

**CHARGING FOR A SECOND GREEN BIN
(Report by the Overview & Scrutiny Panel Economic Well-Being)**

1. INTRODUCTION

- 1.1 At its meeting held on 8th November 2012, the Overview and Scrutiny Panel (Economic Well-Being) considered the report by the Head of Operations on Charging for a Second Green Bin.
- 1.2 The report had previously been considered by the Overview and Scrutiny Panel (Environmental Well-Being) who had unanimously agreed that the Council should not introduce a charge for second green bins. The Cabinet had subsequently deferred the matter for consideration by the Economic Well-Being Panel.

2. THE PANEL'S DISCUSSIONS

- 2.1 Councillor D M Tysoe has informed the Panel that the Council currently spends £1.3M on collecting green waste, which represents 40% of the Council's total costs for waste collection and for which the Council does not receive any additional funding. He has explained that a significant number of other Authorities charge a separate fee for all green waste collection. The Council is proposing to provide free collection of the first green bin for all its residents but the collection of the second green bin should be regarded as a premium service and, therefore, should attract a charge. For the majority of residents in the District this will represent no change to the current service and will also be fairer to all residents as the collection of the second bin is a premium service residents should be expected to pay for it.
- 2.2 Councillor Tysoe then sought to address the concerns which had been raised previously with regard to the impact of the changes on green waste collection levels within the District. He has suggested that although there may be an immediate reduction in the green waste collected in response to the charging proposal, he would be surprised if the level of green waste collection in the medium term is reduced. If every second green bin is returned there will be a reduction of 3.4% of waste collected. The Panel's attention has been drawn to the sensitivity analysis which has been undertaken in section 6.2 of the report. It is based on a 40% reduction in residents subscribing to the new service this is expected to generate an additional income of £190,000 for the District Council.
- 2.3 In his concluding remarks, Councillor Tysoe has reiterated that the whilst the Council has previously sought to resist making cuts to services, the current budgetary situation dictates that consideration will need to be given to a number of difficult decisions in the near future.
- 2.4 In considering the proposal, Members have asked about the experience of other Councils who have introduced a charge for the collection of a second green bin. The Panel has noted that there are currently 13 Authorities who made such a charge, which range from £15 to £140 per annum. The majority of these have not resulted in a reduction in the levels of green waste collected and that those who are paying for the additional bin are keen to make maximum use of it. It has also been reported that there has been no related

increase in fly tipping in these areas. Members have indicated that it would have been useful to have included this type of information together with the detailed financial analysis within the report.

- 2.5 In terms of the proposed level of charge for the collection of a second green bin, Members have asked how this figure has been determined. It has been explained that £40 is the median figure for other authorities. There has been no price analysis undertaken.
- 2.6 Members have expressed concerns that the proposal will result in residents putting additional green waste into their domestic waste bins. However members have been assured that waste collection operatives would not collect any bins in which green waste had been deposited and a note would be placed on the bin to this effect. The weight of a bin is normally a good indication as to whether green waste had been included.
- 2.7 Members have also enquired as to what steps the Council will take if a resident does not pay the charge for their second green bin. In response, the Head of Operations has explained that all green bins remain the property of the District Council, who would instigate a recovery procedure in these circumstances. In other areas, Councils have seen a number of residents regret their initial decision to return their second bin and have subsequently requested that it be returned. Fly tipping is a criminal offence and the Council will undertake enforcement if necessary.
- 2.8 With regard to the question of whether there is any scope to encourage residents to obtain discounted compost bins through the Council's Compost Bin Scheme, the Panel has been advised that it is not possible to discount further what already was a very good rate.
- 2.9 Members have commented that the proposal would have a particular effect in the rural areas, where a number of properties have a higher Council tax banding and, therefore it could be perceived as unfair. Particular reference has been made to the likely public reaction from residents from Wyton on the Hill, which is a private estate and the level of the charge compared to the District Council's portion of the Council Tax.
- 2.10 On the question of the set up costs associated with the implementation of the charge, efforts have already been made to reduce the capital costs and as a result, it has been decided not to pursue a proposal to fit different coloured bin lids to the existing bins. The inclusion of the cost of 1FTE within the costings for the scheme is an estimate of the time which will be required from an analysis of all the tasks involved in both the Operations, Finance and Customer Service divisions. It will not be possible to absorb the administration into existing workload.
- 2.11 Councillors Mrs M Banerjee, I C Bates and P L E Bucknell have addressed the Panel on this matter. Councillor P L E Bucknell has reported on his attendance at the Environmental Well-Being Panel on 9th October. He has expressed the view that residents will not pay for a second bin and will instead put green waste in grey bins and that the change could lead to an increase in fly tipping. He has also reiterated that VAT will apply because the charge is for a service and has indicated that he has further information on this matter. He has reported on his discussions with a representative of a

London Council, which has introduced such a charge, who has expressed the view that it was a mistake to do so. He has also reported on his discussions with other local authority representatives whose investigations have led them to conclude that it would not be in their interest to introduce a charge for the collection of the second green bin.

- 2.11 Councillor Mrs M Banerjee has reminded the Panel that the collection of green waste had been introduced to respond to a European Union Directive. At that time the use of a second green bin had been encouraged. To remove this facility will be very unpopular with Huntingdonshire residents and it will also damage public perception of the Council.
- 2.12 In terms of performance targets, Members have been informed that there is no statutory requirement for the District Council to achieve any statutory composting rates and that the European Union target for recycling had been removed some time ago.
- 2.13 Councillor I C Bates has urged the Panel to consider the consequences of endorsing the proposal which were set out in the report of the Overview and Scrutiny Panel (Environmental Well-Being). He has reiterated that the Environmental Panel has unanimously agreed that the Council should not introduce a charge for a second green bin. The waste collection service is a universal service, which is valued and recognised by the Community. The introduction of a charge will have an adverse effect on recycling rates and will represent a loss of service to the public. Finally, and in recognising the need for the Council to make budgetary savings, he has expressed concern that the Panel is being asked to consider one proposal in isolation and not a range of possible options. He has suggested that savings could be achieved in staffing costs and from the Leisure Service. He has recommended that the Council should not take a decision on this matter until other options have been assessed.
- 2.14 In response, Councillor D M Tysoe has informed the Panel that the Cabinet is looking at a number of options to achieve budgetary savings for the Authority. Members have been reminded that the Council does not have a statutory responsibility to collect green waste and that the majority of Huntingdonshire residents will not see a difference in the current service they receive. He has also drawn attention to the fact that 83 Councils within the Country currently charge for the collection of the first green bin which is not something that this Council is intending to introduce. He does not believe that the introduction of this proposal will reduce recycling and has reiterated that fly tipping is a criminal offence and the Council will undertake enforcement. Advice has been received that VAT would not apply on residential collections.
- 2.15 In terms of the Council's financial position more generally, the Chairman has drawn the Panel's attention to the recent announcement by Central Government that increases in Council Tax in 2013 should be limited to 2%. This will require the District Council to find additional savings in the region of £680K to £940K. With this in mind the Chairman has indicated that he would like the Panel to give further consideration to a range of possible options for delivering these savings.
- 2.16 The Executive Leader has confirmed that the Cabinet is looking at a number of 'big ticket' items for generating further savings. For example a Business

Plan for One Leisure is currently being prepared, though this has been delayed for further work to be undertaken.

- 2.17 Having agreed that the business case for the additional charge was sound Members are, however, of the opinion that it should be considered in the context of a range of other options for achieving budgetary savings. The Executive Councillor indicated that he could support this approach.
- 2.18 In view of concerns about the likely damage to the public's opinion of the Council, it has been suggested by a Member that the charge should only apply for new requests for second green bins or where there is a change of ownership. On being put to the vote this proposition has been defeated.
- 2.19 Following a further vote on the recommendation, it has unanimously been agreed that the proposal should be supported in principle, subject to it being considered as part of a package of savings.

3. CONCLUSION

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

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