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By virtue of paragraph(s) X of Part 1 Schedule 1 of the Local Government Act 1972.

**ENVIRONMENT AND COMMUNITIES
Committee**

27 July 2023

**MTFS 92 Green Waste Subscription – Implementation
Update**

Report of: Peter Skates, Acting Executive Director - Place

Report Reference No: EC/05/23-24

Ward(s) Affected: ALL

Purpose of Report

- 1 This report details the progress in delivering the Green Waste subscription charge which is a key element of the Council achieving a balanced budget in the councils Medium Term Financial Strategy (MTFS) 2023-27.
- 2 The report provides details of how the charge will be implemented and public engagement undertaken.

Executive Summary

- 3 The aim of the Green Waste Subscription charge is to maintain the green bin green waste collection service through introducing an annual fixed charge to those residents who chose to subscribe. This is, to assist the authority in the cost of operating this non statutory waste recycling service.
- 4 The implementation of the Green Waste Subscription Charge was approved by Full Council in February 2023, as part of the MTFS. The purpose of this paper is to provide the Committee with an update on the progress of implementing the proposal, together with the key details around how and when the scheme will operate.
- 5 To achieve a balanced budget for the Council line 92 of the MTFS requires an income after costs of £900,000 in 2023-24 and an additional

£3,150,000 in 2024-25 to give a full year income target going forward of £4,050,000.

- 6 Since the agreement of the MTFs the Environmental Services team has coordinated this major change project, working with key enablers and its delivery partner Ansa Environmental Services to ensure that the proposal is implemented in line with the decision from Full Council.
- 7 The charge will be as per existing charge for second green waste bin, £56 set annually through the Council's fees and charges procedure. The scheme will go live for the public to pay subscriptions in October 2023 with the chargeable service commencing in January 2024. There will be no changes to bin collection dates.
- 8 As with many authorities that run a chargeable scheme, on receipt of payment the householder will be sent a specialist sticker to attach to the bin as evidence they have paid the subscription and for the bin to be collected. Those who do not subscribe will retain their garden bins at their property to allow the option of future subscription, without the need of purchasing a new bin.
- 9 Messaging about the subscription service will provide information on home composting available through the council's website and through the work of our waste prevention volunteers at community events though the year.

RECOMMENDATIONS

The Environment and Communities Committee is recommended to:

1. Agree the proposals for delivering the Green Waste subscription charge as included within the Medium-Term Financial Strategy 2023-27, including the initial annual subscription charge of £56.00, which in future will be agreed as part of the Council's fees and charges regime.
2. Delegate authority to the Head of Environmental Services in conjunction with relevant council teams to undertake all necessary actions to implement and deliver the Garden Waste subscription scheme.

Background

- 10 Cheshire East Council currently provides a free green waste collection and recycling service to properties on wheeled bin rounds able to store a green waste bin. Those properties that receive this free service are

also already able to apply for additional green bins, at the resident's cost, and collections for an annual subscription charge.

- 11 The authority currently encourages residents to recycle food waste within the green waste bins.
- 12 The authority is experiencing a significant increase in its contract costs due to inflation and contractual changes. The Council currently charges for the emptying of additional green bins.
- 13 It is common in many similar authorities and surrounding authorities to charge for this aspect of garden recycling. Nationally in 2019 (the latest figure available) 65% of Local Authorities charged for green waste collections. It is also noted that a number of Councils have this year consulted on this proposal as part of their own MTFS budget setting process, such as Shropshire Council.
- 14 The level of the annual charge will be set as part of the authority's fees and charges process updated at the start of each year and includes any inflation impacts at the prevailing rate. For the first year it will be as per existing charge for second green waste bin, £56. Similar bench marked authorities currently charge between £40 – £60 per bin.
- 15 A 25% reduction concessionary rate in line with other chargeable waste concessionary discounts will be applied for qualifying benefits assuming purchase in advance, no concessions will be given for subscribing part way through the year. The charge is per bin with customers still able to order multiple garden bins which will each incur an additional subscription charge.
- 16 The proposal is forecast to generate £4.05m split across two years, £0.9m in 2023/24 with the balance in 2024/25.
- 17 This is based around a series of high-level assumptions related to number of applicable properties who have green waste collections at present, the level of take up to the subscription and also the value of the annual charge.
- 18 An allowance has been made within these assumptions to cover the financial risks associated with.
 - (a) Implementation costs, both one off and ongoing
 - (b) Green waste disposal and processing contract changes
 - (c) Migration of food waste into the residual waste stream

- (d) Migration of a small volume of green waste into the residual waste stream
 - (e) Observing an increased tonnage of green waste being processed through the Council's Household Waste Recycling Centres
- 19 The scheme will go live for the public to pay subscriptions in October 2023 with the chargeable service commencing in January 2024 and running through to December with a 4–6 week break over Christmas and New Year period, depending on when individual collections occur.
 - 20 Following consultation on the Council's budget proposals as part of the MTFS development a full communications campaign has been developed and will begin in August 2023 up until the launch of the payments system in October. This will include a leaflet to every household who are eligible to have a green waste bin as well as website, social media, press releases, and advertisement on our refuse collection vehicles.
 - 21 Approximately 80% of the households in the Cheshire East borough, circa 150,000 properties are eligible for the garden bin collection service due to constraints on house design and collection round limitations.
 - 22 Customers will be able to subscribe through our website, by telephone and in person at customer centres however there will be a presumption of digital first to reduce demands on our call centre and customer centres.
 - 23 Subscribing customers will get a subscription sticker to be placed on their bin. These stickers enable collection crews to identify the garden bin and it show the customer has paid for the service. Collection vehicles will also have a record of the subscription through our in-vehicle technology that is also linked and visible to the customer centre. A new collection sticker will be posted out each year to subscribers.
 - 24 All stickers will be designed to fray and tear when removed from the bins, this prevents them being reused by other residents. Stickers also have the customer address/unique reference number on them which allows the waste teams to check if the bin is at the relevant location.
 - 25 Customers who move house within Cheshire East part way through the subscription year, will be able to transfer the subscription to their new address. Garden bins remain with the previous property.
 - 26 The new bin charge covering administration and delivery of a new bin still applies for customers who do not have an existing green waste bin and additional or replacement bins. If a bin is damaged and this has

been caused during the collection process and we can verify this, the bin will be replaced free of charge.

- 27 Bins from customers who do not subscribe will cease to be emptied from the closure of the green waste collections at the end of December 2023. They will retain their garden bins at their property to allow the option of future subscription without the need of purchasing a new bin. The authority is not able to practically or economically collect bins from members of the public who do not subscribe to the scheme.
- 28 The council through Ansa Environmental Service's will employ up to an additional 4 customer facing waste and recycling officers to aid this transition on the ground. It is anticipated these will be reduced to two officers as the system beds in over the second year.
- 29 Customers that do not sign up to the green waste collection service, will be asked to put food waste in the black residual bin. Messaging about the subscription service will also provide information on home composting available through the Council's web site and through the work of our waste prevention volunteers at community events throughout the year.
- 30 We anticipate a reduction in the recycling rate, due to the fact that not all applicable households will choose to subscribe to the service, with the potential risk of an increase to the residual waste disposal indicator, although the authority does not use landfill as its main means of disposal. This has been estimated and accounted for in planning the scheme to deliver the required income target.
- 31 In the wider context central government as part of the Environment Act consistency in collections legislation, has consulted on requiring and resourcing councils to set up a separate food waste collection to all properties. Although we await final legislative confirmation of this it is anticipated that weekly food waste collections will be required and that this new separate service will replace the existing co-mingled garden and food waste service for Cheshire East from 2025. Once in place this should restore recycling levels for food waste from this point.
- 32 Cheshire East Council wholly own the in vessel composting facility that processes the food and green waste we collect from householders. The introduction of this service will require adjustments to our contract with the provider who operates this plant on the council's behalf. This is agreed in principle with the contractor to ensure an equitable contract amendment for all parties and a detailed contract change is now progressing.

- 33 There is no evidence to suggest that Cheshire East will see any increase in fly-tipping as a result of a subscription service being brought in. Other councils that have introduced similar schemes have not seen an increase. We will continue to monitor Fly-tipping and seek to fine and prosecute offenders where appropriate.

Consultation and Engagement

- 34 The subscription chargeable green waste service was consulted upon in January of 2023 as part of the council's Medium Term Financial Strategy (MTFS) budget engagement. The consultation received 267 survey respondents making a total of 475 comments on the proposed Green Waste subscription. Overall, there was 66% net opposition to the proposal.
- 35 When invited to give reasons for their support or opposition comments were summarised in five main categories of Environmental Impact (216 comments), Impact of Green Waste Charges (119 comments) Financial Commentary (105 comments), Alternatives to Charges (27 comments) and Impacted groups (8 comments).
- 36 In response to the MTFS consultation concerns over the environmental impact, it is expected that overall waste per household is likely to reduce with the promotion of home composting. The reduction in the ability to recycle food waste is likely to be temporary with central government consultation on introducing a consistent approach to collections funding a transition to a separate food waste collection. With respect to green waste charges impact the council will continue to prosecute fly tippers and has no evidence of similar authorities introducing a charge that this is likely to increase fly tipping.
- 37 With respect to a financial commentary and alternatives to charges the council has explored a number of other options outlined below in alternatives considered; however, this is considered the only option to deliver the level of income within the required time scales to balance the council's budget. For those who have difficulty moving bins they can apply for an assisted bin collection service. A concessionary rate will also be applied in line with other chargeable waste services from the Council for those on qualifying benefits.
- 38 The full consultation response report can be found on the council's website [CE Budget Engagement 2023 - 2027 - Full report \(cheshireeast.gov.uk\)](https://www.cheshireeast.gov.uk) SECTION: Environment & Communities Committee p 95 proposals

Reasons for Recommendations

39 The proposal supports Open and enabling objective of the cooperate plan. Delivering the priority set out to:

- (a) support a sustainable financial future for the council, through service development, improvement and transformation

40 **Other Options Considered**

41 Other options included the further reduction in the provision of household waste recycling centres and the introduction of a three weekly black bin collection. Neither of these options could be achieved in the required timescales or provided the level of savings needed though the introduction of the green waste subscription service.

42 The following options appraisal outlines the other options considered in more detail:

Option	Impact	Risk
Reduction in the frequency of residual waste collections from 2 weekly to 3 weekly.	This option would require a major redesign of the council’s collection system. It would take 2 years to deliver. Initial feasibility undertaken suggested it would save in the order of £1-1.5million per year, excluding any costs of change.	Government is consulting on major changes to Council recycling and waste collections from 2025. This may prohibit 3 weekly collections but if permitted it would be better to align the change to three weekly with other changes 2025 onwards
The Committee resolving to do nothing	The Committee would need to identify alternative savings / income to deliver the required income target of £4,050,000.	The Council cannot deliver a balanced budget.

Implications and Comments

Monitoring Officer/Legal

43 The advice on the proposals summarised as follows:

- (a) The Council is subject to the waste collection duty, part of which includes the collection of household waste (Section 45(1)(a) EPA 1990). Section 75(5) of EPA 1990 provides that “household

waste” means waste from a domestic property (a building, or a self-contained part of a building, used wholly for the purposes of living accommodation); a caravan on a caravan site; a residential home; premises forming part of a university, school or other educational establishment; and premises forming part of a hospital or nursing home.

- (i) The general rule is that the Council cannot charge for the collection of household waste. Section 45(3) EPA 1990 provides that (emphasis added):
- (b) However, the general rule above is subject to the exceptions in Schedule 1, Paragraph 4 of the Controlled Waste Regulations. One of these exceptions allows the Council to charge for the collection of green waste. Food waste is not currently subject to an equivalent exception, and therefore the Council must collect household food waste and cannot charge for this.
- (c) This may lead to difficulties if food waste and green waste are collected together i.e., if the purpose of a bin is to collect mixed garden and food waste, collection cannot be charged for. If the Council was found to be charging for the collection of food waste, it would be in breach of its duties under the EPA 1990.
- (d) The Council can apply charges for separate green waste collection but not for food waste collection services.
- (e) The position in relation to mixed garden and food waste collection is slightly more nuanced. If the Council provides for mixed garden and food waste, it cannot charge for such collection. However, if food waste is accidentally or wrongfully placed in green waste collection receptacles by householders, the Council would not have to recover charges as this is a matter of enforcement rather than charging.
- (f) The MTFS is a four-year statement of intent to create a balanced position over a 4-year period. The Annual Budget provides the legal basis for the decision. The Annual Budget does not alter delegations to officers. Unless the Annual Budget decision documents specifically delegate an action to an officer, officers must rely on the general scheme of officer delegation for authority to act.
- (g) At Council on 19th April 2021, Council agreed the transitional provisions for the Committee System. Appendix 1 of the report is clear that any decision previously at Cabinet would be heard by Committee and any decisions made by Portfolio Holder which

meet the following principles are to be decided by a relevant Committee:

- a) Any matter of policy
- b) Any matter requiring a decision in respect of a material budget increase or decrease in relation to the original decision
- c) Any matter relating to material service increase or decrease in relation to the original decision.
- d) Any matter not within the scope of the Corporate Plan or the current MTFS
- e) Any other matter previously delegated to a member of Cabinet/Portfolio Holder
- (h) Service Committees are constrained by the budgetary framework. The fundamental principle is that officers are responsible for budget management, but Service Committees are responsible for assuring the budget is spent on delivering the objectives set out in the policy framework of the Corporate Plan.
- (i) A Significant decision is defined in the constitution as a decision which is likely to result in the Council incurring non-routine expenditure which is, or the making of non-routine savings which are, significant having regard to the Council's budget for the service or function to which the decision relates, and/or is likely to be significant in terms of its effects on communities living or working in an area comprising one or more wards or electoral divisions in the area of the Council. For these purposes, savings and expenditure are "significant" if they are equal to or greater than £1 million, unless the context requires otherwise.
- (j) The proposal to introduce a charge for green waste was noted by Full Council on 24 February 2023 and so is part of the approved Annual Budget. The budget did not fix an amount of any charge, commencement date, discretionary exemptions, or mitigation for equality impacts and a further decision is required
- (k) Officers have the power to set the level of fees and charges within their Service. Officer delegations relate to operation of the "business as usual" service.
- (l) The decision to apply a charge where a discretionary service was previously provided for free may be considered a policy decision and b) may be a material change to service (for those not paying) c) the proposed revenue of £4.05 m may be considered

significant. (See (i) above).

Section 151 Officer/Finance

- 44 The proposal is forecast to generate £4.05m split across two years, £0.9m in 2023/24 with the balance in 2024/25. This was set around a series of high-level assumptions related to number of applicable properties who have green waste collections at present, the level of take up to the subscription and also the value of the annual charge.
- 45 An allowance has been made within these budget assumptions to cover off the risks associated with;
- i. One off and ongoing scheme implementation costs
 - ii. Disposal contract changes
 - iii. Migration of food waste into the residual (black bin) waste stream, hence increased disposal tonnages
 - iv. Migration of a small volume of green waste into the residual waste stream, hence increased disposal tonnages
 - v. Observing an increased tonnage of green waste being processed through the Council's Household Waste Recycling Centres.
- 46 The project will be self-financing with initial costs covered by income over a two-year period. The green waste subscription charge proposal will be a significant part of the Council achieving a balanced budget in 2023-25.

Policy

- 47 The implementation of the green proposals support the Council's [Corporate Plan](#) in;
- (a) Promoting an open and enabling organisation and;
 - (b) Support a sustainable financial future for the council, through service development, improvement and transformation

Equality, Diversity and Inclusion

- 48 An Equality Impact Assessment has been completed for this proposal included in Appendix 1 to this report.

Human Resources

- 49 The Council will need to allocate additional staff during the roll out period and maintain for a finite period up to 4 staff to manage correspondence and undertake customer facing waste education and enforcement duties. It is anticipated these costs will be funded for the income from the subscription charge prior to offering up savings and have been included in the financial modelling.

Risk Management

- 50 Table of key project risks and their mitigation actions is included below:

Risk	Mitigating Actions
Central Government potentially introducing a policy that would lead to Local Authorities being unable to charge for the collection of green waste.	Officers within Environmental Services are continuing to follow national picture, engaging regularly with DEFRA and will react to any announcement accordingly.
Amendments to the waste treatment and disposal contract cannot be agreed / onerous leading to increased costs and/or delay.	Agreement in principle obtained minimising financial exposure to the Council, with detailed legal discussions now progressing.
Delays or increases in implementation costs reduce income achieved in the first year.	A detailed project plan with corporate oversight and monitoring was implemented following Full Council with achievable time scales to meet deadlines. Continual review of financial plan is being undertaken
Introduction of subscription causes increase in customer correspondence and complaints	Additional customer services staff in Ansa and commissioning team will assist in roll out and be retained longer term as needed. These posts will be funded via income and are built into financial model.

Rural Communities

- 51 It is not anticipated that there will be significant impact on rural communities. For residents not wishing to take up the subscription service, potentially greater distance to household waste recycling

centres would be mitigated by the ability to home compost green waste in rural properties. The promotion of home composting will be a key message within the public engagement materials.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

- 52 There are no specific implications for children and young people, and cared for children, of this report and its recommendations/decisions.

Public Health

- 53 Public health implications of this report and its recommendations are likely to have a neutral impact on the health and wellbeing of Cheshire East residents.

Climate Change

- 54 Charging for green waste is likely to encourage greater composting at home and reduce collection and processing of garden and food waste. There is however the risk this will increase organics within the residual (black bin) disposal route, however it is anticipated the overall affect should be carbon neutral moving to positive on the Councils 2025 and Boroughs 2045 carbon neutral targets.

Access to Information	
Contact Officer:	Ralph Kemp, Head of Environmental Services Ralph.kemp@cheshireeast.gov.uk
Appendices:	Appendix 1: Equality Impact Assessment
Background Papers:	CE Budget Engagement 2023 - 2027 - Full report (cheshireeast.gov.uk) Medium Term Financial Strategy 2023-2027 - Pdf (browsealoud.com)

	<u>HIGH LEVEL BUSINESS CASE – PL23-27 92(A) (Final - Post Consultation) Review Waste Collection Service – Charge for Green Waste</u>
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