

Dear Councillor,

CABINET - THURSDAY, 13 DECEMBER 2012

I am now able to enclose for consideration at the above meeting the following reports that were unavailable when the agenda was printed.

**Agenda Item
No.**

10. CARBON MANAGEMENT PLAN UPDATE (Pages 1 - 2)

To receive a report by the Head of Environmental Management on the Carbon Management Plan.

11. ROUND RESCHEDULING (Pages 3 - 4)

To consider a report by the Head of Operations outlining the round rescheduling for the refuse, recycling and garden waste collection services which will be implemented in February 2013.

12.(a) CHARGING FOR A SECOND GREEN BIN - CALL IN (Pages 5 - 14)

To consider a report from the Overview and Scrutiny Panel (Environmental Well-Being) outlining their deliberations on the call-in relating to charging for a second green bin.

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CABINET

13TH DECEMBER 2012

CARBON MANAGEMENT PLAN UPDATE (Report by the Overview and Scrutiny Panel (Environmental Well-Being))

1. INTRODUCTION

- 1.1 At its meeting held on 11th December 2012, the Overview and Scrutiny Panel (Environmental Well-Being) considered a report by the Head of Environmental Management providing an update on the Council's progress towards the implementation of the Council's Carbon Management Plan. The following paragraphs contain a summary of the Panel's discussions on the report.

2. THE PANEL'S DISCUSSIONS

- 2.1 The Executive Councillor for Environment has acquainted the Panel with the background to the Plan, which is currently in its third year of operation. Members are encouraged to note that the Council is on target to achieve a 30% reduction in CO2 emissions from the Council's estate by 2013/14. To date, a 20% reduction has been achieved. A saving of £300,000 has been realised and a further saving of £700,000 is expected to be made by 2013/14.
- 2.2 Matters discussed by the Panel include whether the target of 30% was regarded as being stretching at the time of developing the Plan, the role of the Council's Environmental Resource Efficiency Group in cross departmental working; particularly within the Operations Division and across the One Leisure sites and the receipt of an interest free Salix loan to assist with energy efficiency improvements at One Leisure St Ives. Other matters discussed include the impact of the solar photovoltaic PV panels at Eastfield House and the emergence of environmental initiatives which might generate a financial return to the Council. The Head of Environmental Management has undertaken to clarify the figures reported within Annex A relating to the cost and savings identified for pool covers across the One Leisure sites and to establish whether the savings figures take account of inflation.
- 2.3 Having congratulated the Head of Environmental Management and his staff for the valuable contributions they have made in achieving the carbon reduction the Panel recommends the Cabinet to note the excellent progress that has been made towards the implementation of the Council's Carbon Management Plan and the positive impact this has had to reduce energy use and energy spending. The Cabinet is further recommended to support ongoing cross-departmental working to maximise cost savings and the continued use of the Salix ring-fenced funding and Environment Strategy Capital funding to implement further energy saving projects.

3. CONCLUSION

- 3.1 The Cabinet is requested to take into consideration the views of the Overview and Scrutiny Panel (Environmental Well-Being) as set out above when considering this item.

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BACKGROUND DOCUMENTS

Reports and Minutes of the meeting of the Overview and Scrutiny Panel (Environmental Well-Being) held on 11th December 2012.

CABINET

13TH DECEMBER 2012

ROUND RESCHEDULING

(Report by the Overview and Scrutiny Panel (Environmental Well-Being))

1. INTRODUCTION

- 1.1 At its meeting held on 11th December 2012, the Overview and Scrutiny Panel (Environmental Well-Being) considered a report by the Head of Operations on round rescheduling for refuse, recycling and garden waste collection services. The following paragraphs contain a summary of the Panel's discussions on the report.

2. THE PANEL'S DISCUSSIONS

- 2.1 The Panel has been advised of the background to the rescheduling of the current waste collection rounds. The rounds were last reviewed in 2007. The Executive Councillor for Environment has advised that any changes arising from the review are due to be implemented by the Council in February 2013. Whilst it had been anticipated that the review might result in the loss of one waste collection round, having taken into account property growth levels within the District, this is not likely to be possible as it would mean reinstating this round at a later date. With this in mind, the purpose of the review therefore was to provide a more effective and efficient service, whilst providing an opportunity for the Council to reiterate some of its key waste and recycling messages to the residents of Huntingdonshire. One of the key savings expected from the review are those relating to fuel consumption, which will provide a further environmental benefit for the Council.
- 2.2 Owing to IT related problems with the software utilised to assist with round rescheduling process, the revised rounds are now scheduled to go live on 25th February 2013. All Members will receive an information pack outlining the changes prior to any publicity being undertaken on the new rounds.
- 2.3 The Panel has welcomed the Communications Plan developed to publicise the changes, in particular those aspects relating to educating residents on what materials can and cannot be recycled through their blue bins.

3. CONCLUSION

- 3.1 The Cabinet is requested to take into consideration the views of the Overview and Scrutiny Panel (Environmental Well-Being) as set out above when considering this item.

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CABINET

13TH DECEMBER 2012

**CHARGING FOR A SECOND GREEN BIN – CALL IN
(Report by the Overview and Scrutiny Panel (Environmental Well-Being))**

1. INTRODUCTION

- 1.1 This report summarises the Environmental Well-Being Scrutiny Panel's deliberations and recommendation following its decision to call in the Cabinet's decision on charging for collecting second green bins.

2. CABINET DECISION

- 2.1 The Cabinet, at its meeting held on 22nd November 2012, approved in principle the introduction of a charge for a second green bin and delegated the timing of the implementation to the Managing Director (Communities, Partnerships and Projects after consultation with the Executive Leader and the Executive Councillor for Environment in association with a package of other savings measures to be decided no later than April 2013.

3. CALL IN

- 3.1 Following publication of the Cabinet's decision, three Members of the Overview and Scrutiny Panel (Environmental Well-Being) called it in. This was discussed by the Panel at its meeting on 11th December 2012, which Councillors J D Ablewhite and D M Tysoe as Executive Leader and appropriate Executive Councillor respectively attended.
- 3.2 The reasons given for calling in the decision were that it is "ambiguous" and "unclear" and that a formal assessment should be made of the environmental impacts of the proposal. Furthermore, a list of all the possible savings the Council is proposing to make and how this will be prioritised has been requested.
- 3.3 The Panel has been advised that it is intended to review all the Council's options for making savings and increasing income including the proposal to charge for collecting second green bins later in the year. If no alternatives are identified, the scheme will proceed. However, the Panel is of the view that if a comprehensive exercise is to be undertaken to review the Council's finances, it is premature to make an "in principle" decision on one item.
- 3.4 In response to a question on what other options for savings have been considered, the Panel has been advised that approximately £1m has already been saved and others are being considered. The Council has adopted the Leadership Direction, one of the targets of which is to achieve a balanced budget. To do this, savings in the order of £3.2m will be required by 2017/18. All options, therefore, are being examined. The Executive Leader has given an undertaking that he will keep Members informed of progress in this respect.
- 3.5 The Panel understands the need for savings and accept that the current proposal may need to be implemented. Members are, however, of the view that a judgement cannot be made on charging for collecting second green bins unless they have a comprehensive assessment of all the Council's

options. They have asked the Cabinet to produce a list of all possible savings and to prioritise them. Councillor T V Rogers has indicated that the Economic Well-Being Panel also advocates this approach. In addition, it has been suggested that a list of savings already made is produced to assist the decision making process.

- 3.6 Members have received clarification of a number of operational matters connected with the proposal, including whether churches and villages halls will be charged, if any operational savings will be achieved and when particular bins will be collected. They have suggested a price analysis is required.

4. CONCLUSION

- 4.1 Having discussed the decision fully, the Panel has decided to refer it back to Cabinet for further consideration. The Cabinet is recommended to note the report by the Head of Operations attached hereto and to consider the proposal to charge for collecting second green bins during its deliberations on all the Council's options for improving its financial position.

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BACKGROUND DOCUMENTS

Reports and Minutes of the meeting of the Overview and Scrutiny Panel (Environmental Well-Being) held on 9th October and 11th December 2012.

Reports and Minutes of the meeting of the Overview and Scrutiny Panel (Economic Well-Being) held on 8th November 2012.

Reports and Minutes of the meeting of the Cabinet held on 18th October and 22nd November 2012.

**Charging for 2nd Green Bin
(Report by the Head of Operations)**

1. PURPOSE

- 1.1 To set out the case for reducing the cost of the refuse and recycling service by introducing a charge for second green bins.
- 1.2 The report identifies the potential net income and seeks Cabinet approval to introduce a charge for new and existing customers from June 2013.

2. BACKGROUND

- 2.1 The Council introduced an alternate weekly wheeled bin collection system in July 2004 in response to the EU Landfill Directive which required that a high proportion, by weight, of waste collected should be recycled or composted. As a result the service introduced sought to address that by having an alternate weekly collection system, whereby one week the residual bin was collected and the next week a garden waste bin was collected.
- 2.2 The policy in regard of bin provision allows for residents on request to be provided with a second green bin and currently 7,865 properties are benefitting from that policy. The green waste collection now accounts for 31% of the total waste collected by the Council which is a significant cost to this Council in collecting that waste and to the County Council who pay the treatment costs.
- 2.3 The charging for green waste collection is allowed under the Controlled Waste Regulations 1992 (as amended) and a growing number of councils have taken opportunity to charge for green waste collection. However, as far as I have been able to ascertain only one other council is seeking to charge for the second green bin only.
- 2.4 Following the introduction of the in vessel composters in 2010 food waste was allowed to be put in with the garden waste. As a consequence the Council was able to provide a weekly collection of food waste in that it can be placed in the residual bin one week and the green waste bin the next. The residual waste is treated by the Microbiological Treatment plant (MBT) at Waterbeach and therefore food waste is treated whichever way it is disposed of.
- 2.5 The charges levied by other councils vary considerably but the mean is around £40 per annum. 13 Councils charge for the collection of second

green bins or for bags. 83 councils charge for the collection of all green waste. The following table sets out the detail of those councils who charge for supplementary green waste collections:-

Waste Authority	Collection	Charge £	Comment
Derbyshire Dale		47/1 st year for 240l bin 21 thereafter	Restricted to 1 bin per customer
High Peak		15/year	
Hinckley and Bosworth		15.41/qtr 61.60/annum	
West Lindsey		27.90/annum, for 240l bin	
Ipswich		42/annum	
Suffolk Coastal		40/annum	
Three Rivers		140/annum	Only 400 customers
Eden Valley		44.10/annum	
Dorset Partnership	Waste	35/annum 240l bin £1 a bag or £25/reusable bags	
Lichfield		£35/annum	
Stafford		£30/year	
Staffordshire Moorland		£61 for the bin collection free	
Hambleton		£2.50 for 10 compostable sacks	

2.6 A lot of councils close to Huntingdon charge for all their green waste collections with examples in the table below:-

Waste Authority	Collection	Charge £	Comments
Harlow		£90/annum 60p per bag	
Mid Suffolk		£40/annum	
Babergh		£40/annum	Plus £5 delivery for new customers
North Norfolk		£40.40/annum	
South Norfolk		£43/annum	Discount for direct debit £39
East Northants		£45/year	(currently offering free delivery instead of the normal 11.20 charge)

3. PROPOSAL

3.1 The proposal is that the first green bin collection will continue to be collected free of charge but for the 2nd green bin an annual charge of £40 is applied.

3.2 The introduction of this charge will present difficulties in a number of different areas such as identification of the charge for bins, shared bins

at multiple properties, the payment and debt collection systems, and users such as churchyards and village halls. The intention will be to monitor this and if necessary revisit the issue of bin identification.

- 3.3 The issues for the crews will be they will not have time to check bins for stickers to see if they are chargeable and this is why changing the bins or the lids was considered as the best way to second bins to prevent fraud. If the fraud is small, and problems with identification at communal collection points are minimal, then it is argued that the extra expense from introducing the measures above will not be cost effective. Unfortunately there are a number of HDC green bins which residents may have “acquired” which we have no record of and consequently, as there is no identification we will continue to collect these from the communal collection points. In theory as we will be recovering any second green bins from residents who decline the new service the number of “additional” bins not recorded will be small. As a result that should only leave the first free bins and the chargeable second bins. Any excess bins at other properties will be reported by the crews. It is inevitable that we will receive complaints from aggrieved residents that their neighbours are continuing to get the extra service without paying the charge which will then need to be investigated. Therefore it is proposed to run with this option and see if there is a problem. All the recovered bins from residents not taking up the service will be serviced, cleaned and then reissued either for new properties or as replacement bins.
- 3.4 Due to the delay in this report being decided it is going to be very difficult to implement the scheme as was originally proposed but it is intended to try and do so for 1st June 2013 for all customers, new and existing. If the scheme is approved the existing customers will be notified early 2013 so we can get early notification of those bins which require to be recovered.
- 3.5 The payment system needs to tie in with the current system provided by Capita, and as a consequence there will be a one off charge of approximately £15k (this has yet to be agreed with Capita) to set up the new payment mechanism. In addition there will need to be a link to the new CRM system and the Operations division and currently this is being investigated by IMD. In addition there would be a continuing revenue charge of £5k per annum for the continued use & support of these systems.
- 3.6 The other side of charging is what we will do if someone signs up for the service but does not pay when invoiced. In normal circumstances we would seek to recover the debt but as this is an upfront payment it is proposed that a more simpler system is used where we remove the bin instead. This would require Operational Services to send out a first reminder letter and then failure to pay will result in a second letter informing the resident that the bin will be removed if the charge isn't paid.

- 3.7 The payment could be made in a number of different ways but it is considered that an annual payment running from June to June, with new and existing customers paying a pro rata charge for 14 months would be the best way of collecting the charge. The reason for suggesting June is to stagger the work in collecting charges which is very heavy in April. Currently it would not be possible to provide Direct Debit facilities as the payments could not be reconciled with who made the payment. However, the charge could be paid by credit card with the charge for using the credit being passed onto the customer, which is currently 1.6% dependant on the card used. The latter may be subject to change as it has been indicated that retailers may not be able to recover that charge from the customer. To reduce handling costs it is proposed to incentivise on-line payments.
- 3.8 The other aspect of charging for the second green bin is how it will apply to certain premises such as churchyards, village halls and schools. If exemptions are to be applied it is worth noting that there has been a recent change to the Control of Waste Regulations 1992 which means the classification of some of these premises has changed. Consequently they are now charged for the collection and disposal of their waste. The exception to this are schools who are collected by local councils where they will be exempt still from the disposal charge. Those schools who switched to a private company will not be exempt. There is an argument that as part of our drive to educate the children we should continue to provide a free green waste service to schools where we have already provided bins for their garden waste and it is proposed therefore that schools are exempted from the charge where this is the case..
- 3.9 There would be an increased administrative burden associated with this proposal as in addition to the management of the system there will be the extra cost of invoicing, collecting the payments, dealing with the enquiries via the Call Centre, issuing new bins and chasing of payments or organising the removal of the bin. It is estimated that this will require the equivalent of 1 full time post across the various services but in particular the Call Centre and the Operational Administrative team. This has been assessed by comparing with the trade waste service and the time required administering that. The administrative work associated with this should not be underestimated because the experience of other authorities is that when you start to charge residents expect a good standard of service to be provided and for their enquiries to be dealt with quickly and efficiently.

4. RISKS

- 4.1 Introducing a charge for the second bin does present a risk that the composting performance could be affected due to residents with 2nd bins not wanting to participate. However, this drop in performance would be approximately 3.4%, even if no residents with 2nd bins took up the scheme.

- 4.2 A more realistic assumption would be that a proportion would not pay the charge but this is mitigated by introducing the charge in April when there is demand for the service. The alternatives available to residents are either to start home composting or to transport the green waste themselves. The growth in fuel costs will make the latter an expensive option and therefore it is considered that a significant proportion of the residents with a need for 2 or more bins will eventually subscribe to the scheme. The evidence from other areas is that there is a significant drift back in the following year when residents have had time to trial alternatives. However, there is no doubt there will initially be resistance and so a conservative estimate based on others experience is that on average there may be a 40% drop out rate.
- 4.3 There is a political risk in introducing this charge but this is mitigated to some extent by the fact that the majority of households do only have one or no green bins. These residents may actually support the introduction of the charge as they perceive it to be a fairer way of paying for green waste collection. The spread of location of second green bins is quite concentrated in that 8 wards have 71% of the bins. A map is attached at Appendix A showing the breakdown. It can be expected therefore that the main opposition will come from those wards where there is a high percentage of 2nd green bins such as the Hemingfords.
- 4.4 The environmental risk is that more residents could start using their cars to take their green waste to the household waste recycling centres which would result in a lot more carbon being released to the atmosphere. It has been calculated that if none of the residents with the extra bins chose to take up the new service 120 tonnes of CO₂ would be produced in people travelling to the household waste recycling centres to dispose of their green waste. If the number of second green bins reduced there would be very little saving because the vehicle would still have to go the same route and the number of tips would in the main be the same. The round reorganisation will balance the rounds to ensure the rounds were being collected efficiently but if residents subsequently decide they want the service it will require further round reorganisation in respect of the green if there are a large number returning.
- 4.5 The costs in relation to the implications for IMD are only estimated at this time and it maybe that these could be higher once all the investigation and modelling has been completed.
- 4.6 This scheme does not cause any risk to the food waste collection as it can be placed either in the residual waste bin or the primary green waste bin, which will remain free of charge.
- 4.7 The introduction of this charge in June 2013 may impact on other Projects currently being managed by the Council, due to be introduced around the same time such as the new CRM system for the Call Centre; Round Optimisation and two new payment schemes for other

services. This will mean additional resources will be required to deal with the increased number of customer enquiries relating to the new charge.

- 4.8 There is a risk that residents may put extra green waste in their residual waste bins which could affect the recycling performance and diversion targets but any extra will be limited by the bin size and an enforcement of the non removal of side waste. Other authorities who have implemented charged for green waste have not had any problems with fly tipping or additional green waste in the residual bin but they have had an increase in garden waste disposal at their Household Waste Recycling Centres.
- 4.9 The investigation of missed bins, especially as there is no identification of the second bins, will inevitably cause problems initially and consequently this will lead to an increased workload for supervisors and team leaders. Once the system has settled down is it envisaged that this pressure will not be as great.

5. EQUALITY

- 5.1 A full Equalities Impact Analysis is to be carried out to assess the effect on various groups but a great deal of analysis has been done which has revealed that 8.8% of residents who have a second green bin are on benefits. In urban wards the percentage of second green bins is much lower than the rural wards. Only Huntingdon East (11%) having a high number of second bins but an issue here is the high number of customers (14%) who are on benefits. This could be an extra burden on those people who are already facing benefit payment reductions next year and consequently an exemption could be considered for those on Council Tax and Housing Benefits. Other groups, such as the old and disabled, could also be affected as it is more difficult for them to lift and transport the green waste themselves. If we were to allow exemptions the complexities of the administering the system would be significant and lead to an increase in the administrative costs, whilst at the same time losing the income. Therefore it is proposed that there are no exemptions for these groups.
- 5.2 In respect of the rural wards the distance away from a household waste recycling centre can mean a greater distance to travel if they decide to dispose of their own green waste from the 2nd bin, but conversely a number of the properties have quite large gardens which could accommodate a compost bin(s). It is proposed that a campaign in respect of home composting be carried out to encourage residents to get their own composting bins. The Council do operate a scheme for the purchase of discounted compost bins.
- 5.3 A further argument is that a lot of rural properties have a high council tax banding and that the second green bin is some compensation for that.

6. FINANCIAL IMPLICATIONS

- 6.1 The refuse collection service, which includes residual, recycling and green waste collection, has a cost of £3,648k per annum and the collection of green waste accounts for 35.8% of that budget, i.e. £1,306k per annum.
- 6.2 If a charge of £40 per annum was introduced for the 2nd green bin and there was a 40% drop off in residents subscribing to the new service the Council would still receive an income of £190,000 but this would be offset by the setup costs and the extra revenue costs including 1 full time equivalent post across Operational Services and the Call Centre.

Capital (based on retaining 60% of customers)	2013/14	2014/15	2015/16	2016/17	2017/18
IMD costs –payments, CRM development	20	28			
Total	20	28	0	0	0

Revenue	2013/14	2014/15	2015/16	2016/17	2017/18
Income from charges					
Based on 40% returns	-158	-190	-190	-190	-190
Set up costs					
Admin costs –postage etc	6	4	4	4	4
Collection of returns	16				
Admin staff 1FTE (<i>plus 6 months additional in 2014 for implementation</i>)	35	23	23	23	23
IMD costs – support		5	5	5	5
Net saving/cost Based on 40% returns	-101	-158	-158	-158	-158

Sensitivity					
20% returns	-157	-221	-221	-221	-221
60% returns	-45	-94	-94	-94	-94

Note: Income for 2013/14 based on 10 months charge for existing customers.

The Council does not receive any recycling credit from the County Council for green or for food waste collected in the green or residual waste streams. Therefore there would be no detrimental effect on recycling credits if a reduced tonnage of green waste were collected.

- 6.3 The set up costs are all associated with the increased administration and dealing with customer enquiries but the sensitivity analysis shows that even if 60% of the current customers declined the service, the scheme will, realise net savings in the first year. Therefore as an income generating scheme for the council this is a low risk scheme.
- 6.4 The costs provided by IMD are only estimates and when it is clearer exactly what is required they may increase.


7. CONCLUSION

- 7.1 It is opportune to consider this charge now before the round optimisation is completed so this variable can be included in the analysis.
- 7.2 The imposition of a charge for a 2nd green bin on a small proportion of residents is a fairer system in that the majority of residents do not benefit from this extra bin.
- 7.3 The concentration of the majority of second green bins in a small number of wards is a concern and from a political point of view could be a significant risk.
- 7.4 The presence of a large number of these bins 9% being in households where benefits are paid could have an impact as with impending changes to benefits they will have less income.

8. RECOMMENDATION

- 8.1 Members are invited to recommend whether or not to introduce a charge for a second green bin.

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