

APPENDIX 4 TO ITEM 5

EXECUTIVE SCRUTINY COMMITTEE

12 NOVEMBER 2024

REPORT OF THE CORPORATE MANAGEMENT TEAM

SUPPORTING INFORMATION

IN RESPONSE TO THE CALL-IN OF THE POWERING OUR FUTURE REPORT FROM THE MEETING OF CABINET HELD 17TH OCTOBER 2024

Purpose of the Report

This report is presented to the members of the Executive Scrutiny Committee to provide clarification and some additional information in response to the matters raised through the call-in process. The call in relates to some specific decisions of the Cabinet's "Powering Our Future - Programme Update."

Background

Members will be aware of the significant financial challenges facing the Council across the Medium Term Financial period. Significant cost increases over recent years, as well as growth in demand for services alongside funding challenges have created huge challenges. This difficult scenario is seen in many local authorities across the Country.

Members will recall from the budget report to Council in February 2024 that the Council is facing a budget gap across the MTFP rising to £8.1m by 26/27. Recent MTFP reports have provided updates on the growing financial challenge the council is faced with. The Powering Our Futures Programme, in particular the transformation mission, will be key to delivering the savings and generate income required in order to deliver a robust financial plan.

Members are aware of the transformation programme and a report was presented to Cabinet in January 2024 outlining the scope of the outcome based reviews included within Phase 1 of the programme. These reviews are wide ranging and cover a significant proportion of the Council's budget. In order to deliver a robust financial plan, it is clear that the transformation programme will need to make savings and this will be the key activity to resolve the budget gap.

Additional information relating to the three resolutions subject to call in are attached in the appendices.

Responsible Officers:
Corporate Management Team

APPENDIX 1

Waste and Recycling Reviews

Summary

This briefing note provides additional information in relation to the matters raised within the call-in request in relation to Resolution 1:

The recommended options set out in the report in respect of the Waste and Recycling Reviews be approved:

- *Introduction of charging for green waste from 1st April 2025*
- *Introduction of weekly food waste and recycling service from 1st April 2026 with the acquisition of associated vehicles and the development of a Waste Transfer Station*

Reasons for Call in

In respect of Resolution 1 the reasons for call in that have been validated relate to the following principles of decision making:

- Proportionality: Concerns were raised about the fairness and balance of introducing charges for green waste collection,
- Consultation: It was suggested that consultation process may not have sufficiently engaged all affected stakeholders, which could affect the acceptance and effectiveness of the new waste management strategies.
- Clarity and explanation: There was a lack of clarity in the reports of the objectives and expected outcomes of the changes. There was a need for a more detailed explanation of cost implications.

Detail

Proportionality of green waste charges

Stockton Council are now the only authority in the Tees valley who are operating a free green waste collection service. This is currently provided over a 30-week period although the service is currently funded for a 26-week service. This creates a financial pressure in relation to the additional 4 weeks provision. The service budget is not derived from any hypothecation of Council Tax.

Under the new Simple Recycling guidance, from April 2026 Local Authorities are required to offer garden waste collections to all households with gardens, over a period no less than 36 weeks in any calendar year and, as a minimum, collections must be offered during March to October. The Government have not identified any additional funding for local authorities but they have introduced the ability to issue an additional charge to deliver a green waste collection service.

Nationally, over 66% of authorities charge residents for a green waste collection service. Authorities on average charge between £35 and £60 per year for a garden waste subscription using a 240-litre bin collected on a fortnightly basis, however Hartlepool offer their garden waste service on a monthly basis.

Below shows an example of participation of some Northeast Authorities currently providing a chargeable green waste service.

Council	Charge	Receptacle	Collection Frequency	Total Properties	Properties Signed Up	Participation Rate
Durham	£38	240 litre	Fortnightly	195,000	68,000	35%
Gateshead	£36	240 litre	Fortnightly	88,999	32,039	36%
Newcastle	£43	240 litre	Fortnightly	110,000	23,000	20%
Redcar	£40	240 litre	Fortnightly	64,236	21,000	33%
Hartlepool	£35	240 litre	Monthly	43,000	12,200	28%
Middlesbrough	£40	240 litre	Fortnightly	57,041	17,664	31%

In considering fairness and balance, the fact that a majority of Authorities nationally are charging and the fact that the proposed charge in Stockton falls within a range imposed by comparable Authorities in the region, suggests that the decision would not be unfair. In addition, members are invited to consider the fact that residents are not obliged to take up and pay for the service. Garden waste can be composted on site or taken to the Household Waste & Recycling Centre, to avoid a charge.

Consultation in relation to green waste and food waste

There is no legal requirement to consult the public on the introduction of a charge. The Government 'Simpler Recycling' guidance already introduced this principle.

Consideration was given by officers to the potential to consult residents on how much to charge. However, two factors mitigated any potential benefits of consultation over the amount to be charged; first, previous experience suggests that people will seek to pay as little as possible and would choose the lowest value in any range suggested in consultation, secondly the overall financial position of the Council is such that it is necessary to recoup the full future costs of the service. On that basis, consultation which purported to invite residents to determine or influence the amount to be charged would have been misleading.

Clarity and explanation

The Call in submission highlighted a need for clarification on the following;

- *Number and costs of green waste bins*
- *Green waste tonnage ward data*
- *Number and costs of vehicles and caddies required for food waste*

- *Transfer station costs and the availability of DEfRA funding*
- *Explanation of the work referred to by the term 'making good'*

Number and cost of green waste wheeled bins

The reference in the Cabinet report to the figure of £1m has been reached based upon the current price that is paid for wheeled bins and anticipated take up. The estimation of costs based on market information is normal practice and it is not normally necessary to complete a tender before a financial provision is made.

In respect of the number of bins required, estimates have been based on the figures provided in the independent WRAP report, which assumes demand levels in Stockton that are consistent with national comparators. These assumptions were set out in the WRAP report which was provided to the Select Committee Scrutiny of Waste & Recycling and which are available to all Councillors.

WRAP modelling suggest a conservative estimate of take up to be 20% in year 1 and 40% in year 2. However, some other neighbouring authorities have seen take up rates approaching 40% in year 1. The request for resources sufficient to purchase 40,000 dedicated green waste bins provides capacity to meet the estimated initial need. This includes the council having sufficient stocks in place to issue additional bins to those residents who wish to purchase 2 or more bins due to the size of their gardens, a scenario which modelling suggests is likely.

Lead in times for bins from the manufacturer can be lengthy and it would be prudent to carry these additional stock levels to mitigate delivery timelines and meet customer expectations.

The call in suggests that a cancelled members briefing on this topic was provided to cabinet members only. In fact the All Member Briefing on waste and recycling was postponed rather than cancelled, it was delivered on 1/10/2024. The information provided to cabinet was also provided to members.

Green waste tonnage ward data

Green waste tonnages are not collected on a ward basis.

Number of recycling receptacles

The request has been made to fund 260,000 food waste receptacles (130,000 internal 5L 'kitchen caddies' and 130,000 external 25L containers).

This number has been determined due to the current dwelling stock figure, from government, shows Stockton currently has 89,050 properties (April 24 data) and it is anticipated that there will be properties that request additional food waste containers and, as with green waste bins, it is always prudent to retain additional supplies of caddies for future housing developments etc. Also having spoken to other Authorities who have rolled out food waste collections, they have projected that around 5% of food waste caddies will be damaged or lost by residents which will need to be replaced. These are some of the elements which have determined the requirement for 130,000 items.

Transfer station costs and the availability of DEFRA funding

As has been highlighted in the call-in request, SBC have received a capital grant from Defra which was to cover vehicles and receptacles only and no provision has been made for the additional depot space that would be required to operate the new service.

New depot space is required as we have no special capacity at any of the 3 depot locations to run extra services, nor do we have legal capacity on our Fleet Operators License, therefore a new location is required.

Under the government pledge that LA's should face no 'new burdens', we believe the provision of land is a qualifying expenditure. Therefore we have submitted a formal appeal for additional grant support to cover some of the purchase costs for land which will act as the base for the new food waste collection service and waste transfer station.

The mandated collection date for the launch of the new service is April 2026 which is an extremely challenging deadline, so the recommendation was made to purchase the land in the interim and then seek to reclaim some of the purchase and refurbishment costs from Defra. We have written to Defra again in November 2024 reinforcing SBC's appeal against the original allocation although no update has been received to date.

Up to £2.5m of borrowing will allow us to purchase the required land whilst providing some allocation to undertaken basic enabling and infrastructure works in readiness for an April 2026 implementation. Alongside this there is £1.2m required to purchase food waste receptacles, giving a total capital requirement of £3.7m. The Council has currently received £1.4m of grant from DEFRA. Prior to the outcome of any further communication from the Government Department, this leaves a funding gap of £2.3m which is referenced to be met through prudential borrowing.

Explanation of the work referred to by the term 'making good'

A waste transfer station will allow Community Services to deposit dry recycling and food waste directly in the Borough before transferring to the relevant Material Recovery Facility, thereby reducing transport times and waiting times for tipping off at our recycling partners location, which is in Hartlepool. The establishment of a waste transfer station is calculated to avoid the costs £450k per year for vehicles, staff and supplies and services associated with delays and extra journeys.

The infrastructure required to create a waste transfer facility within the expanded depot at Yarm road, referred to in the report as 'making good', would include;

- Repurposing the onsite weighbridge
- Placing additional security fencing
- Developing vehicle and staff parking
- Placing welfare facilities

APPENDIX 2

Removal of the Maximum Charge for Non-Residential Care

Summary

This briefing note provides additional information in relation to the matters raised within the call-in request in relation to Resolution 2:

The removal of the maximum charge for non-residential care be approved.

Reasons for Call in

In respect of Resolution 2 the reasons for call in that have been validated relate to the following principles of decision making:

- a. Proportionality and equality: The removal of the cap on charges for non-residential care raised significant concerns about the potential disproportionate impact on vulnerable residents.
- b. Clarity of Alternatives: There was insufficient detail provided on alternative options considered before deciding to remove the charge cap.

Detail

Proportionality and equality: The removal of the cap on charges for non-residential care raised significant concerns about the potential disproportionate impact on vulnerable residents.

The Council adopted the maximum charge approach for non-residential care with the introduction of the Fairer Charging guidance in 2002 which recommended that these be set to encourage and facilitate people to remain at home.

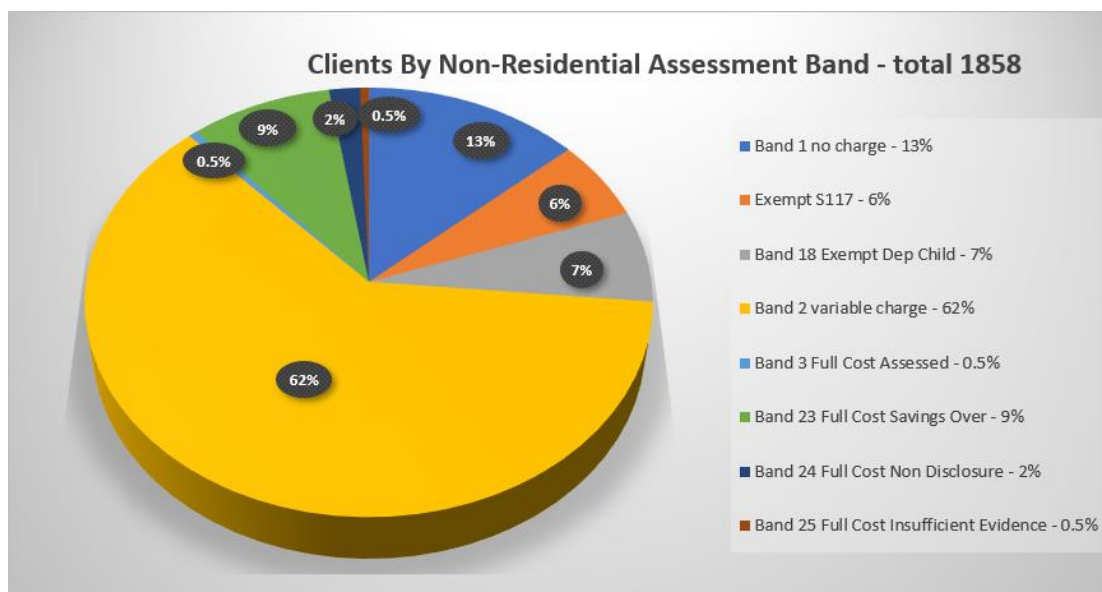
Stockton Council has maintained the maximum charge in its local charging policy since this time while other local authorities around the country removed this on the basis of the loss of income and the lack of fairness and consistency to all service users that charging policies were meant to bring.

Following a full consultation and a cabinet report in 2017 it was agreed to leave the maximum charge in place. A Legislative review has been undertaken and there is no statutory requirement for consultation on this proposed change.

An equality impact assessment has been undertaken to review the impact upon those affected and any requiring mitigating actions. The key outcome from this process reinforces prioritised support for the most vulnerable based on poverty as a key characteristic. The financial assessment process which is in line with national guidance, ensures a robust approach to assessing individuals means to contribute towards the cost of their care, alongside access to support services.

A communication and engagement plan is in place to engage with the 49 clients affected.

The following graph provides a breakdown of the clients assessed for non-residential care the type of financial packages



There are currently 49 clients out of 1858 paying the maximum charge which equates to 0.5%.

Clarity of Alternatives: There was insufficient detail provided on alternative options considered before deciding to remove the charge cap.

As part of the review, work was undertaken to engage with authorities both locally and across the country to understand their charging policies and assess all options for charging. In reviewing the situation at the current time around the region there are a number of Authorities who have already removed their maximum charge and have done so for some time.

We engaged with the national ADASS network and received responses from 31 local authorities. Of which only one local authority still has a maximum charge, and that charge is £802 per week compared to Stockton's current charge of £459.60 per week. Most local authorities

The premise of charging policies is to be fair, consistent and charge clients on an equal basis. By continuing to implement the maximum charge we are setting a precedent for those who have more and can pay for their care to be subsidised by the Council where those who have less pay based on what they have which may seem to lack equality in how the policy is applied.

Other options that were considered as part of the review included

- Retain the cap with no change
- Retain the cap at a higher rate

APPENDIX 3

CAR PARKING

Summary

This briefing note provides additional information in relation to the matters raised within the call-in request in relation to Resolution 5:

The changes to car parking charges in Stockton and Yarm Town centres be approved; including the removal of the first hour free parking and introduction of the rate of £1.50 for three hours stay in short stay car parks, alongside an uplift to long stay car parking charges

Reasons for Call-in

In respect of Resolution 5 the reasons for call in that have been validated relate to the following principles of decision making:

Due Consultation and an explanation of what options have been considered and giving the reasons for decisions. There are alleged inadequate consultation and the clarity of the decision's impact on the community.

Detail

Due Consultation and an explanation of what options have been considered and giving the reasons for decisions. There are alleged inadequate consultation and the clarity of the decision's impact on the community.

Legislative review has been undertaken and legal advice sought regarding the requirement to consult on amendments to tariffs, which confirmed there is no legal requirement to consult on amendments to charges all that is required is to notify the public. This is in line with how we have previously changed tariffs.

As the Council's parking places have Traffic Regulation Order's controlling them, including the provision to charge parking charges, any amendment to those charges is made by the placing of a notice in the gazette and the posting of notices on site at least 21 days before the change is due to come into effect. There is no statutory requirement to consult on changes to car parking tariffs. The original Traffic Regulation Orders that established that parking charges were payable were subject to public consultation. This process has been used previously to change parking tariffs in Stockton and Yarm such as when the Tees Valley Combined Authority funded free parking in the town centres to mitigate the impact of COVID and the return of charging when that funding ended.

Other options were considered when looking at proposals for changing the parking tariffs. Options were included within the report to Cabinet. Benchmarking was undertaken across the Tees Valley.

The review considered the typical behaviours of visitors to the town centres travelling by car. 77% of short stay car park users only remain within the Town for the first hour, which coincides with the first hour free. The recommended option removes free parking for the first hour within Stockton and Yarm Town Centre car parks. While there is a risk that this may impact upon numbers of visitors the first hour free parking serves as a limiting factor on the length of time visitors spend within the town centre. Removing this, allows visitors to stay within the town centre for longer, visiting more local businesses. This could result in further opportunities for individuals to spend within the local economy and take advantage of various services offered within the town.

Other options for charging were considered but ruled out due to various reasons such as they would not generate enough income to cover the cost of providing the service and maintaining our car parks. Providing a shorter free period could encourage visitors to stay for even less time in our town centres. They would not be competitive compared with other towns within the Tees Valley or they would not be economically viable. The chosen option ensures that charges are comparable with other areas within the Tees Valley for the first hour and the cheapest for 3 hours parking.

There are other travel options for visiting our town centres such as public transport, walking and cycling. Investment is being made in walking and cycling routes into town centres and there is a national fare cap on bus journeys and a Tees Valley under 22-year-old offer. These modes support the commitment to decarbonise the borough, as set out in the Environmental Sustainability and Carbon Reduction Strategy 2022-2032.

An equality impact assessment has been undertaken to review the impact upon those affected and any requiring mitigating actions.

Our Civic Enforcement Service are responsible for parking enforcement in Yarm, as well as all other areas of the borough. Regular daily patrols take place at varying times throughout the week including weekends. This is the most efficient method of enforcement due to the current free parking arrangement which requires several visits to enforce under the current charging regime. In contrast, the new proposed regime of parking tariffs will result in efficiencies to enforcement activity, making enforcement activity easier to undertake with less resource therefore maximising our impact across the borough. Since 2021 the number of penalty charge notices issued in Yarm has steadily increased year on year in line with our commitment to enforce our parking regulations as resources allow.

The Council have introduced several improvements to our Pay & Display machines in the last couple of years to enhance their reliability. This includes upgrading all machines to 4G connectivity for better communication and we have entered into a proactive maintenance agreement with Metric, the machines manufacturer. This includes one of their engineers carrying out weekly visits to service all machines. These visits cover essential maintenance tasks such as battery replacements, communication link refreshes, and ticket roll changes. Metric's engineers also replace any worn equipment identified through these checks to ensure machines are up and running again quickly avoiding any delays. While we still receive the occasional report of machine faults, these have significantly reduced over the last 18 months.

Our Property Managers for Wellington Square, Knight Frank, engaged a structural engineer to produce a report for the options of maintaining or resurfacing the car park. Options were considered regarding repair versus resurface, and the type of resurfacing material. The longevity of the material and method and the cost requirement were considered when arriving at the recommendation included within the report to Cabinet.