

## **LEISURE & ENVIRONMENT COMMITTEE**

**22 January 2019**

### **Garden Waste Business Case**

#### **1.0 Purpose of Report**

1.1 To present to Members the business case for bringing the Garden Waste service back to an in house provision and a recommendation that Committee recommend the preferred option in the business case to Policy and Finance Committee.

#### **2.0 Background Information**

2.1 The current collection arrangement is delivered in partnership with Rushcliffe Borough Council (RBC) and Mansfield District Council (MDC) and has been operating since 2014. The garden waste service currently has 11,500 garden waste customers and operates a mixed delivery approach within the district.

2.2 Members agreed at Leisure and Environment Committee in June 2018 to transfer the administration for the garden waste scheme from RBC to an in house provision and that Officers should develop a business case detailing the option of bringing the garden waste service back to an in house provision.

2.3 The appropriate notice was served as per the Memorandum of Understanding (MoU) and the administration for the 4,500 properties collected by NSDC is currently being delivered in house. Renewal letters and stickers will be sent out in February/March for the commencement of the garden waste scheme from April 2019.

#### **3.0 Proposals**

3.1 Members requested a full business case considering the option of bringing all garden waste services back to an in house provision, which is attached as Appendix A.

3.2 The preferred option is to transfer all of the garden waste service to an in house provision which will:

- Generate a surplus for the council. Following an initial capital outlay of approx £450k, there will be an estimated revenue surplus of approx. £55k in the first year. It is expected that this surplus would continue to increase for the following 3 years based on adjustments for inflation.
- Improve the Customer Experience. The customer would benefit from an improved customer experience as they will be provided with a single point of contact (NSDC customer services) for all types of refuse collection. It is already assumed by some customers that NSDC can resolve their garden waste queries serviced by RBC or MDC. Currently, in this instance, the customer would be told to call the relevant authority. By having NSDC collect and administer the entire service, this would reduce this confusion and offer a seamless service for the customer.

- Establish some of the infrastructure for when/if the possibility of a national free garden waste service for all households is delivered. The recent publication of the National Waste strategy set out the Government's consultation on the provision of a free garden waste service. It will require considerable investment to ensure that the council can meet the infrastructure and associated requirements. In this instance, it is highly likely that RBC and MDC would withdraw their vehicles from the NSDC area in order to support the increased provision in their own area.
- Offer greater autonomy over incorporating the service into future District Council campaigns such as the current Cleaner, Safer, Greener (CSG) initiative. Currently if NSDC wanted to promote campaigns/advertise on the side of the garden waste vehicles we could only do this across NSDC fleet and would exclude advertising on garden waste vehicles that service the west and south of the district. By bringing the garden waste back in house, we would be able to ensure effective marketing campaigns involving garden waste trucks service the entire district.

#### **4.0 Impact of the National Waste Strategy**

- 4.1 Members are requested to take note of the recent government document "Our Waste, Our Resources: A Strategy for England" which establishes a commitment to consult on universal food waste collections and the provision of free garden waste services for all households with a garden. It is unclear at this stage if this will become a reality and to what extent any free garden waste service would be linked with universal food waste collections (they can be processed separately or together through differing systems). This consultation is expected in early 2019 with implementation milestones set for 2023.
- 4.2 Should a free garden waste collection service be mandated it will require a considerable investment to ensure that the council can meet the infrastructure and associated requirements. It is highly likely that RBC and MDC will wish to withdraw their vehicles from the NSDC area in order to support the increased provision required in their areas. In this scenario it is estimated that NSDC would have to invest in additional resource (at least 3 garden waste collection vehicles and crew) on top of the provision identified in this report. Although not part of the original remit of this business case, the publication of the national waste strategy must be a factor for consideration. It is deemed sensible to transfer the existing garden waste service now in order to establish some of the infrastructure, in the possible event of a nationally mandated free garden waste service for all households with a garden.
- 4.3 The waste strategy also makes note of the need for additional infrastructure at a national and county level. It is probable that new sites will be required for the transfer or processing of garden waste following the additional consultation. From NSDC's perspective this would be most ideally placed on the eastern side of the district and we will seek to influence these discussions when they arise.
- 4.4 It is possible that additional funding will become available as a result of the waste strategy. Officers have noted that the emphasis appears to be on the 'polluter pays principle' whereby producers must meet the recovery costs of the materials they place on the market. It's unclear at this stage how this system will function or how it will apply to garden waste because there is no packaging manufacturer to pursue.

## **5.0 Other Items to Note**

- 5.1 The growth projections provided in the business case have been provided by the planning team based on their future growth projections.
- 5.2 Under the terms of the MoU there is no requirement for RBC or MDC to transfer their existing bin stock to NSDC. The figures in this report are estimation and may vary.
- 5.3 In order to help drive the service it is proposed that for new housing areas we extend the existing practice of developers buying the refuse and recycling bins to include a garden waste bin for all new households with a garden. Discussions will be held with the planning team about implementation.
- 5.4 If possible we will then offer new estates free garden waste collection for a limited period. This action is founded on the experience of other authorities who historically had a free garden waste collection service and after the implementation of a charge achieved around a 50% uptake.

## **6.0 Equalities Implications**

- 6.1 As per the policy, an equalities checklist has been undertaken considering the option of bringing the garden waste service back in house and no adverse impacts have been identified. Of note, it has been identified that assisted bin collections which are currently offered for refuse and recycling would be extended to those residents who demonstrated need for the garden waste service. The garden waste service will remain an opt-in chargeable service at this current time and the proposed option does not alter methods of payment.

## **7.0 Financial Implications – FIN18-19/2100**

- 7.1 To bring the garden waste collection service back in house from April 2020, the council would generate increased surpluses, such that by 2023/24 the annual surplus generated from the service would exceed £100k.
- 7.2 There would be a requirement for the Council to initially invest approximately £450k for the purchase of two new collection vehicles along with the bins currently used by MDC and RDC. It is likely at this stage that due to the limited available capital resources, this capital expenditure would be financed by borrowing, which would cost the Council's revenue budget circa £73k per annum over the life of the assets in interest payments and Minimum Revenue Provision (MRP). The detailed financial implications are within the business case.

## **8.0 RECOMMENDATIONS that:**

- a) **The preferred option as set out in the business case (bringing the garden waste service back in house) is added into the revenue budget in 2019/20 and built into the base budget for further budgets is recommended to Policy & Finance Committee and;**

- b) The capital costs of £450k is added to the Capital Programme in 2019/20 for the purchase of new collection vehicles and additional bins is recommended to Policy & Finance Committee.**

**Reason for Recommendation(s)**

To allow the Committee to make a recommendation to Policy & Finance Committee on the preferred option for the garden waste service and to recommend an additional £450k to the Capital Programme in 2019/20 for the purchase of the new collection vehicles and the additional bins.

**Background Papers**

Nil

For further information please contact Deborah Johnson on ext 5800 or Andy Kirk on ext 5577.

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