

FAREHAM

BOROUGH COUNCIL

AGENDA

STREETSCENE SCRUTINY PANEL

Date: Thursday, 24 September 2020

Time: 6.00 pm

Venue: Virtual Meeting - Microsoft Teams

Members:

Councillor Miss T G Harper (Chairman)

Councillor G Fazackarley (Vice-Chairman)

Councillors J E Butts

Mrs L E Clubley

J M Englefield

Mrs K Mandry

R H Price, JP

Deputies: J S Forrest

Mrs T L Ellis

L Keeble



1. Apologies for Absence

2. Minutes (Pages 3 - 6)

To confirm as a correct record the minutes of the meeting of the Streetscene Scrutiny Panel held on 30 January 2020.

3. Chairman's Announcements

4. Declarations of Interest and Disclosures of Advice or Directions

To receive any declarations of interest from members in accordance with Standing Orders and the Council's Code of Conduct and disclosures of advice or directions received from Group Leaders or Political Groups, in accordance with the Council's Constitution.

5. Deputations

To receive any deputations of which notice has been received.

6. Review of Garden Waste Collection Service (Pages 7 - 30)

To consider a report by the Head of Streetscene which outlines the proposals to be put forward for consideration by the Executive in respect of the Garden Waste Collection Service.



P GRIMWOOD
Chief Executive Officer

Civic Offices
www.fareham.gov.uk
16 September 2020

**For further information please contact:
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Tel:01329 236100
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FAREHAM

BOROUGH COUNCIL

Minutes of the Streetscene Scrutiny Panel (to be confirmed at the next meeting)

Date: Thursday, 30 January 2020

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor Miss T G Harper (Chairman)

Councillor G Fazackarley (Vice-Chairman)

Councillors: J E Butts, Mrs L E Clubley, L Keeble, Mrs K Mandry and
R H Price, JP

Also Present: Mrs K K Trott (Item 6)



1. APOLOGIES FOR ABSENCE

There were no apologies of absence received at this meeting.

2. MINUTES

RESOLVED that the Minutes of the Streetscene Scrutiny Panel meeting held on the 17 October 2019 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

There were no announcements made at this meeting.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS

There were no declarations of interest made at this meeting.

5. DEPUTATIONS

There were no deputations made at this meeting.

6. CLEAN NEIGHBOURHOODS AND ENVIRONMENT

The Panel received a report from Mick Gore, Public Spaces Operations Manager on the performance of the Council's street cleansing operation.

At the invitation of the Chairman Councillor K K Trott joined in discussions during this item.

Members discussed the report in detail focussing on each heading in turn. The figures within the report across the cleansing service largely showed a positive outlook.

Members did raise concerns that the changes in how residents access the Hampshire County Council, Household Waste Recycling Centres from the 01 April 2020 could potentially lead to an increase in fly-tipping across the borough.

The Panel asked several questions about enforcement and discussed how enforcement directly effects the cleansing service. Officers advised that enforcement is the responsibility of the Health and Public Protection Scrutiny Panel.

Potential future topics for consideration by Health and Public Protection Scrutiny Panel were identified as: -

- Litter and fly-tipping on private land and how this can be enforced;
- Whether legislation which governs the Council's powers to issue Fixed Penalty Notices to people that allow their dogs to foul in public areas is fit for purpose; and

- Litter bins not being used appropriately with larger deposits, particularly around coastal areas which can become an eyesore during peak summer season. What enforcement powers does the Council have to deal with this matter?

Members also enquired about the action taken by the DVLA regarding untaxed vehicles on the highway. Officers advised they would investigate this further and circulate the information to members.

RESOLVED that the Panel: -

- (a) scrutinised the information set out in the report; and
- (b) ensure the Chairman of the Health and Public Protection Scrutiny Panel is advised about the queries relating to enforcement powers.

7. EXECUTIVE BUSINESS

There were no items of Executive business for the Panel to consider at this meeting.

8. STREETSCENE SCRUTINY PANEL PRIORITIES

The Chairman asked Members of the Panel to consider the Scrutiny Priorities for the Streetscene Portfolio.

RESOLVED that the Panel considered the Scrutiny Priorities for Streetscene.

(The meeting started at 6.00 pm
and ended at 7.20 pm).

FAREHAM

BOROUGH COUNCIL

Report to Streetscene Scrutiny Panel

Date **24 September 2020**

Report of: **Head of Streetscene**

Subject: **REVIEW OF GARDEN WASTE COLLECTION SERVICE**

SUMMARY

A recent decision taken by Hampshire County Council will mean that the Borough Council will no longer benefit from the recovery of costs for material recycling, from April 2021 onwards.

This decision will place a financial burden on the Borough Council estimated at approximately £400,000 a year. This is in addition to the £1.5 million shortfall in the Council's medium-term financial plan and the economic loss caused by Covid-19.

To offset the additional costs and help tackle the shortfall, it is proposed that a charge for the collection of garden waste be introduced.

A draft Executive report has now been prepared, which outlines the proposal. The report can be found at Appendix A and a more detailed review of the Garden Waste Service and charging proposals can be found at Appendix B. A presentation will also be given to the Scrutiny Panel on 24 September outlining the proposal.

The Scrutiny Panel is asked to comment on the contents of the presentation, draft Executive report and detailed review. Any comments will be added to the report to be presented to the 12 October 2020 meeting of the Executive for consideration.

RECOMMENDATION

It is recommended that the Scrutiny Panel note and comment on the presentation, draft Executive Report and detailed results in advance of the report being presented to the 12 October meeting of the Executive for consideration. Comments will be included in the final report presented to the Executive on 12 October.

INTRODUCTION

1. The Council has provided a free garden waste collection service since 2005 and is now the only Council within Hampshire that does not charge or plan to charge for collections.
2. A recent decision taken by Hampshire County Council will mean that the Borough Council will no longer benefit from the recovery of costs for material recycling, from April 2021 onwards.
3. This decision will place a financial burden on the Borough Council estimated at approximately £400,000 a year. This is in addition to the £1.5 million shortfall in the Council's medium-term financial plan and the economic loss caused by Covid-19.
4. To offset the additional costs and help tackle the shortfall, a review of the Garden Waste service was conducted with the aim of finding potential additional revenue streams.
5. A draft Executive report has now been prepared. This outlines the top-level results of the review and the proposals for the introduction of a new chargeable garden waste collection service. These proposals have the potential to generate a significant new revenue stream for the Council which will help to offset the loss of cost recovery from material recycling, as well as contribute to the £1.5 million shortfall in the Council's medium-term financial plan.
6. The draft Executive report can be found at Appendix A. More detailed results can be found at Appendix B. A presentation will also be given to the Scrutiny Panel on 24 September outlining the main findings of the review.
7. The Scrutiny Panel is asked to note and comment on the contents of the presentation, draft Executive report and detailed results. Comments will be added to the Review of the Garden Waste Collection Service report to be presented to the Executive on 12 October 2020 for consideration.

CONCLUSION

8. A review of the Garden Waste Service has been conducted which contains proposals for the introduction of a chargeable scheme. The Scrutiny Panel is asked to note and comment on the review and proposals, with comments being added to the Review of the Garden Waste Collection Service report, to be presented to the meeting of the Executive on 12 October 2020 for consideration.

Appendices: A: Draft Review of the Garden Waste Collection Service report

B: Detailed Garden Waste Collection Service Review Results

Background Papers: None

Reference Papers: None

Enquiries: For further information on this report please contact Mark Bowler (Ext 4420)

FAREHAM

BOROUGH COUNCIL

APPENDIX A

DRAFT Report to the Executive for Decision 12 October 2020

| | |
|------------------------------|---|
| Portfolio: | Streetscene |
| Subject: | Review of the Garden Waste Collection Service |
| Report of: | Head of Streetscene |
| Corporate Objectives: | Dynamic, Prudent and Progressive Council. Protect and Enhance the Environment. |

Purpose:

This report sets out the results of a review into the garden waste collection service.

Executive summary:

The Council has provided a free garden waste collection service since 2005. This discretionary service costs approximately £336,000 a year to provide.

A recent decision taken by Hampshire County Council will mean that the Borough Council will no longer benefit from the recovery of costs for material recycling, from April 2021 onwards. This decision will place a financial burden on the Borough Council estimated at approximately £400,000 a year. To offset this additional cost, it will be necessary to introduce a charge for the garden waste collection service.

The proposals for the future are set out in the report and have the potential to ensure that the Garden Waste Service is self-funded. The proposals would also generate a significant new revenue stream for the Council which would help to offset the loss of material recycling income as well as contributing to the £1.5 million shortfall in the Council's medium-term financial plan.

Recommendations:

It is recommended that the Executive agrees that:

- (a) the introduction of a new chargeable garden waste scheme, commencing on 1st February 2022, be approved;
- (b) an annual subscription of £60 for a 240- litre wheeled bin be approved;

- (c) a bin purchase charge of £34 for 240-litre wheeled bin be approved;
- (d) a 50% early bird discount for a bin purchase be offered in year 1 of the scheme; and
- (e) a budget of £312,000 for the procurement and delivery of wheeled bins, a marketing campaign and temporary administrative support be approved.

Reason:

The introduction of a chargeable garden waste service would help to offset the loss of income due to changes to the recovery of costs for material recycling and make a significant contribution to closing the £1.5 million gap in the Council's future finances.

Cost of proposals:

If approved, the creation of the chargeable garden waste scheme would require £266,000 for bin purchases and delivery in the first year. Additional set up costs of £46,000 would allow the provision of a communications campaign, software and temporary administrative costs.

Appendices:

A: Garden Waste Review

FAREHAM

BOROUGH COUNCIL

DRAFT Executive Briefing Paper

Date: 12 October 2020

Subject: Review of the Garden Waste Service

Briefing by: Head of Streetscene

Portfolio: Streetscene

INTRODUCTION

1. This report sets out proposals for the introduction of a chargeable garden waste collection service.

BACKGROUND

2. Garden waste collection is a discretionary service and was introduced by the Council in 2005 as a free service to the local community. It is currently used by an estimated 40% of households and costs approximately £336,000 a year to provide.
3. Most Councils now charge for their garden waste collection service and this approach is in line with the Government's Resources and Waste Strategy, which is based on the principle that the producer of the waste material should pay for its disposal.
4. A recent decision by Hampshire County Council means that all District Councils in Hampshire will no longer benefit from the recovery of costs for material recycling, as this income will be retained by the County Council. This decision will create a financial burden for the Borough Council estimated at approximately £400,000 a year from April 2021 onwards.
5. It is therefore an opportune time to consider the introduction of a charge for the garden waste collection service to help offset this financial burden.
6. In order to understand whether charging for garden waste collections is viable, a full review has been undertaken. The results are set out in Appendix A.

SUMMARY OF RESULTS

7. The overall aim of the review is to ensure that garden waste collection service is financially sustainable for the future. There is also a balance to be achieved between "best value" for the customer and improved safety for the Council's workforce. The main results of the review are as follows: -

8. *There is limited scope for cost savings within the current service:* At £208,000, employee and agency costs are the greatest service expense. This is the minimum level needed to ensure that staffing levels meet the requirements of the Health and Safety Executive.
9. Fuel costs of £50,000 in 2019/20 are significant, as is vehicle maintenance, which costs £78,800. Older vehicles are used to maintain the life of the waste collection fleet and reduce costs. However, there is no scope to reduce the number of vehicles used without impacting on collections.
10. *Fareham is in the minority by not charging for garden waste:* Over 65% of Councils now charge for garden waste collections and more will do so as they look to tackle the increasing financial challenges they face. Within Hampshire, all but ourselves and Winchester City Council currently charge for the service. Winchester will be introducing a chargeable scheme in February 2021.
11. *Wheeled bins are preferred to sacks:* 10 of the 11 charging Hampshire Councils use 240 litre wheeled bins and do not provide sacks. They are generally preferred because they increase the amount a household can recycle whilst significantly reducing the manual handling requirements of operatives.
12. *A simple approach to payments is preferred:* 8 of the 11 Councils offer one price and a single payment for a 12-month subscription. This is most likely due to the technical and security complications as well as the additional debt recovery burden created when offering recurring payments.
13. *The subscription price varies considerably:* Sign up prices range from £73.32 plus £32.59 for a bin purchase in Hart, to £39 including the price of the bin in Eastleigh.
- 14. Proposal**
15. Using the findings of the review outlined above, several options for a chargeable garden waste service were assessed in detail (see Appendix A). The preferred option in Table 1 below, offers the best balance between value to the customer, safety of operatives and income to the Council.

| Table 1: Proposed Chargeable Garden Waste Scheme |
|--|
| 240 litre wheeled bin |
| £60 annual subscription |
| One-off £34 bin purchase charge |
| First year early bird discount of 50% (£17) off bin purchase |

16. Collections would continue to take place every two weeks. Customers would be able to join at any point during the year but would be required to renew their subscription in February prior to the new season.

17. Multiple households would be allowed to share bins, lowering their individual costs. There are health and safety risks to operatives when unloading waste bags alongside waste bins into vehicles. This alongside the alternative options e.g. sharing a bin, composting or using the Household Waste Recycling Centre, means that the provision of plastic single use waste bags for garden waste collection will not continue.
18. For those not wanting to use the service, alternatives would be promoted e.g. the discounted composting bins offered by Hampshire County Council.
19. The free collection of Christmas Trees over two weeks after the Christmas period will continue.

FINANCIAL IMPLICATIONS

20. The proposals within this report include one-off costs of approximately £246,000 for bin purchases and delivery, as well as marketing and administration costs of £31,000 in the first year. Subscription management software would cost £15,000 a year.
21. Based on an achievable target of 13,000 customers, subscription income would be £780,000 in the first year with net surplus of £334,000 after costs.
22. The new revenue stream would be used to pay back the start-up costs and make the service self-funding. The revenue stream would also make a significant contribution to closing the £1.5 million gap in the Council's future finances.

NEXT STEPS

23. If approved, work on procuring the subscription management software and bins would start immediately. It is anticipated that early bird subscriptions would start at the end of 2021. The current garden waste service would terminate at the end December 2021, with the new service up and running in February 2022.

CONCLUSION

24. This report sets out the results of a detailed review of the Council's Garden Waste Collection Service and has put forward a proposal for the introduction of a chargeable collection scheme. This would have the potential to ensure that the service is self-funded as well as contributing to the £1.5m shortfall in the Council's medium-term financial plan.

APPENDIX B

**Fareham Borough Council
Garden Waste Review**

1. Garden Waste Charging Review

Introduction

This document outlines in detail the results of the assessment into whether a chargeable garden waste subscription service should be introduced by the Council.

Why look at the option of charging for Garden Waste collections?

- This discretionary service costs the Council approximately £336,000 a year to provide.
- Changes to the arrangement with Hampshire County Council regarding the recovery of costs for material recycling are projected to cost the Council approximately £400,000 a year from April 2021 onwards.
- The Council is also facing broader financial challenges that have been intensified by the impact of Covid-19 on its income generating activities.
- The Government has published its Resources and Waste Strategy, which will result in significant changes to the sector, with the “producer pays” principle forming a key part of the approach.
- Fareham’s current approach means that residents without gardens e.g. those living in flats, are currently subsidising the service through Council Tax for those that do.
- The potential introduction of a Garden Waste subscription service was identified as part of the Opportunities Plan approved by the Executive on 7 January 2019.
- The Opportunities Plan has been drawn up to address the Council’s projected funding shortfall by 2020/21 and build in some capacity for future pressures and uncertainties.

2. What does the Garden Waste Service look like?

How has the service developed since it started?

- The garden waste collection service was introduced in 2005.
- Every household was given one free garden waste sack. Up to 3 sacks per household were permitted.
- The weights and volume of garden waste increased quickly.
- The additional sacks had an impact on the weights collected per crew per day, exceeding 20 tonnes at peak times.
- This prompted a review of the potential health and safety implications and subsequent discussions with the Health and Safety Executive (HSE).
- The HSE required the Council to prepare a health and safety improvement plan for the service.
- In April 2009 the decision was taken to restrict the number of sacks emptied, free of charge, to one per household, reducing the physical impact on crews.

What does the service look like now?

- It is estimated that around 40% of households use Fareham's garden waste collection service.
- Residents are allowed a single white sack, which is collected fortnightly on the same day as their recycling blue-top bin.
- The maximum weight allowed to be lifted by operatives is 20kg per sack.
- As would be expected, the peak months are generally during the spring and summer.
- Approximately 3,700 tonnes of garden waste are recycled in the Borough every year, contributing to around a quarter of Fareham's overall recycling rate, which is currently 33%.
- Garden waste is tipped at Warren Farm, then transferred to a composting station near Basingstoke and turned into a highly fertile commercially available compost.
- The Garden Waste Team operate three rounds across the Borough. Each collection vehicle has one driver, typically with:
 - A single loader during winter (November-February)
 - Two loaders during the peak season (March- October)
- This level of resource is needed to ensure that we comply with HSE approved procedures and is managed through a traffic light system.
- There is an additional round that operates one day every fortnight. Crewed by one driver and a single loader, this round services homes on narrow roads
- To help maintain the life of the main waste collection fleet, older vehicles are used.
- The vehicles do not have the bin lifting hoist used for residual waste, but the low height of the waste collection area helps with the manual loading of the sacks.
- This approach to loading the vehicles is less efficient than using wheeled bins and is more physically demanding.

What has been the impact of Covid-19?

- The garden waste service was suspended between 18 March and 20 April 2020.
- This helped to enable the continued and timely collection of residual waste throughout the lockdown.
- During the weeks following the resumption of the service, there was a noticeable increase in collection weights, as people were able to dispose of grass cuttings etc that had built up over the preceding weeks.
- There was also a high demand for garden waste sacks. These were only available through delivery. Any potential income from this was lost, as we did not charge the normal £5 delivery fee up until 5 August.
- Across the Refuse and Recycling service expenditure has increased:
 - Two additional drivers have been hired costing £11,000 so far.
 - Extra expenditure for vehicle hire, vehicle cleaning and PPE has cost approximately £40,000 so far.
- The loss of Trade Waste Income is estimated to be around £56,000 based on 35% of collections being impacted during April.

What does the Garden Waste Service cost the Council?

- There are significant costs associated with this free, discretionary service.
- As Table 1 shows, there was a £34,100 increase in spending between 2018/19 and 2019/20 with increased fuel and vehicle maintenance costs being the main reasons for the rise.

Table 1: Garden Waste Costs

| Item | 2018/19 | 2019/20 |
|--------------------------|-----------------|-----------------|
| Drivers - (3 FTE G4) | £92,700 | £92,700 |
| Loaders - (2 FTE G2) | £49,800 | £49,800 |
| Overtime | £10,500 | £11,400 |
| Agency | £62,000 | £54,100 |
| TRU (Maintenance) | £60,000 | £78,800 |
| Fuel Costs | £35,000 | £50,000 |
| Waste Sacks | £11,000 | £11,600 |
| Insurance | £3,500 | £4,200 |
| Total Expenditure | £318,500 | £352,600 |
| Income (Sacks & DGB's) | £16,000 | £16,000 |
| Outcome | £302,500 | £336,600 |

- The most significant expenditure (£208,000 in total) relates to employee costs, including overtime, which is paid when the crew work on bank holidays.
- As mentioned earlier, agency staff are used to ensure safe loading during the summer months and also to cover leave, training and sickness when required.
- As would be expected when using vehicles, but particularly older models, maintenance and fuel are the major service outgoings (£95,000 in total).
- Around £11,000 a year is spent on purchasing replacement reusable sacks, which can be easily blown away in the wind, lost, damaged or stolen.
- Around 10,000 sacks a year are given to residents with the majority picked up at the Civic Offices free of charge. There is normally a charge of £5 for deliveries to homes.
- Plastic Disposable garden waste bags are also provided. There is a charge of £40.00 for 25 bags (including delivery) or £10.00 for 5 bags.
- £16,000 income is generated from the sale and delivery of sacks. This helps to cover the Council's cost of purchase plus contributes to delivery and administration costs.

Analysis

- The garden waste collection service is currently a free discretionary service that is costing the Council approximately £336,000 a year.
- There is limited scope for any cost savings without impacting on the safety of waste operatives.
- The income generation potential of the service in its current form is significantly below the cost of running the service.
- It is difficult to justify this discretionary service being subsidised by Council Taxpayers money when front line services are facing severe financial challenges.
- Taking these factors into account it is appropriate to identify alternative ways of funding the service and generating much needed additional income.

3. What are other Councils doing?

Charging for garden waste is the norm

- In order to understand the options available to the Council, analysis of the approaches of other Local Authorities is important.
- Across the waste management sector as a whole, the “producer pays” principle is increasingly being seen as a fairer approach to managing costs.
- Looking at Local Authority garden waste, this approach means that residents who choose to have a garden and do not compost, should not be subsidised by those that don't have a garden or do but choose to compost.
- Across England, the majority (65%) of Councils now charge for garden waste collections.
- This percentage is rapidly growing as Councils look to offset the increasing financial challenges they face.
- Within Hampshire, all but ourselves and Winchester City Council currently charge for garden waste.
- Fareham will soon be the only Council in the Hampshire not charging, as Winchester will introduce a chargeable garden waste service in early 2021.

Approach to bins

Of the 11 Councils currently charging in Hampshire:

- 10 of the 11 use 240 litre wheeled bins.
- Only 3 offer more than one bin size (e.g. Hart use 140 litre and 240 litre bins).
- Of the 10 using bins, 7 allow households to have additional bin subscriptions.
- Only 4 also offer the use of reusable sacks.
- New Forest District Council has a sack only service.

Approach to charging

- 8 of the 11 offer a single price across the year, with only Gosport, Eastleigh and New Forest offering a discounted price dependent on when during the year a resident sign up to the scheme.
- Only Gosport, Portsmouth and Eastleigh offer residents the opportunity to spread their payments. The technical IT challenges and the significant increase in recovery work are most likely the reasons for more not offering this option.
- Hart charge the highest subscription for a 240-litre bin; £73.32 plus £32.59 for the bin purchase.
- Test Valley are the cheapest with an annual subscription of £35 and £25.50 for the bin purchase.
- Our closest neighbouring District Councils charge the following for an annual subscription:
 - Gosport: £60
 - Eastleigh: £39
 - Havant: £65
- Only Hart and Eastleigh offer discounts to residents receiving benefits.

The above information shows, that whilst there are several different models involved in Hampshire, most are based around a core offering of up to 4x240 litre bins, available via a set annual subscription with no concessions or recurring instalment payments offered.

What is the impact of charging on recycling rates?

- Based on the evidence available, most Councils experience a drop in Garden Waste recycling tonnages following the introduction of charging.
- Whilst there are variations dependent on the individual Councils circumstances, subscription numbers tend to increase annually.
- After a number of years, the tonnages tend to achieve close to but do not exceed pre-charging tonnage weights.

4. Designing a chargeable Garden Waste Service

What are the aims of the proposed new model?

- When designing the proposed Garden Waste Charging Model for Fareham, it was identified that it should aim to:
 - Be simple to manage and administer
 - Be easy for residents to understand
 - Offer good value to residents
 - Promote alternative options for those not wanting to pay
 - Continue to ensure the safety of garden waste operatives
 - Generate much needed income for the Council

Bin, sack or both?

- When designing a new collection service, one of the key considerations is whether to use waste sacks or wheeled bins.
- Most other Councils use wheeled bins. Whilst sacks are cheaper to purchase, wheeled bins have several advantages as they:
 - **Improve working conditions:** They remove many of the manual handling concerns associated with loading sacks, as refuse vehicles can automatically lift and load the bins. Wheeled bins would also reduce spillage and eliminate waste being blown in the faces of the loaders.
 - **Create less waste:** Wheeled bins are substantially more robust than garden waste sacks and less likely to be stolen, damaged or blown away.
 - **Responds to resident requests:** Regular calls are received from residents requesting either larger capacity sacks or bins.
- Some Councils mix the use of sacks and bins. However, manually loading waste sacks whilst the automatic hoist unloads wheeled bins carries a significant risk of harm to the operative.
- The use of separate vehicles for collections would also prove too expensive to consider.
- The use of mixed sacks and bins has therefore been discounted as an option.

Single Use Waste Bags

- The feasibility of allowing people to continue to purchase single use plastic disposable garden waste bags was explored.
- Manually loading the bags whilst the hoist unloads bins would carry a similar level of risk of harm to operatives as loading sacks.
- A roll of 25 bags costs £40. Once the bin has been purchased in the first year, it will be more cost effective to pay the subscription as the bin has a greater capacity than the sacks.
- If residents have any remaining bags when the new scheme is introduced, they would still be able to take the garden waste to their local Household Waste Recycling Centre.
- As will be discussed below, it is proposed that households will be able to share bins, meaning that people with smaller gardens can have a single bin but share the cost, offering further value.
- It is anticipated that most people who have a garden would also have space for a bin.
- It is therefore, proposed to stop emptying plastic single use garden waste sacks when the proposed new scheme begins.

What would be the best size bin?

- Some Councils offer a different combination of bin sizes to their residents.
- However, this makes the system more complicated to administer and operate.
- Offering the same type of 240 litre wheeled bins used for refuse and recycling, with green bodies and interchangeable lids that are coloured brown would:
 - Allow flexibility of use, as the 240 litre bins could be used across the entire waste service i.e. refuse, recycling and garden waste.
 - Significantly increase the amount of garden waste a household could recycle.
 - Reduce the manual handling load on residents carrying full sacks to the kerb.
 - Offer choice to residents with smaller gardens.
- Assisted lifts could be offered to elderly or disabled residents unable to wheel out their bins.

What is the most appropriate charging model?

- As discussed before, there are a range of charging models used by other Councils.
- To ensure a simple offer to residents and an easily administered scheme, it is proposed that a single annual subscription charge, plus one-off bin purchase charge is offered.
- As will be shown later, the scheme would struggle to be financially viable without the one-off bin purchase charge.
- Several charging level options have been assessed:

Option 1:

240 litre bin - £50 annual charge + £34 one-off bin purchase charge (50% discount on bin purchase for first year early bird)

- The £50 annual charge compares well with those offered by local Councils e.g. £60 in Gosport for a 240-litre bin.
- The relatively low price point is likely to encourage people to join.
- The £34 charge for the 240-litre bin purchase is the same as currently charged for replacement refuse bins.
- The £50 annual subscription charge could generate:
 - £650,000 income with 13,000 subscribers
 - £700,000 income with 14,000 subscribers
 - £750,000 income with 15,000 subscribers
- If three quarters of customers took up the first-year early bird offer, 10,565 subscribers would be needed to break even if we purchased 13,000 bins.
- Without a one-off bin charge this figure would be 14,434.

Option 2:

240 litre bin - £60 annual charge + £34 one-off bin purchase charge (50% discount on bin purchase for first year early bird)

- The £60 annual charges compares well with neighbouring Councils e.g. Havant charging £65 for a 240 litre bin.
- Whilst £10 higher than Option 1, the two price points are still likely to attract a good level of subscribers.
- The 240 litre £34 charge for the bin purchase is the same as currently charged for replacement refuse bins.

- The £60 annual subscription charges could generate:
 - £780,00 income with 13,000 subscribers
 - £840,000 income with 14,000 subscribers
 - £900,000 income with 15,000 subscribers
- If three quarters of customers took up the first-year early bird offer, 9,373 subscribers would be needed to break even if we purchased 13,000 bins.
- Without a one-off bin charge this figure would be 12,029.

Option 3:

240 litre bin - £70 annual charge + £34 one-off bin purchase charge (50% discount on bin purchase for first year early bird)

- The £70 annual charge would make Fareham one of the most expensive schemes within the County.
- However, it is still lower than Hart (£73.32 subscription + £32.59 bin purchase)
- The higher price point is still likely to have an impact on subscriber numbers.
- The £34 charge for the 240-litre bin purchase is the same as currently charged for replacement refuse bins.
- The £70 annual subscription charges could generate:
 - £910,000 income with 13,000 subscribers
 - £980,000 income with 14,000 subscribers
 - £1,050,000 income with 15,000 subscribers
- If three quarters of customers took up the first-year early bird offer, 8,296 subscribers would be needed to break even if we purchased 13,000 bins.
- Without a one-off bin charge this figure would be 10,310.
- It is questionable whether the higher number of subscriptions e.g. 15,000 be achieved at this price point.

Recommended Approach

- Option 2 appears to offer the best balance between covering our costs, offering value to the customer and generating much needed income for the Council.
- A 50% early bird reduction for the 240 litre bin purchase charges could be offered in the first year to encourage sign ups.
- To accommodate those with larger gardens, up to 5 bins per household could be offered. For those with 5x240 litre bins, there would be a first-year bin purchase charge of £170 plus an annual subscription of £300.
- As with many other Councils, no concessions will be offered to residents on benefits.
- However, residents will be allowed to share bins to reduce their individual costs.
- As with many other Councils, subscriptions will be made via a single annual payment.
- Alternatives such as composting or mulching would be encouraged for those not wanting to subscribe e.g. sign-posting people to [Hampshire County Council's discounted Compost Bin scheme](#).
- The free collection of Christmas Trees over the two weeks after the Christmas period will continue.

How much would the proposed scheme cost to set up?

- As Table 2 shows there will be expected start-up costs of

| Table 2: Start Up Costs | |
|----------------------------------|-----------------|
| Item | Cost |
| 240ltr Bin Purchase x 13,000 | £221,000 |
| Bin Delivery | £45,000 |
| Admin Support | £11,000 |
| Subscription Management Software | £15,000 |
| Communications | £20,000 |
| Total | £312,000 |

- The major expense in the first year would be the purchase of bins.
- Whilst difficult to accurately anticipate demand, based on the experiences of other Councils, it is anticipated that 13,000 bins should be purchased at a cost of £221,000 in the first year, with the option to buy further if demand is higher.
- These will be stored on Council sites with capacity e.g. a unit at Daedalus.
- Options for delivering the bins to customers internally or using an external provider are being explored. Both approaches would cost around £45,000.
- The Council will deliver bins to homes in subsequent years.
- The cost of purchasing the bins would be recovered when residents purchase them.
- Short term additional support (2 x FTE Agency Staff at grade 2 for 3 months) will be required during the setting up and initial running of the scheme costing £11,000.
- New Subscription Management Software will be needed to manage the scheme, which could cost up to £15,000 a year.
- The new scheme will require significant publicity e.g. letters, posters, adverts and paid for social media posts to ensure a good level of take up and £20,000 is allocated for this.

What will the ongoing income and expenditure be?

- As Table 3 shows, service costs drop significantly following the expenditure on bins, bin delivery and communications in the first year.
- The bin purchase income is calculated based on three-quarters of subscribers in the first year taking advantage of the early bird discount.

| Table 3: Projected Costs and Income | | | |
|--|--------------------|------------------|------------------|
| | Year 1 | Year 2 | Year 3 |
| Subscription Levels | 13,000 | 14,000 | 15,000 |
| Drivers - (3 FTE Grade 4) | £99,000 | £99,000 | £99,000 |
| Loaders - (4.5 FTE G2) | £119,250 | £119,250 | £119,250 |
| Admin - (1 FTE G3) | £28,600 | £28,600 | £28,600 |
| Overtime | £11,000 | £11,000 | £11,000 |
| Bin Delivery | £45,000 | £0 | £0 |
| Admin Support – 1 st year | £11,000 | £0 | £0 |
| Communications | £20,000 | £0 | £0 |
| Subscription Management Software | £15,000 | £15,000 | £15,000 |
| Agency | £17,000 | £17,000 | £17,000 |
| TRU (Maintenance) | £78,800 | £78,800 | £78,800 |
| Fuel Costs | £50,000 | £50,000 | £50,000 |
| Equipment | £1,000 | £1,000 | £1,000 |
| Subscription Stickers | £1,560 | £1,680 | £1,800 |
| Insurance | £3,500 | £3,500 | £3,500 |
| FBC Purchase of bins | £221,000 | £17,000 | £17,000 |
| Total Expenditure | £721,710 | £441,830 | £441,950 |
| Customer purchase of bins | -£276,250 | -£34,000 | -£34,000 |
| 280L Income (£60 per property) | -£780,000 | -£840,000 | -£900,000 |
| Total Income | -£1,056,250 | -£874,000 | -£934,000 |
| Outcome | -£334,540 | -£432,170 | -£492,050 |

- In order to administer the scheme properly a new admin post will be created at a cost of £28,600 per annum.
- 1.5 additional loaders will be added to the establishment and employed for the busy period March to October rather than rely on agency staff.
- This will ensure that there are trained staff working together in teams which will help provide a consistent and safe operation and support Covid-19 secure arrangements.
- A similar reduction in Agency spend will be achieved.
- A positive financial outcome should be generated from year 1 onwards.
- This will help offset the approximate £400,000 loss of income caused by the previously discussed changes the material recycling arrangement with Hampshire County Council.
- Year 3 should see additional income which could be used for front line services and to help tackle the Council's broader financial challenges.

When could the new charging model start?

- If approved, procurement of the bins and delivery services would start immediately.
- Early bird subscriptions would start late 2021.
- The garden waste sack service would be suspended in December 2021 and delivery of new garden waste bins would take place early 2022.
- The new scheme would start February 2022.

Conclusion

- The Council is facing significant financial challenges, particularly after the impact of Covid-19 on income generating activities e.g. parking.
- Garden Waste is a discretionary service that is offered to residents for free, costing the Council approximately £336,00 a year.
- From early next year the Council will be the only one in Hampshire not charging to collect garden waste.
- Within this context it is very difficult to justify not charging for collections.
- The proposed introduction of a garden waste subscription service using wheeled bins instead of sacks offer the best balance of value to the customer, improved safety of operatives and income to the Council.

Proposed Garden Waste Subscription Service Summary

- **Start:** February 2022
- **Collection method:**
 - 240 litre wheeled bins, green coloured bodies and brown lids.
 - Current garden waste vehicles fitted with spare lifting hoists currently stored in the depot.
 - Wheeled bins will improve health and safety of garden waste operatives.
- **Customer charges:**
 - **Bin Purchase:**
 - Up to 5 bins per household can be purchased
 - Bins can be shared by more than one household.
 - £34 charge for 240 litre bin
 - First Year Early Bird Discount - 50% saving on price of bin purchase
- **Annual subscription charge:**
 - 240 litre - £60 per bin
- **Options for those not wanting to subscribe:**
 - Council to promote mulching and composting alternatives