

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Portfolio Holder for Environmental Services and Assistant Director - Neighbourhoods

To: Cabinet Tuesday, 14 December 2021
Council Wednesday, 19 January 2022

(Author: Charlotte Paine Head of Environmental and Operational Services)

Subject Garden Waste Scheme Update

Purpose: To provide an update on the garden waste scheme and consider future options

Recommendations to Cabinet:

That, subject to Council approval of recommendations 7 to 9 below

- 1) the contents of this report and the update on the garden waste scheme so far are noted.
- 2) approval is given for the Garden Waste Collection Scheme to be further extended to incorporate more areas of South Holland by way of three collection vehicles.
- 3) approval is given to procure route optimisation software to ensure the most efficient and effective routes and for it to be added to Capital and Revenue budgets.
- 4) delegated authority be given to the Head of Environmental & Operational Services, in consultation with the portfolio holder for Environmental Services, to amend the terms and conditions for subscribers as necessary, including start times.
- 5) in accordance with the legal requirement of the Environment Act 2021, the purple sack garden waste collection service is removed to ensure that SHDC are compliant with the requirement for separate collection of garden waste, which must be recycled or composted.
- 6) approval is given to purchase an additional 5,040 bins for the expansion being a £29,000 capital investment in 2021/22, funded from the Investment and Growth reserve. The remaining costs to be built into the capital budget for 2022/23 and paid back over 15 years through contributions to reserves.

Recommendations to Council:

- 7) That the current establishment is increased by 3 full time posts, a full-time supervisor, full-time garden waste HGV driver and full-time garden waste loader and that the costs for these posts be funded from the income generated by the scheme.
- 8) That, should the review of terms and conditions of the garden waste scheme prove it necessary, a consultation with staff commence to consider changing start times for garden waste crews to 6am.

9) That delegated authority be given to the Head of Environmental and Operational Services, in consultation with the Portfolio holder of Environmental Services, to implement the outcome of that consultation.

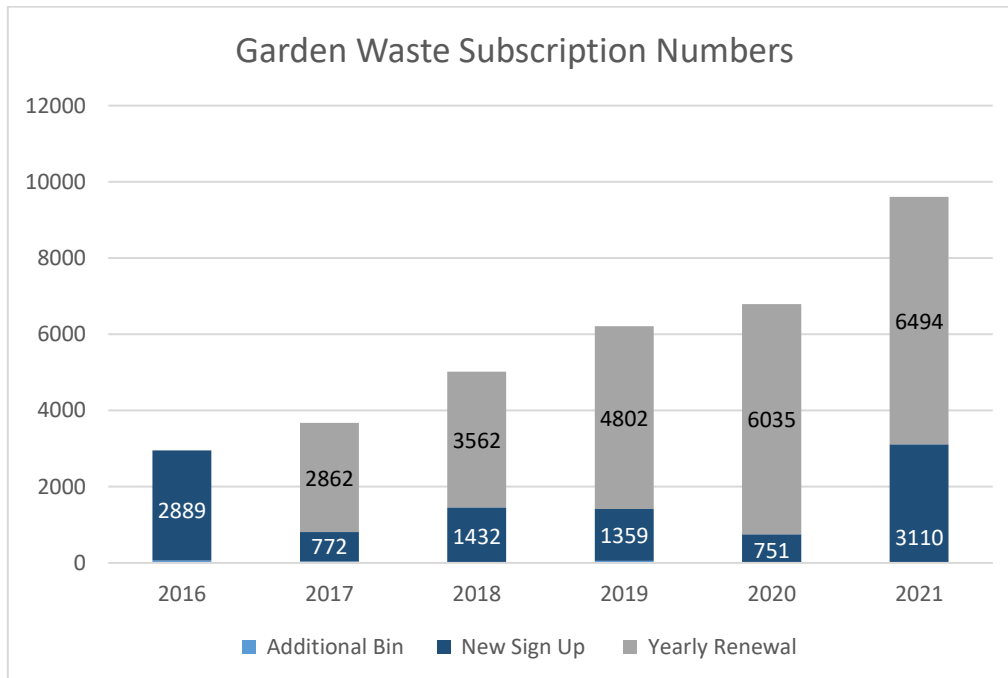
1.0 BACKGROUND

1.1 The garden waste collection scheme commenced in April 2016, following agreement from Full Council in November 2015. This introduced a separate garden waste collection for eligible residents of South Holland, within the pilot area. The initial pilot introduced one refuse collection vehicle, with aspirations of reaching 5,000 subscribers.

1.2 In January 2018, Full Council agreed to the expansion of the scheme to a second truck. This report projected 6,800 subscribers in 2021/22 and provision of the scheme to more areas of the district.

1.3 Since the addition of the second truck, popularity and growth of the scheme has continued. In 2020, a project group was set up within Environmental Services to increase subscriber numbers through a targeted weekly roll out of bins. This project was looking to achieve a capacity of 10,000 subscribers by the end of 2022/23.

1.4 The chart below shows the uptake of subscribers since the start of the scheme and its progressive growth of new customers through new sign ups, as well as maintaining its customer base through yearly renewals. As you can see, we are on track to reach our 10,000 target ahead of our original timeframe and aim to achieve this by the end of this financial year.



Year	2016	2017	2018	2019	2020	2021
Total Subscribers	2952	3671	5018	6214	6790	9604

- 1.5 The success of the current project means that the scheme will be at full capacity for the two trucks and 20 routes we currently run. Therefore, to continue to provide this much valued service to more residents, we need to expand to another truck which would provide capacity for another 5,000 subscribers over a further 10 routes per fortnight.
- 1.6 The timing of an expansion at this point would be appropriate due to the purchase of replacement vehicles for the current garden waste fleet. In October 2021, an officer decision was published for the purchase of two Refuse Collection Vehicles (RCVs) as part of the current capital budget. These new vehicles will be delivered in April/May 2022 and replace two 2014 vehicles. It is proposed that the older vehicles would be kept, enabling delivery of the expansion by providing vehicles to cover servicing and repair downtime, without the additional cost of purchasing more RCVs.
- 1.7 Extending to 15,000 subscribers will require a review of the current routes, which are already particularly heavy in the peak of the growing season, as a result of our growth project this year. With the expansion to a further truck, it is recommended that a comprehensive review of the routes, using a route optimisation software, is undertaken to enable the service to be offered across the district. The cost for the software is estimated to be in the region of £40,000, with ongoing annual costs around £12,000. The software will be purchased in 2021/22 and funded from the income generated by the scheme.
- 1.8 By utilising routing software, the effectiveness and efficiency of the current routes and expansion will be reviewed to make sure that they can maintain excellent service delivery and maximise the capacity available. A well built route allows for maximum subscribers and sufficient tipping time to ensure delivery of the service throughout the year, including during the growing season.
- 1.9 In addition to efficient routes, we also require the right resource to ensure ongoing excellent service delivery to customers. To expand, we will require several new staff to support the project and ongoing service, both fixed term and permanent. Since the commencement of the targeted project in 2020, there has been a secondment of a supervisor within Environmental Services, to assist with the growth of the service. This has been a key part of the success of that project and will inform the delivery of the proposed service expansion.
- 1.10 It is therefore recommended that a permanent additional supervisor post is created to support the expansion, including the new routes with the routing software, developing the areas for growth in the District, advertising the service to these areas, and ensuring compliance with health and safety. The post will support the new and existing crews and targeted bin delivery roll out, as well as supporting the current supervisors to provide additional depth to the service with cover and knowledge sharing across all supervisors. This post would be required immediately to support the development of the expansion and ensure that it can be made available to residents as soon as possible.
- 1.11 In addition, there is a requirement for an additional crew of one driver and one loader to fulfil the third truck. These would also be permanent increases to the establishment, they would not be required to start their employment until the 2022/23 financial year.
- 1.12 Further to this, there would need to be a dedicated resource to deliver the bins to new subscribers. This would be a short-term requirement and therefore is recommended that a bin delivery operative is required for one year, starting in March/April 2021, alongside the

hire of a 7.5 tonne vehicle. This fixed term post will be achieved using the delegated authority given to chief officers. The role will ensure that bins can be delivered efficiently and within the agreed timescale of 10 days for new subscribers.

- 1.13 Effective marketing to attract and sign-up new subscribers is key to achieving the aspiration of 15,000. The communications team are working with a subgroup from environmental services, to plan the best advertising and marketing approach, should approval be gained. One of the key aspects of this will be to utilise the current Register of Interest (ROI). The ROI has been in use since the inception of garden waste, it was used to allow people who were not in the original pilot area to register their interest for the scheme and assist with targeted growth. It has also been utilised when routes have reached capacity so that residents can register their interest to be contacted when space becomes available. There are currently around 2,000 people on the ROI.
- 1.14 The proposal would be to continue to utilise the ROI and to advertise early, after Council approval, for anyone across the District to register their interest for a garden waste subscription. With this data we can then look to open the routes to as many areas in South Holland that would like a bin, including new areas, so long as they are commercially viable, based on level of interest. This data would be key to building the routes with the new software and providing the service much wider geographically than it has been before.
- 1.15 A key element of using and managing the ROI will be to understand the time that people have been on the list and prioritising this, alongside areas to include in expansion. Contact has been made with everyone registered prior to 2021 and we continue to work from the register as we roll out to our 10,000 subscriber target. Communication with interested residents will be key, to ensure we appropriately explain our project plan and timeframes. Without this, there is a risk of people becoming frustrated if they are expecting to start their subscription immediately.
- 1.16 To enable the expansion to occur, the purchase of additional bins will be required. In total there will need to be 5,000, plus any ongoing attrition for the older bins. Due to a lack of space to store the bins, it is necessary to buy these in batches. The proposal is to purchase a load in late 2021/22 ready for the start of the expansion and then ongoing throughout the project. Bins are purchased via capital funding and therefore an additional £86,688 in total will be required. £28,869 is requested for the current financial year from reserves, with the rest being built into the capital budget for 2022/23 and these costs paid back from income received by the scheme.
- 1.17 In both the reports that have come to Council previously, there has been reference to the purple (originally grey) sacks that areas outside of the garden waste scheme have been able to purchase for disposal of garden waste.
- 1.18 By opening up the garden waste scheme to more areas in South Holland, we recommend that, as with the other reports, the purple sack collection for the disposal of garden waste is withdrawn. This collection impacts negatively on our recycling rates and does not meet the requirements of new legislation. This recommendation is made in line with previous policy decisions on the garden waste scheme and also as a result of the Environment Act 2021, which states that garden waste must be collected separately and composted. The Act, in section 45A, sets out that garden waste is a 'recyclable waste' and that

45A(3)... “recyclable household waste must be collected separately from other household waste.”

45A(4)... “recyclable household waste must be collected for recycling or composting”

- 1.19 Other available disposal routes for green waste are the Household Waste Recycling Centres at Boston and Spalding. Alternatively, there is an option for residents to purchase home composters at a reduced price. Further information on these options is on the Council’s website - <https://www.sholland.gov.uk/article/5843/Recycling-composters>
- 1.20 When the scheme was first created, a set of Terms and Conditions were written and subscribers agree to these at sign up. The T&Cs have not been reviewed recently and therefore, as part of the expansion we will review these to ensure they are fit for purpose for a bigger scheme. One area that we may wish to consider changing is the collection start time. Currently T&Cs require subscribers to have their bin out for 7am. With bigger routes, it may be more appropriate to change this to 6am. Should this be considered appropriate, as a result of the T&C review and routes being optimised, this would require consultation with staff and appropriate engagement with subscribers before changing.

2.0 OPTIONS

- 2.1 **Option One – Expand the garden waste scheme as set out in the report and the recommendations.** This will result in a further 5,000 subscriber capacity that will be released in a targeted approach using the register of interest. This will also enable the scheme to reach more areas across the District, increase the amount of garden waste composted, and increase satisfaction for our residents. This is the recommended option of this report.
- 2.2 **Option Two – Do nothing.** This will mean that the scheme remains at capacity and no further residents will be able to join, resulting in continued growth of the register of interest and potentially increased frustration from those seeking to access the service.

3.0 REASONS FOR RECOMMENDATIONS

- 3.1 There are a number of recommendations as part of this report, each of them are set out with the aim of expanding a valued and in demand service to more SHDC residents. They will enable the expansion of an efficient and effective discretionary service, in a commercially minded way, to ensure that the original ethos of providing a self-funding service that is not a cost to taxpayers that have not accessed the service, remains.
- 3.2 Furthermore, the recommendations each have a key role in delivering the expansion and the reasons for each of these are set out below.
- 3.3 Route Software –
- As detailed in points 1.7 and 1.8, the software will enable the service to maximise routes and ensure efficiency.
 - Effective routes will mean that service can be maintained throughout the year without disruption due to uneven routes and weights.
- 3.4 Review of terms and conditions –

- To ensure that the T&Cs are appropriate for a bigger service.
- Support staff to provide an excellent service to our residents.
- To ensure our residents are aware of what the service can offer and what should be expected.

3.5 Purchasing of Additional Bins –

- To enable the expansion to an additional 5,000 subscribers.
- We have worked closely with our current supplier on bin quality and ongoing durability so that bins can have a longer life.

3.6 Additional Staffing –

- To enable the expansion, additional staff will utilise the lessons learnt from previous projects and expansions of garden waste so that the expansion can happen smoothly and be effectively communicated with new and existing customers.
- A dedicated supervisor resource will ensure that the garden waste scheme can run in a commercially minded way to maximise growth and viability so we can provide an excellent service to our customers.
- An additional crew will be required to run the third truck and deliver the expansion.
- A fixed term post for bin deliveries will ensure our new customers receive their bins within the agreed timeframe and keep the roll out of the project on track to maximise growth in year one.

3.7 Ceasing the provision of purple sacks –

- To ensure that SHDC are compliant with the requirements of the Environment Act when collecting and disposing of a material that should be composted for best environmental impact reduction.
- The growth of the service to a third truck will provide more opportunity for the scheme to be accessible to a much wider geographical area and therefore remove the need for purple sacks.
- Other options are available such as the HWRC and home composting.

4.0 **EXPECTED BENEFITS**

4.1 As a result of the expansion and the recommendations outlined, the following benefits are expected:

- The service can be provided to more residents of SHDC. The service is well liked and often challenged as to why it is not available to more residents, this will enable that additional capacity.
- This growth will provide an improved customer satisfaction and reduce the list of people on the ROI waiting for a subscription.
- The service is discretionary, and its growth will ensure it remains cost effective and commercially viable and will continue to be developed with this in mind.
- Increased household recycling rate and reduction of garden waste sent for residual disposal. Therefore, improved opportunity to dispose of waste in a more environmentally beneficial way, as set out in the waste hierarchy.

- Compliance with the Environment Act 2021 regarding disposal of garden waste.
- Improved consistency for the garden waste collection service that can be offered to residents.
- Additional job opportunities for the local economy.
- More efficient and cost-effective routing to ensure no service disruption and economical collections as the seasons change.

5.0 IMPLICATIONS

In preparing this report, the report author has considered the likely implications of the decision - particularly in terms of Carbon Footprint / Environmental Issues; Constitutional & Legal; Contracts; Corporate Priorities; Crime & Disorder; Data Protection; Equality & Diversity/Human Rights; Financial; Health & Wellbeing; Reputation; Risk Management; Safeguarding; Staffing; Stakeholders/Consultation/Timescales; Transformation Programme; Other. Where the report author considers that there may be implications under one or more of these headings, these are identified below.

5.1 Carbon Footprint / Environmental Issues

- 5.1.1 Garden waste that is not disposed of using an organics treatment methodology can create more greenhouse gases. Therefore, the waste hierarchy promotes the disposal of garden waste by way of either composting or Anaerobic Digestion (AD). The SHDC garden waste collection scheme enables the disposal of waste by composting. Ensuring that garden waste is treated in the more environmentally friendly way means that we can assist with the reduction of greenhouse gases as a result of appropriate disposal of this type of waste.
- 5.1.2 Residents will continue to have the opportunity to compost at home, which can be an even more environmentally friendly option, or take their waste to their local Household Waste Recycling Centre.

5.2 Constitutional & Legal

- 5.2.1 Collection and charging of garden waste is undertaken in line with Section 45 of the Environmental Protection Act 1990 in conjunction with Paragraph 4 of Schedule 1 of the Controlled Waste (England and Wales) Regulations 2012. The garden waste scheme is not established to make a profit, it introduces a 'reasonable charge', as set out in section 45 of the EPA 1990, and any surplus used to defray costs within Environmental Services.
- Section 45(3) of EPA 1990 provides that "no charge shall be made for the collection of household waste except in cases prescribed in regulations made by the Secretary of State."
 - Section 45(3)(b) of EPA 1990 provides that "the authority may recover a reasonable charge for the collection of the waste from the person who made the request."
 - Paragraph 4 of Schedule 1 to the Controlled Waste (England and Wales) Regulations 2012 (SI 2012/811), as amended, provides for these exceptions in which it includes garden waste.
- 5.2.2 In addition to the environmental benefits of the scheme, and its effective management of the organics waste, the new Environment Act 2021 also sets into law the requirement to collect recyclable waste, which garden waste is listed to be, separately for recycling or

composting. Therefore, the removal of the purple sack collections with residual waste is recommended to be compliant with the law.

5.2.3 The Resources & Waste Strategy of 2018 set out the desire of government to explore whether households with gardens should have access to free garden waste collections. There have been two consultations since the release of the strategy, but the government are yet to confirm if they will proceed with the proposal. In the absence of a decision on this, the recommendation remains to expand, and consideration has been given to the potential impacts of expanding at this point. It is considered that the benefits in this report support the continuation of the proposal to expand.

5.2.4 The addition of a temporary resource to deliver bins is set out in 1.12. The authority to increase the staffing establishment by the addition of a temporary fixed term post is set out in the constitution and is exercisable by chief officers in consultation with the s151 officer. Therefore, subject to the approval of the recommendations of this report, the fixed term post and hire of a 7.5t vehicle for one year to deliver the bins to new subscribers, will be implemented using this delegation. The costs will be funded from the income generated by the scheme.

5.3 **Contracts**

5.3.1 The purchase of the new bins for the expansion, as with the previous purchases of bins made in recent months, will be made following procurement rules and in conjunction with the procurement team. The current suppliers are on the ESPO framework for Refuse and Recycling Products and offer the best call-off prices in comparison to their competitors.

5.4 **Corporate Priorities**

5.4.1 The corporate plan states that the ambition of SHDC is to deliver cost-effective core services that are valued by the community. The expansion represents this by providing a valued service to more of our residents whilst ensuring the service remains cost-effective.

5.5 **Equality and Diversity / Human Rights**

5.5.1 SHDC is committed to promoting equality and participation in all services. As a public authority we are also required to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations when making decisions and developing policies. To do this, to understand the potential impacts of the provision of this service, an Equality Impact Assessment (EqIA) will be undertaken to understand its impact on different groups of people.

5.5.2 For the garden waste scheme, as with refuse and recycling, SHDC offer assisted collections for those who require additional support. Signing up for garden waste is offered digitally with assisted support for those who are unable to access online services, through our customer contact team. The impact of the proposed removal of purple sacks, as required due to the Environment Act 2021, is mitigated by the expansion of the garden waste scheme across the district alongside free access to the HWRC's.

5.5.3 The register of interest is used to capture details of those interested in joining the scheme, people are then contacted in a targeted approach to keep the service expanding without

becoming overwhelmed. This is mainly considered by the length of time on the register as well as by area and capacity of routes.

5.5.4 Residents who would like to dispose of their garden waste outside of the scheme can still access the County's Household Waste Recycling Centres for free.

5.6 Financial

5.6.1 The expansion aims to increase our subscription capacity from 10,000 to 15,000. The table below shows costs for current operations at 10,000 subscribers and models the costs for an additional truck, including additional staffing and income, which looks to be achieved by the expansion.

Operating Costs	Current 10,000 Ongoing Yearly	10,000 subs Additional Info	Expansion 5,000 Ongoing Yearly	5,000 subs expansion Additional Info
Direct Costs	£218,325	Includes employee costs, transport fees, advertising and maintenance of vehicles	£144,415	Includes routing system, additional staffing and additional vehicle running costs
Income	-£476,650	Income for 10,000 subscribers, 80% at £52 and 20% second bins at £30	-£238,000	Income for 5,000 subscribers, 80% at £52 and 20% second bins at £30
Contribution to Reserves	£100,000	Contributions to reserves includes vehicles, bins and future funding	£60,938	Includes additional Contribution to Reserves for additional vehicle and bins
Operating Surplus	-£158,325	Balance after direct costs, income and contribution to reserves	-£32,647	Balance after expansion costs, income and contribution to reserves (for 5,000 subscribers)
Total Indirect Costs	£91,854	Includes salary recharges, IT, Comms. Depot Costs and Depreciation of Assets		
Net Operating Surplus	-£66,471	Balance of operating surplus after indirect costs - for 10,000 subscribers		

5.6.2 The table below shows all the costs and income expected for the service when it has achieved the full 15,000 subscribers.

Expansion Total (15,000 subs)	Ongoing Yearly	Additional Info
Direct Costs	£362,740	Includes employee costs, transport fees, advertising and maintenance of vehicles and routing software

Income	-£714,650	Income for 15,000 subscribers, 80% at £52 and 20% second bins at £30
Contribution to Reserves	£160,938	Contributions to reserves includes vehicles, bins and future funding
Net Operating Surplus	-£190,972	Balance after direct costs, income and contribution to reserves
Total Indirect Costs	£91,854	Includes salary recharges, IT, Comms. Depot Costs and Depreciation of Assets
Total Net Operation Surplus	-£99,118	Balance of operating surplus for 15,000 subscribers

5.6.3 The income depicted is based on 80% of subscribers having one bin subscription at £52. The remaining 20% are secondary bin subscriptions which are charged at £30. This is based on actual breakdown of subscriptions currently received.

5.6.4 The above tables include all costs that are anticipated as a result of the recommendations of this report and include contributions to reserves.

5.7 Health & Wellbeing

5.7.1 During the pandemic, there have been reports of many people utilising their free time to spend in their gardens. Therefore, providing the scheme to more people can help to support those who have used this leisure activity to support their wellbeing through this difficult time.

5.8 Reputation

5.8.1 The introduction of the garden waste scheme has been a success with a number of compliments received throughout the years. Therefore, we can say that the scheme has been a positive for the reputation of SHDC. The expansion should build on this, however, we recognise that appropriate and timely communication must be provided throughout the expansion to limit the risk of those on the register becoming frustrated if they are not able to subscribe immediately. As a part of this, discussions have already commenced with the communications team and customer contact.

5.9 Risk Management

5.9.1 There are risks associated with the expansion and the project, should approval be granted, will maintain and monitor a risk register to ensure that any risks are mitigated. Some risks identified so far include:

- Failing to achieve the maximum capacity of subscriber numbers which may mean the service is less cost effective. This is mitigated by current levels of demand and resources that will advertise and target areas for additional subscribers.
- Overachieving in marketing for the service creating a higher demand than can be delivered with three trucks. This will be closely monitored and consideration for any further expansion requirements measured, should it become necessary.

- Failing to appropriately communicate with interested residents and failing to meet customer expectations. This is mitigated by having regular meetings with the communications team and customer contact to ensure that we have a clear a consistent message to residents and customers, both new and existing, throughout the project.
- Insufficiently staffing both the expansion and the ongoing service resulting in service failure. This is mitigated by using the knowledge and experience of previous roll outs and expansions and the recommendations in this report to increase the establishment to accurately resource the bigger service.
- Potential to unsuccessfully discuss the project with other interdependent areas, such as communications, IT, customer contact and external providers. This is mitigated by having regular meetings with these services and understanding requirements of time and resource to agree a realistic timeframe for delivery.
- Missing the growing season for next year due to delays in the expansion project or its interdependent services. The effective and ongoing communication with these areas will be key to avoiding this potential risk.
- Incorrectly built routes that create the potential for service failure or cannot achieve the maximum subscriber numbers. This is mitigated with the recommendation for the procurement of a routing software that can build efficient and effective routes.
- Potential for the government to introduce free garden waste collections to all those who have gardens. This is monitored closely through the working groups that SHDC attend to understand the government position on this as it becomes clearer. Should this be introduced, the expansion will put SHDC in a stronger position as the scheme will have expanded to more residents, assisting with a potentially higher demand being created by this policy. In addition to this, the government have committed to new burdens funding for such a policy change.

5.10 Staffing

5.10.1 As detailed in paragraphs 1.9 to 1.12, there is a need for additional staff to support the successful delivery of an expansion. Therefore, subject to approval of this report, there will need to be additional recruitment, which will be done in line with SHDC's policies and procedures.

5.10.2 The current staff will be involved in the expansion and ensure that their knowledge and experience is used for the growth of the service. For example, one area that staff have made us aware of is the potential need to start rounds earlier. This will be considered with the routing software outcomes and the review of the T&Cs. Should this be proven to be necessary, then a consultation would be commenced in line with SHDC's policies and procedures.

5.11 Stakeholders / Consultation / Timescales

5.11.1 There are a number of internal and external stakeholders who have already been made aware of the potential expansion. The success of the expansion will be reliant upon the ongoing communication between these stakeholders, including new and existing customers. This will be built into the communications plan of the project.

5.11.2 The aim is for the third truck to be operational by May 2022, however, this is dependent upon many other influences including:

- Procurement of vehicles, bins and routing software

- Interdependent service areas, such as IT, comms and suppliers
- Recruitment of staff

6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 It is intended that the expansion to a third truck will enable the garden waste scheme to be available to most areas in South Holland. The use of the ROI will help us to understand the demand across the district and the commercial viability of delivering the service to all areas.

7.0 **ACRONYMS**

- 7.1 SHDC – South Holland District Council
- 7.2 RCVs - Refuse Collection Vehicles
- 7.3 ROI - Register of Interest
- 7.4 T&Cs - Terms and Conditions
- 7.5 AD - Anaerobic Digestion
- 7.6 HWRC – Household Waste Recycling Centre
- 7.7 Environmental Protection Act 1990 – EPA 1990

Background papers:-

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Key Decision: Y
Exempt Decision: N

This report refers to a Discretionary Service