

UPDATE ON GARDEN WASTE COLLECTION SCHEME

1. INTRODUCTION

- 1.1 The Council introduced a new system for the collection of garden waste in March 2005 in a selected area where garden waste is now collected for composting. The garden waste is collected every fortnight using a re-usable polypropylene sack. Residents pay an annual subscription of £25 for the first re-usable bag and £15 for each additional bag. The scheme is optional.
- 1.2 The new garden waste collection scheme currently operates in Fordingbridge, Ringwood, Bransgore, New Milton, Barton-on-Sea, Ashley, Hordle, Everton, Lyndhurst and Ashurst. The garden waste is collected every fortnight using a dedicated collection vehicle and is delivered to the Eco Composting Plant at Hurn in Dorset.

2. INITIAL RESPONSE TO THE GARDEN WASTE COLLECTION SCHEME

- 2.1 The new garden waste collection scheme started on 14 March 2005. Up to 11th May 2005 about 11% of the residents in the selected area have joined the scheme this amounts to 2,716 re-usable bags sold. Tonnes of garden waste collected for composting are as follows.
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|-------------|---------------|--------------|
| Week ending | 18 March 2005 | 8.48 tonnes |
| Week ending | 25 March 2005 | 5.5 tonnes |
| Week ending | 1 April 2005 | 13.54 tonnes |
| Week ending | 8 April 2005 | 6.94 tonnes |
| Week ending | 15 April 2005 | 16.82 tonnes |
| Week ending | 22 April 2005 | 7.86 tonnes |
| Week ending | 29 April 2005 | 16.82 tonnes |
- 2.2 The quality of garden waste collected for composting has been good. The re-usable bags have proved to be a practical way of collecting garden waste and the service has gone down well with those that chose to join it.
- 2.3 The capital cost of the new garden waste collection vehicle (£120,000) plus the capital cost of the re-usable sacks (£8,900) have been funded by a grant from the Department for Environment Farming and Rural Affairs (DEFRA). The revenue cost of the scheme (fuel, labour, vehicle maintenance etc) is being met by the revenue gained by making an annual charge for this service. It was always envisaged that this service would break even financially therefore it is important for the Council to get sufficient revenue to cover the running cost of the scheme.
- 2.4 The new garden waste scheme has been well publicised and an application form has been sent to every house in the collection area which could be easily accessed by the collection vehicle. Although the scheme has been well received the initial demand has been less than originally estimated, although it is possible that more residents will decide to join the scheme once the stocks of Grey sacks held by residents have been exhausted and as the weather improves and more gardening activities take place. The grey garden waste sacks are no longer made available to residents where the garden waste scheme is in operation.

- 2.5 Initial indications are that there seems to be a demand for the scheme in other areas of the District who were not covered by the first phase and as there is spare capacity within the first phase of the scheme the decision was made following consultation with the Refuse and Recycling Working Party on 28 April 2005 to extend the scheme to Lymington as soon as possible and then incrementally across the District if there is a need to fill this spare capacity. Sufficient bags and leaflets are available so that the scheme is being extended to the Lymington area at very little additional cost.
- 2.6 In addition to the Garden waste collection scheme, there has also been a successful campaign aimed at promoting home composting. This has included promoting the direct purchasing of composters at a substantially reduced rate. This initiative has been supported by the Waste Resources Action Programme and up until the 11th May 2005, 1337 composters have been sold.

3. PROMOTION OF THE GARDEN WASTE COLLECTION SCHEME

- 3.1 In order to increase the number of residents joining the new garden waste collection scheme, it is proposed to introduce a pro rata payment charge to encourage residents to participate especially those in areas where the scheme has only just been rolled out as well as those in the original area who have seen their neighbours using this scheme or have exhausted their supply of grey sacks to join part way through the year. This would take up some of the spare capacity on the collection vehicle.
- 3.2 To continue the promotion of this scheme to both new and existing areas it is recommended that a phased payment charge be implemented solely for the remainder of 2005/06.

Scheme Start Date	Scheme End Date	First Bag charge	Additional Bag Charge
14 th March 2005	31 st March 2006	£25	£15
4 th July 2005	31 st March 2006	£20	£12
3 rd October 2005	31 st March 2006	£15	£9
9 th January 2006	31 st March 2006	£10	£6

4. EXTENSION OF THE GARDEN WASTE COLLECTION SCHEME

- 4.1 It is suggested that the Council consider offering the new garden waste scheme to all residents of the New Forest District with effect from 1st April 2006. On the basis of current demand, this could be achieved with two collection vehicles and would operate as a breakeven service. One of the Council's corporate aims is to achieve a 30% recycling rate in 2005/06 (the Statutory Recycling Target). The implementation of the extended service should yield an additional 2-3% of recycling materials overall which would go some way to achieving the overall target. Approval is being sought at this stage so that the necessary grant applications and operational arrangements can be made in readiness for 1st April 2006.

- 4.2 Although the scheme would be implemented on a breakeven basis Officers would need to secure additional external funding, such as a grant from DEFRA, to offset the initial start up costs of implementing this scheme District wide. External funding would be needed to cover the capital cost of a second garden waste collection vehicle plus additional garden waste sacks.
- 4.3 To maximise this full efficiencies of this scheme it is essential that the Council completely discontinue the collection of the grey garden waste sacks and consider the possibility of introducing a legal Garden Waste Ban, as has been done in Test Valley and East Hampshire. The legal Garden Waste Ban would take effect from 1st April 2006

5. ENVIRONMENTAL IMPLICATIONS

- 5.1 It is important for the Council to continue with the new garden waste collection scheme for two very sound environmental reasons:
- 5.1.1. The waste collected in the grey garden waste sacks is not composted and goes to incineration or landfill. Treating garden waste in this way is not good for the environment and is likely to become more difficult because of European Environmental legislation. This also has a negative impact of the Councils recycling performance.
- 5.1.2 Experience elsewhere in Hampshire has shown that only the re-usable polypropylene sacks can guarantee the quality of the garden waste. Garden waste collected in plastic sacks or wheelie bins cannot be used to make good quality compost.

6. FINANCIAL IMPLICATIONS

- 6.1 The revised revenue costs for 2005/06 of the new garden waste scheme are as follows:-

<u>Revenue Costs</u>	2005/06 Latest Estimate Break-even Sales £
Vehicle Driver	21,330
Collection Crew	19,330
Vehicle Maintenance	3,940
Vehicle Admin, Licences, Tax & Insurance	4,740
Fuel	7,210
Sack Deliveries	500
Licences	1,000
Administration	2,500

	2005/06 Latest Estimate Break-even Sales £
<u>Revenue Costs</u>	
Compliance Inspections	5,000
Total Expenditure	65,550
Loss of income from grey sacks	20,000
Income from Garden Waste Collection	-85,550
NET EXPENDITURE	0

6.2 Revenue income to date amounts to £59,000. The recent expansion of the garden waste collection scheme aims to generate £27,000 additional funding in 2005/06 in order to cover the revenue costs.

6.3 The updated scheme is estimated to generate income of £85,550 which is a reduction of £22,450 from the original estimate. Expenditure budgets have been reduced by a corresponding amount, thus requiring a budget virement to be approved.

6.4 The financial projection for 2006/07 is as follows:

<u>Revenue Costs</u>	2006/07 Full Year Break-even Sales £	Movement From Original Budget £
Vehicle Drivers (2)	42,660	21,330
Collection Crew (2)	38,550	0
Additional Collection Crew at peak times	16,100	16,100
Vehicle Maintenance	7,880	3,940
Vehicle Admin, Licences, Tax & Insurance	9,480	4,740
Fuel	26,000	15,700
Sack Deliveries	1,000	500
Licences	2,000	1,000
Administration	5,000	2,500
Compliance Inspections	10,000	5,000

<u>Revenue Costs</u>	2006/07 Full Year Break-even Sales £	Movement From Original Budget £
Total Expenditure	158,670	70,810
Loss of income from grey sacks	72,000	52,000
Income from Garden Waste Collection	-230,670	-122,810
NET EXPENDITURE	0	0

6.5 Although take up is difficult to predict, if 12% of New Forest residents join the scheme in 2006/07 by purchasing a bag for £25, the total expected income will be:

76,000 households x 12% x £25 =	£228,000
plus 178 extra bags @ £15 =	£2,670
ESTIMATED INCOME	£230,670

In practice, more residents could join the garden waste collection scheme in 2006/07.

6.6 The Council will seek grant funding for the capital cost of the second garden waste collection vehicle (£120,000) and the capital cost of additional sacks (£8,900).

6.7 Whilst the initial purchase of vehicles and sacks is dependent upon funding from DEFRA; replacements will need to be funded by the Council. Based on current costs, if the garden waste collection scheme is to continue to be self funding, additional income of £19,650 will need to be achieved in each phase in future years. This will be achieved through additional take up and equates to 786 sacks at the full price of £25 each. It is envisaged that this would be achieved as the scheme grows in popularity, and therefore it is intended to use any surpluses from the scheme to be deposited into a reserve to replace the two garden waste collection vehicles after their expected seven year lease period.

7. CRIME AND DISORDER IMPLICATIONS

7.1 None.

8. CONCLUSION

8.1 The new garden waste collection scheme was introduced on 14 March 2005. The scheme is not operating at full capacity' therefore income and expenditure budgets have been reduced by a corresponding amount, thus requiring a budget virement to be approved.

- 8.2 It is proposed that the new garden waste scheme should be extended to ensure that the garden waste collection vehicle is working to full capacity.
- 8.3 Changes to charging policy for 2005/06 are suggested that would progressively reduce the price of re-usable garden waste sacks for residents joining the scheme later in the year; see the table in Section 3.3. This policy would encourage more people to join the new scheme.
- 8.4 The new garden waste collection scheme could be extended District wide and the sale of grey garden waste sacks be ceased. To do this the Council should implement a legal ban on garden waste in the household waste stream
- 8.5 Subject to grant funding of £120,000 capital cost of vehicle and £8,900 capital cost of sacks, funding of £70,810 for expenditure and £52,000 for loss of income from grey sacks will be required (see Section 5.4). Additional income of £122,810 will be required should the scheme be extended District wide.

9. RECOMMENDATION

It is recommended that;

- 9.1 A budget virement of £22,450 be approved.
- 9.2 The revised scale of charges for the garden waste collection scheme for 2005/06 given in Section 3.3 should be approved.
- 9.3 Subject to grant funding of the capital items and the balance of running costs breaking even: -
 - (a) The garden waste collection scheme should be extended District wide from 1st April 2006. Appropriate budgets should be approved for 2006/07;
 - (b) The sale of grey garden waste sacks be ceased at a date when appropriate to be agreed by the Portfolio Holder and the Director of Commercial Services; and
 - (c) The Council should implement a legal ban on garden waste in the household waste stream at a date when appropriate to be agreed by the Portfolio Holder and the Director of Commercial Services.

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Background Papers:

None