would be required for this option</p> <p>It is not possible to implement this option before 2022/23</p> <p>Consideration would need to be given to LGR</p>

*Note 1: the DEFRA consultation proposes the garden waste service is operated for the growing season which is defined as April to November (35 weeks a year)*



- 6.10 The income generated from the sale of licences for the garden waste collection service offsets the costs of providing other waste and recycling services as part of the revenue budget. As all options except Option 1 involve a change to the current service there are additional costs which would represent growth to the 2022/23 revenue budget position.
- 6.11 The Council is also facing broader financial challenges that have been intensified by the impact of Covid-19 on its income generating activities. It would be recommended to keep the existing service operational delivery model to ensure that we mitigate any additional financial risk to the Council.
- 6.12 It is also important to note two key issues associated Options 2,3 and 5. Firstly, in order to provide the garden waste service to all households in Ryedale additional vehicles, resources and equipment would be required. Due to the current lead times it would not be possible to procure additional vehicles to extend the garden waste service from 1 April 2022. Secondly, a decision to introduce free garden waste collections and incur additional costs ahead of any national changes to policy risks the Council's ability to claim new burdens funding.

### Garden Waste Service Profile

- 6.13 The 2021/22 budget for the garden waste service is summarised below in Table 1:

**Table 2: Garden Waste Cost Centre 2021/22 Original Budget**

<b>GARDEN WASTE SERVICE</b>	<b>Budget 21/22</b>	<b>Comments</b>
<b>INCOME</b>		
Income from licence sales	-469,300	Based on sales of 12,350 @ £38
Income from garden waste incentive	-178,470	Based on 5,680 forecast tonnage collected which is subject to variances depending on the weather
<b>TOTAL INCOME</b>	<b>-647,770</b>	
<b>EXPENDITURE</b>		
Disposal costs	134,080	Based on tonnage collected
Vehicle operating costs	117,100	Based on 2 operational vehicles including all running costs and includes an in year adjustment of £60k to reflect lease costs
Staff costs	172,510	2 drivers, 4 loaders
Other costs	102,660	Management and support costs and central recharges, printing, stationery, depreciation and equipment
<b>TOTAL EXPENDITURE</b>	<b>466,350</b>	
<b>Surplus</b>	<b>-121,420</b>	<b>The garden waste budgeted surplus contributes to the net costs of the waste and recycling services budget. This was £1,615,890 in 2021/22</b>

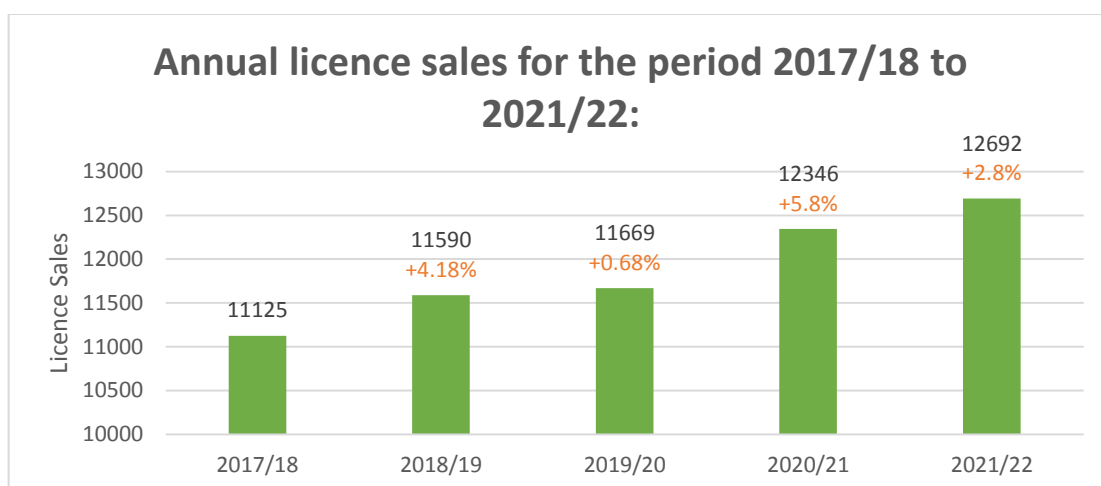
## GARDEN WASTE EXPENDITURE

- 6.14 The costs of the current service are based on 2 operational vehicles, 2 drivers and 4 operatives. All garden waste is taken to an on-farm site for composting and there is a disposal cost per tonne for this service. Other costs include equipment for replacement wheeled bins, printing and stationery for marketing the annual renewal process and internal management and support recharges including customer services, postages, computer and depreciation for vehicles.

## GARDEN WASTE INCOME

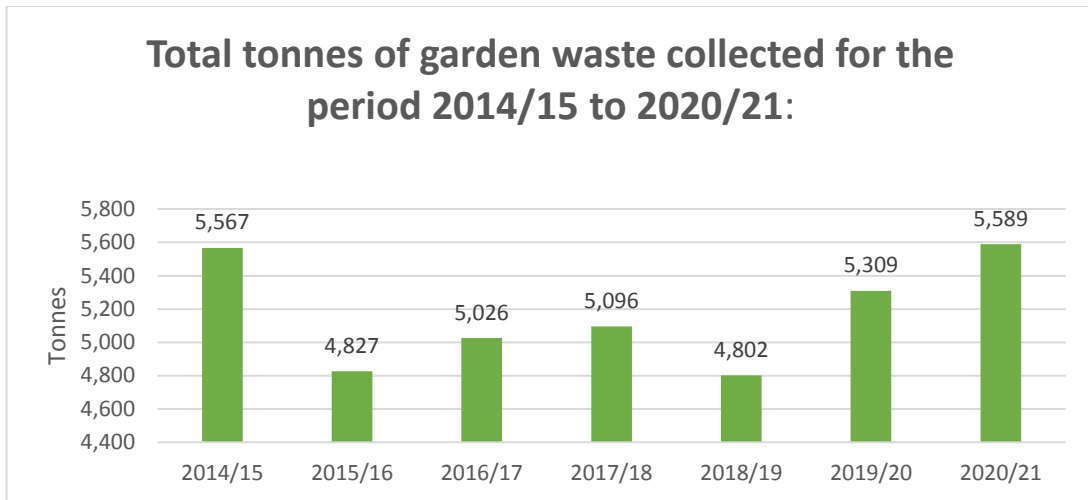
- 6.15 The budget in 2021/22 for the garden waste service includes income totalling £647,770 from the sale of licences and the garden waste incentive payment which is paid by North Yorkshire County Council for every tonne of garden waste collected which is composted which in turn saves disposal costs.
- 6.16 The annual garden waste licence fee has not been increased from £38 since 1 April 2017. The graph below demonstrates there has been a year on year increase in the number of licences sold over the past 5 years providing evidence to support the recommendation to continue with the annual charge as residents are willing to pay for this service which enables them to recycle their garden waste.

**Table 3: Annual licence sales for the period 2017/18 to 2021/22:**



- 6.17 When the charges were introduced there was a reduction in the level of tonnages collected however the drop did not mirror participation rates. Prior to introducing charges the annual tonnages were in the region of 7,000 tonnes which has reduced by 29% to an average of 5,000 tonnes a year – weather conditions are a key factor each year affecting tonnages as wetter weather yields increased tonnages compared to dry weather conditions.
- 6.18 Interestingly, over the past two years garden waste recycling performance has increased reflected in increased licence sales, a key factor is likely to have been due to the covid-19 lockdowns where residents spent more time in their gardens which is highlighted in the graph below:

**Table 4: Total tonnes of garden waste collected for the period 2014/15 to 2020/21:**



6.19 The Council's overall recycling performance split between dry recycling and composting is provided in the graph which has been consistent from 2014/15, illustrating the impact on the overall recycling performance was marginal following the introduction of charges for garden waste:

**Table 5: The Council's Overall Recycling Performance 2013/14 to 2020/21**



## 7.0 IMPLICATIONS

7.1 The following implications have been identified:

### a) Financial

There are potentially significant revenue and capital implications associated with a decision to change the way the current garden waste service operates which are detailed in section 6.9 of the main body of the report, summarised as follows:

#### **Revenue:**

Growth ranging from £121k to £981k as a consequence of changing the pricing and extending the service to all households. In addition operating the existing service all year round would represent additional growth of £36k.

#### **Capital:**

Planning to implement a garden waste collection service to all households requires a capital investment of £865k to purchase additional vehicles, in-cab technology and wheeled bins.

There are also additional potential financial implications for the Council where any additional costs incurred ahead of new legislation cannot be retrospectively applied for as new burdens funding.

### b) Legal

There are potential legal impacts from implementing any changes to the current garden waste service ahead of new legislation and guidance expected from the Environment Act 2021 once the outcomes from the DEFRA consultations during 2021 are announced.

There are also LGR implications as any decision to fundamentally change the current garden waste collection service could not be implemented until 2023/24 which would be a consideration for the new unitary council.

There are also impacts on the local government reform process and for developing a new waste strategy for the new unitary authority given that 6 out of 7 district and borough councils in North Yorkshire also currently charge for the garden waste collection service.

### c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental and Climate Change, Crime & Disorder)

Additional vehicles would be required to enable the garden waste collection service to extend to all households across the district which increases the carbon footprint and therefore represents an environmental impact as introducing more vehicles onto the fleet will incur additional mileage which would need to be offset by the benefit of additional recycling.

Additional staff would also be required to extend the garden waste collection service and there may be difficulties recruiting due to current national driver shortages.

There are significant equality impacts for residents to consider by changing the pricing due to the inability to offer the garden waste collection service to all households until new vehicles could be brought into service which has an expected lead time of at least 12 months.

## **8.0 NEXT STEPS**

- 8.1 The 2022/23 budget will be revised to reflect any changes to the current garden waste collection service.

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### **Background Papers:**

**Full Council 26 February 2013 Minute 209: Financial Strategy 2013/14 included stopping garden waste collections in December, January and February.**

[Full Council Resolution Stopping Garden Waste Colls Dec, Jan and Feb](#)

**Full Council 31 October 2014 Minute 29: Approval of charging for garden waste**

[Full Council Resolution Charging for Garden Waste 31Oct13](#)

[Waste Management Plan for England](#)

**A Green Future: Our 25 Year Plan to Improve the Environment**

[25-year-environment-plan.pdf](#)

**Our Waste, Our Resources: A Strategy for England**

[resources-waste-strategy-dec-2018.pdf](#)

APPENDIX 1

SUMMARY OF GARDEN WASTE BUDGET IMPACTS FOR EACH OPTION

GARDEN WASTE SERVICE	OPTION 1	OPTION 2	OPTION 3	OPTION 4	OPTION 5
REVENUE BUDGET COMPARISON (21/22)	No changes to the current service based on 21/22 budget	Reduce the price to £28 to achieve full cost recovery from existing customer base	Stop charging existing customers	Continue with the existing service and operate for 12 months	Plan to introduce free garden waste collections for all properties
INCOME	21/22 BUDGET	NET IMPACT ON 21/22 BUDGET	NET IMPACT ON 21/22 BUDGET	NET IMPACT ON 21/22 BUDGET	GROWTH ON REVENUE BUDGET
Income from licence sales	-469,300	-347,880	0	-469,300	469,300
Income from garden waste incentive	-178,470	-178,470	-178,470	-182,220	178,470
<b>TOTAL INCOME</b>	<b>-647,770</b>	<b>-526,350</b>	<b>-178,470</b>	<b>-651,520</b>	<b>647,770</b>
<b>EXPENDITURE</b>					
Disposal costs	134,080	134,080	134,080	136,980	52,000
Vehicle operating costs	117,100	117,100	117,100	125,150	59,310
Staff costs	172,510	172,510	172,510	201,310	215,000
Other costs	102,660	102,660	102,660	102,660	7,470
<b>TOTAL EXPENDITURE</b>	<b>526,350</b>	<b>526,350</b>	<b>526,350</b>	<b>566,100</b>	<b>333,780</b>
(Surplus)/Deficit	-121,420	0	347,880	-85,420	981,550
<b>NET IMPACT ON BUDGET</b>	<b>0</b>	<b>121,420</b>	<b>469,300</b>	<b>36,000</b>	<b>981,550</b>
					<b>plus capital £865,350</b>