	REPORT TO CABINET TO BE HELD ON 16 OCTOBER 2018						
	<table> <tr> <td>Key Decision</td> <td>YES</td> </tr> <tr> <td>Forward Plan Reference Number</td> <td>-</td> </tr> <tr> <td>Cabinet Portfolio Holder</td> <td>Cllr Chatt</td> </tr> </table>	Key Decision	YES	Forward Plan Reference Number	-	Cabinet Portfolio Holder	Cllr Chatt
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Forward Plan Reference Number	-						
Cabinet Portfolio Holder	Cllr Chatt						
Corporate Aims People/Place/Council							

REPORT OF: Director (NE) – 18/231

WARDS AFFECTED: All

SUBJECT: GARDEN WASTE SUBSCRIPTION SERVICE

RECOMMENDATION (S):

That Cabinet is recommended to:

1. Note the reduction in financial support from North Yorkshire County Council for garden waste collections.
2. Approve the subscription charges set out below as previously agreed in principle by the Cabinet Portfolio Holder (report ref: 17/299);
 - a) Financial year 2019/20 - An annual charge of £33 per licensed bin or £33 per property for a sack collection.
 - b) Financial year 2020/21 - An annual charge of £38 per licensed bin or £38 per property for a sack collection.
 - c) A £15 administration charge for a new brown bin.
 - d) A £15 charge for seven rolls of 10 garden waste sacks if required.
3. Authorise the Director (NE), in conjunction with the Cabinet Portfolio Holder, to finalise terms and enter into contract with NYCC in relation to the new green waste incentive payment scheme.

REASON FOR RECOMMENDATION (S):

Garden waste collection is a non-statutory service funded through licence subscriptions and recycling credits. North Yorkshire County Council has indicated that it intends to significantly reduce its financial support for the scheme through a reduction in the payment of recycling credits. In order to protect the service and ensure its continued provision, the recommendations propose that the Borough Council accepts the reduced Green Waste Incentive payment from the County Council and increases the subscription (opt-in) charge to offset the cost of providing the service.

HIGHLIGHTED RISKS: As identified in the risk matrix

1. INTRODUCTION

- 1.1 This report outlines the reduction in NYCC financial support for garden waste collections and sets out the mechanism for receipt of the new Green Waste Incentive payment.
- 1.2 This report also brings forward a price recommendation for the collection of garden waste in 2019 and 2020 as agreed in principle by the Cabinet Portfolio Holder on 20 December 2017 (report reference 17/299).

2. CORPORATE AIMS

- 2.1 This report supports the Council's key aims of People, Place and Council.

3. BACKGROUND AND ISSUES

- 3.1 The Council's Cabinet, in November 2015, approved the implementation of a charge for the collection of garden waste.
- 3.2 The scheme was very successful in the first two years and the Director (NE) in conjunction with the Cabinet Portfolio Holder approved a revised charge for 2018. The revised charge was:
 - a) An annual charge of £29 per licensed bin or £29 per property for a sack collection;
 - b) A £15 administration charge for a new brown bin if required
 - c) A £15 charge for seven rolls of 10 sacks if required
- 3.3 Take-up of the scheme in 2018 remains high and to the end of September 2018 we have issued 16971 licences. This is a 2% reduction when compared to the same period in the previous year. Officers believe this reduction is largely as a result of the previous year's price increase and this price sensitivity must be considered when setting prices for 2019 and beyond.

- 3.4 The current collection scheme is financially supported by North Yorkshire County Council through the payment of a recycling credit for each tonne of waste recycled/composted. This credit currently stands at £51.51 per tonne.
- 3.5 The mechanism for the payment of recycling credits is prescribed through the Environmental Protection (Waste Recycling Payments) Regulations 2006 and was introduced in two tier authority areas to ensure that there was a financial incentive for lower tier authorities to introduce separate recycling collections; thereby reducing the financial burden on upper tier authorities for waste disposal.
- 3.6 In addition, the Borough Council currently incurs a cost per tonne to turn collected garden waste into compost at licensed disposal points. The current cost is an average of £25 per tonne across all sites.
- 3.7 Therefore, at present (excluding the subscription charge), the remaining £26.51 per tonne from the recycling credit is used to offset the costs of delivering the service.
- 3.8 North Yorkshire County Council agreed at their Executive Meeting on 4 September 2018 to reduce their support for garden waste schemes across North Yorkshire through a reduction in the payment of recycling credits for garden waste. Following this meeting, NYCC has written to all district councils to inform them of this decision. A copy of this letter is enclosed at Appendix A
- 3.9 The letter from NYCC performs two key functions:
- a) It issues formal notice to the Borough Council that NYCC intend to remove the payment of recycling credits for garden waste from 1 April 2019 and will make arrangements to process collected garden waste, unless;
 - b) Agreement can be reached with the district council, under the terms set out in the enclosed contract, to establish a green waste incentive payment framework.

4. CONSULTATION

- 4.1 North Yorkshire County Council consulted with all district councils before implementing the approach set out in this report. The Borough Council responded in full to this consultation and a copy of the response, together with responses from other districts, as well as the final report to the County Council's Executive is enclosed at Appendix B.

5. ASSESSMENT

- 5.1 The garden waste collection arrangement continues to be a successful scheme which is well used by residents across the Borough.

- 5.2 There has been an overall reduction in the tonnage of garden waste collected following the introduction of the scheme; however, there has been no significant increase in the disposal of garden waste through other means such as to landfill or through fly-tipping.
- 5.3 The Borough Council became aware of NYCC's proposal to remove support for the service in 2017 and adopted a pricing structure to mitigate the impact of these changes. Unfortunately, there was no practical option but to pass on these additional costs to service users through an increase in the subscription charge. The pricing strategy was set out in ICM report 17/299 and was approved in principle by the Cabinet Portfolio Holder in December 2017.
- 5.4 The pricing strategy set out in report 17/299 is still valid and would ensure the future financial sustainability of the garden waste collection service.
- 5.5 Taking into account all of the aforementioned points; it is recommended to Cabinet to approve the price increase set out below as agreed in principle in report 17/299.
- e) Financial year 2019/20 - An annual charge of £33 per licensed bin or £33 per property for a sack collection
 - f) Financial year 2020/21 - An annual charge of £38 per licensed bin or £38 per property for a sack collection
 - g) A £15 administration charge for a new brown bin.
 - h) A £15 charge for seven rolls of 10 garden waste sacks if required
- 5.6 Adopting this pricing structure will ensure that appropriate financial mitigation is in place to address the NYCC funding reductions and will also ensure that the annual price rise per year for householders is smoothed over a longer period and is kept as low as possible.
- 5.7 It is important to note that the new green waste incentive payment scheme is not enshrined in legislation and therefore appropriate protections need to be in place to protect the Borough Council's position in future years. NYCC have provided contract terms for the new scheme and agreement to these will ensure that the Borough Council continues to receive the green waste incentive payment for a period of ten years.

6. IMPLICATIONS

(a) Policy

There are no new policy implications that arise from this report.

(b) Financial

All financial implications are identified in the main body of the report.

(c) Legal

There are no new legal implications that arise from this report.

(d) Equalities and Diversity

There are no new equality and diversity implications that arise from this report.

(e) Staffing Issues

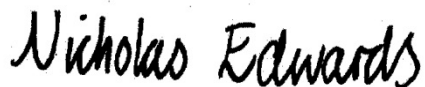
There are no staffing issues associated with this report.

(f) Planning, Environmental, Health and Safety, Sustainability, Crime and Disorder

There are no planning issues that arise from this report. The Council has a clear strategic aim to protect and improve our environment. This report has implications for this aim and the proposals contained therein seek to ensure that the garden waste scheme is still accessible and continues to divert waste away from landfill.

(g) Communication

The outcomes of the pricing review will impact upon all residents of the Borough. A communication plan has been utilised to successfully deliver the garden waste scheme since its inception and this will be mirrored moving forwards. Careful consideration will need to be given to mitigate any negative publicity arising from the price increases. Early engagement will take place on this issue with the Council's Communications Team.



Nick Edwards
Director

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Background Papers: None

IF YOU HAVE ANY QUERIES ABOUT THIS REPORT OR WISH TO INSPECT ANY OF THE BACKGROUND PAPERS, PLEASE CONTACT PAUL THOMPSON ON 01723 232323 OR E-MAIL paul.thompson@scarborough.gov.uk

Risk Matrix

Risk Ref	Date	Risk	Consequences	Mitigation	Current Risk Score	Target Score	Service Unit Manager/ Responsible Officer
1	Oct 2018	Household take-up of the scheme drops due to large price increase	<p>Large numbers of residents may abandon the scheme with the potential for reputational damage for the Council</p> <p>Operating Costs remain high but income is much lower</p>	Adopt the pricing structure as identified in this report. This will not fully mitigate this risk but smoothing the price increase over a number of years will assist residents in managing the increased costs.	C3	B3	Operations, Transport & Countryside Manager
2	Oct 2018	New pricing structure fails to reflect removal of NYCC support for the scheme	Significant budget shortfall	Adopt the pricing structure as identified in this report.	C3	B2	Operations, Transport & Countryside Manager
3	Oct 2018	Implementation is delayed	Subscription sign up period is shorter and call centre struggles to cope with traffic.	Mirror the successful project plan as delivered in 2016	C3	B2	Operations, Transport & Countryside Manager

Glossary of Terms

Risk	An event which may prevent the Council achieving its objectives
Consequences	The outcome if the risk materialised
Mitigation	The processes and procedures that are in place to reduce the risk
Current Risk Score	The likelihood and impact score with the current mitigation measures in place
Target Risk Score	The likelihood and impact score that the Council is aiming to achieve
Service Unit Manager	The Service Unit or Officer responsible for managing the risk
Action Plan	The proposed actions to be implemented in order to reduce the risk to the target score

Risk Scoring

Impact	5					
	4					
	3					
	2					
	1					
			A	B	C	D
		Likelihood				

Likelihood:

A = Very Low
 B = Not Likely
 C = Likely
 D = Very Likely
 E = Almost Certain

Impact

1 = Low
 2 = Minor
 3 = Medium
 4 = Major
 5 = Disaster

