

Call-In of the Environment and Enterprise MTFS Implementation Plan

“I hereby give notice that I wish to call-in the decision ‘Environment and Enterprise MTFS Implementation Plan’ – taken by Cabinet on 19th February 2015.

This call-in relates specifically to the ‘Garden Waste’ element of this decision, which is a major part of the E&E department’s savings programme over the MTFS. In the first year (2015/16 alone), the scheme is expected to deliver savings of £970,000 – and £1,711,000 in 2016/17. However, these savings predictions seem to be without solid foundation, and various other assumptions made regarding the decision also appear flawed and missing key information. Neither the Cabinet paper nor the separate so-called “business case” which informed Cabinet’s decision address these concerns, and there appears to be a real risk that not only will the predicted savings fail to materialise, but that an initial outlay of £430,000 revenue and £990,000 capital will be spent rolling out a scheme which proves to be unsustainable. This call-in is therefore submitted on the grounds that Cabinet did not have adequate evidence on which to base its decision.

Some background; Harrow currently operates a 3-bin system for some 73,000 households – with one for recycling, one for residual waste, and the other for a combination of garden and food waste. The new proposal is to switch the garden and food bin to garden waste only, to charge £75 for a fortnightly collection of said bin, and to adopt smaller 23 litre caddies for collection of food waste. There will be concessions to this £75 charge, with pensioners receiving the service for free, and working age benefit recipients and those with disabilities receiving it for £25 and £10 respectively. The proposal bases its savings on a combination of income from charges and a reduction in disposal costs – by virtue of the fact that mixed garden and food waste costs £56 per tonne to dispose, compared with £32 for garden and £26 for food waste individually.

The costings of the decision are based on an assumption that 40% of households will take up the £75 charge, but there is no evidence of how this figure was arrived at. Indeed, when specifically asked at Cabinet why this figure was used, the portfolio holder simply reiterated that it was the predicted take-up rate. The only evidence as to how many households will take up the £75 charge comes from the Council’s own consultation, which shows only 14% are prepared to pay it – with 53% solidly against. The 40% figure appears to have been used because reaching it would make the savings the department desires, rather than because of any statistical likelihood of it being met. It is also worth noting that no data is provided on the cost to the Council – and whether it would have capital or revenue implications – of disposing of tens of thousands of unwanted brown bins – a factor made more significant the lower the take-up proves to be.

There is also no evidence that the 40% figure or the savings projections take into account the concessionary rates which will be offered to certain groups of residents. The business case alleges these rates have been factored in, but provides no figures to support it. It does not appear that the Council has conducted any analysis of the predicted take-up within the concessionary groups, despite the implications it could have for the savings projections. For example, nearly 15% of Harrow’s residents are pensioners, and this figure is increasing disproportionately to other age groups. Given pensioners will receive the service for free, a higher than average take up could reasonably be expected. This could potentially have a two-fold impact on the scheme’s projections; as not only would there be no income from providing the service to these residents, but the costs of providing it would be exponentially higher the larger the take up is. Of course, this is just an example, but it nonetheless stands that it appears no analysis of such scenarios has been performed as part of the business case.

Another implication of charging for the garden waste collection is the possibility of increased cross-contamination of the other collections, and this too appears not to have been considered by Cabinet or the business case. This is particularly important in the light of both the poor consultation feedback, and the potential for additional costs to the Council. With only 14% of residents willing to pay for the collection, in addition to 67% stating the proposed scheme will propose difficulties for them, the potential for cross-contamination becomes higher. The financial impact of this could be significant – for example, compared with the much lower figures mentioned earlier, the per tonne charge to the Council of disposing of residual waste is £120 – more than double that of mixed garden and food waste. It is reasonable to assume that, by introducing a charge residents appear to be unwilling to pay, the Council runs the risk of more households disposing of garden waste in their residual waste bins – by hiding it under other waste, or in bags. Given the disposal cost savings (at £285,000 and £420,000 respectively) are relatively small compared with the income it is hoped the £75 charge will generate, there is a real potential that an increase in the Council's residual waste costs will undermine these savings projections – or even lead to additional cost pressures.

Finally, this proposal includes a fixed saving of £140,000 per year on collection and staffing costs. However, no decision has yet been made on which collection method will be used for the additional food caddies. The business case refers to using the existing fleet, using new vehicles, or modifying the existing fleet – yet no costings are provided for what appear to be three very different options, and there is no information provided in either the Cabinet paper or the business case as to how these three options are expected to deliver exactly the same saving. These options may also have capital cost implications, which do not appear anywhere in the documentation. Cabinet have signed-off this decision without a key operational element of it being determined, and without any information on how this decision could impact the savings proposals.

In making this decision, the evidence Cabinet had at its disposal is tenuous at best. There is absolutely no evidence as to how the 40% take up figure was reached, and key factors which either will or could impact upon the cost projections – such as the concessionary rates and the issue of cross-contamination – appear to have been subject to very little or no analysis whatsoever. And key elements of the decision, with potential cost implications, have yet to be decided upon. Cabinet could not have made a properly informed decision with the evidence it had at its disposal, hence the reason for this call-in request.”

Call-In Notice signed by:

Councillor Stephen Greek
Councillor Barry Macleod-Cullinane
Councillor Susan Hall
Councillor Ameet Jogia
Councillor Norman Stevenson
Councillor Kantilal Rabadia
Councillor Amir Moshenson