



**Prosperous Communities
Committee**

**Wednesday 11 October
2023**

Subject: Garden Waste Service Business Plan

Report by: Director of Commercial & Operational Services

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Purpose / Summary: To report to Members performance of the Garden Waste Service during the 2023 season and, through the refreshed Business Plan, make recommendations for a service standard for the 2024 season.

RECOMMENDATION(S):

1. The officer recommendation is for the subscription to be increased to £44 for eighteen collections in 2023/24.
2. For a draft community engagement proposal to be presented to committee in June 2024 for approval

IMPLICATIONS

Legal: There are no new legal implications relating to this report. Garden waste collections are chargeable under current legislation, however councils are only allowed to recover costs for providing the service.

Financial : FIN/77/24/MT/SSc

Core direct costs continue to rise. These include vehicle supply, vehicle maintenance, staffing and fuel. The current subscription of £39 will not be sufficient to achieve cost recovery in 2024/25. The resulting pressure could be in the region of £137k depending on subscription take up. This pressure would be borne by the wider council tax paying base who do not receive the service.

We have estimated the subscription base for 2024/25 to be 27,500. If garden waste subscription was to remain at £39, we predict a pressure of £137k. If the subscriptions were to drop by 2.9% to 26,700 then the pressure could rise to £169k.

The recommendation is to increase subscriptions from £39 to £44. If our assumption of 27,500 subscriptions was achieved at £44 each, we would be able to achieve total cost recovery for 18 collections.

As at 13/09/23 the current year subscriptions is 27,954 achieving income of £1,090,206.

Staffing : There are no new staffing implications resulting from this report.

Equality and Diversity including Human Rights : An Equality Impact Assessment was carried out before the policy was introduced. As no changes to the service are planned or anticipated, this assessment has not been refreshed. An assisted collection service is offered for those subscribers who have a disability or other health related issues which precludes them from presenting their bins.

Data Protection Implications : There are no new implications resulting from this report. All data relating to the service is processed and retained in line with Council policies.

Climate Related Risks and Opportunities : As there is no proposed change to the operational aspect of the service, a Climate, Environment and Sustainability Impact Assessment is not required.

Section 17 Crime and Disorder Considerations : None resulting from this report.

Health Implications: None resulting from this report.

Title and Location of any Background Papers used in the preparation of this report:

Risk Assessment :

A number of risks to the service are identified in the Business Plan

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

x

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

x

No

Executive Summary

This report summarises the appended refreshed Garden Waste Business Plan and explores in year performance, going on to identify risks and opportunities to service delivery in the coming 2024 season.

It is clear this is a popular and value for money offering for our residents with consistently high levels of subscriptions and very low levels of dissatisfaction or service failure.

Members are asked to consider the service standard for 2024, in particular the level of subscription. The recommendation within the report is to increase the subscription level to £44 per bin for eighteen collections in order to achieve cost recovery and avoid a deficit which would be underwritten by those residents who don't subscribe to the service.

There are well-documented and significant cost increases predicted, in particular for vehicle supply, vehicle maintenance, staffing and fuel.

The service will continue to embrace new technology to enhance the experience for customers and operational staff.

Whilst complaints and comments received about the service are extremely low, there is a clear need to undertake a community engagement exercise in the coming year to fully understand customer preferences regarding the cost of service, number of collections and payment methods. A draft community engagement proposal to be presented to committee in June 2024 for approval.

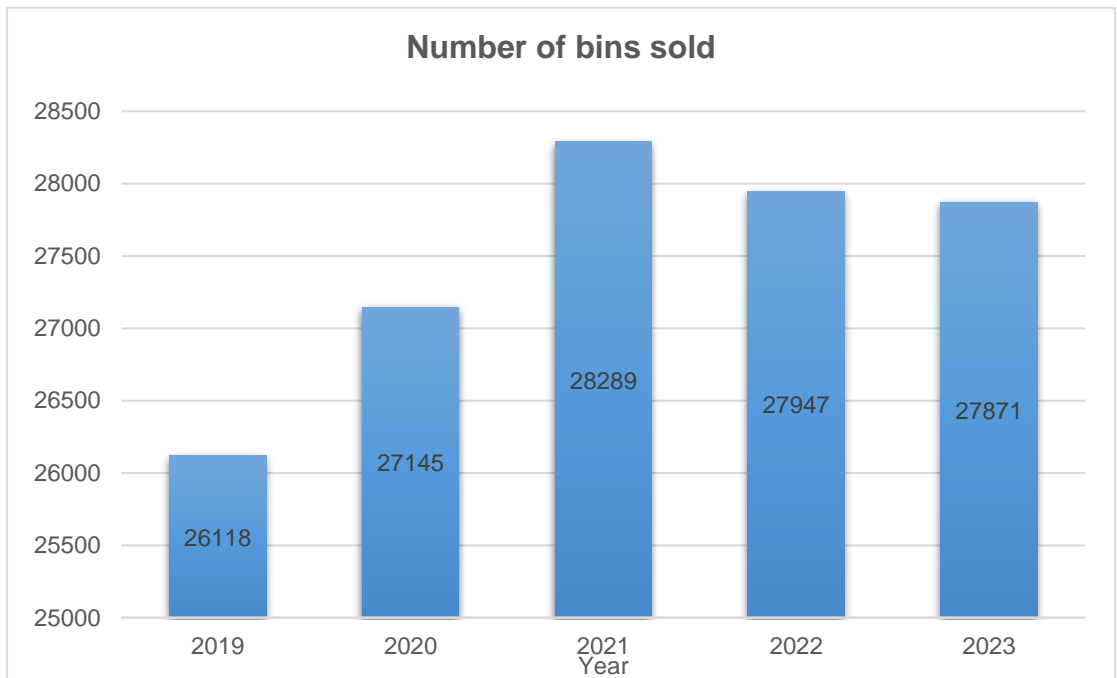
1 Introduction

- 1.1 The 2023 Garden Waste Service closes at the end of November, this has been the fifth year of operation as a subscription-based service.
- 1.2 The appended Business Plan gives an update on performance and future risks, with recommendations around a service standard and subscription level for 2024.

2 Performance

- 2.1 Performance has once again been strong, with similar numbers of subscribers and total bins sold as in previous years, see Table 1.

Table 1 Number of bins sold



- 2.2 The number of bins sold peaked in 2021, since then it has dipped slightly due to a number of factors including changing environmental conditions, an increase in the cost of subscription and the introduction of purple-lidded bins.
- 2.3 59% of eligible households in the West Lindsey area subscribed to the service in 2023.
- 2.4 Since the service became subscription-based, officers have worked on the subscription process in order to make it easier to subscribe online. Table 2 below demonstrates the success of these tactics; it should be noted that those residents who cannot, or don't wish to, subscribe online can still access the service through traditional platforms.

Table 2 Methods of subscription

Year	Number of subscribers	Number of bins sold	% take up	Online %	Phone %	F2F%	Cheque
2019	23729	26118	58%	62%	33%	5%	
2020	24686	27145	60%	63%	33%	4%	
2021	25559	28289	60%	67%	32%	0%	1%
2022	25114	27947	59%	72%	27%	0%	1%
2023	24994	27871	59%	79%	20%	1%	0%

- 2.5 The service is managed by one staff member who is responsible for overall performance of the service. The introduction of the new Customer Relationship Management (CRM) system is helping improve both the subscription process and reducing manual administrative tasks. This will enable the Garden Waste Coordinator to concentrate more on performance improvements.
- 2.6 Work continues to reduce the already low level of missed collections of garden waste bins. In 2023, over 452,000 garden waste bin collections were made by crews with just 0.11% of presented bins being missed, compared to 0.14% in 2022. The vast majority of missed bins are collected within the service standard of five working days.

3 Risks and Opportunities

- 3.1 There are a number of emerging risks and opportunities associated with the service. As part of its drive for consistent recycling collections, the Government is considering implementing free garden waste collections for everyone. Whilst there is a commitment from Government to underwrite the capital cost of this proposal, there would still be a considerable financial impact on the Council should it be introduced. There are also options to introduce a cap on the level of charge or continue to allow Councils to deliver a local service in the way they choose. There remains a lack of clarity in this area and officers will continue to monitor.
- 3.2 Officers will strive to drive improvements for both customers and crews through the implementation of the CRM. The subscription process continues to get easier for customers and the introduction of mobile devices for crews makes reporting and resolution of issues easier. Slicker administrative process will enable the Garden Waste Coordinator to spend more time on performance and increasing sales in low participation areas.
- 3.3 The current cost of living crisis may affect future income with more households having less disposable income and looking to make savings where possible, this has been mitigated to some extent by a price freeze for subscriptions in 2022/23.

- 3.4 The last two years have seen unprecedented levels of hot weather, this has resulted in the lowest level of weight of material collected by our crews, as grass does not grow well in the heat. Whilst it is unlikely this climate will continue annually, it is possible residents may conclude they don't need to subscribe given the small amount of garden waste produced in hot weather.
- 3.5 The number of properties within the District is constantly increasing, this is an opportunity to further increase sales, so a full round review will be undertaken in 2023/24. Any substantial increase in subscription levels may lead to an extra vehicle and additional staff members being required, which has cost implications on the service.
- 3.6 Currently, the service does not offer annual Direct Debits or recurring card payments as subscription options. Previous analysis has demonstrated that direct debits raise a number of issues which impact significantly on administrative processes. This includes residents cancelling direct debits part way through the year and changing bank details without informing the authority. Currently, just three of the nearby authorities surveyed offer this service, two of which report operational issues and one further authority has withdrawn the option in year as their systems didn't synergise with a new website offering. Officers are not aware of any of the authorities surveyed offering recurring card payments. However, there have been improvements in processes and supporting software in recent years which would support a further review to be undertaken via the 2025 service Business Plan. For the 2023 season, officers are aware of only ten comments and requests from customers for direct debits to be available.
- 3.7 There is often debate around the number of annual collections made by the service. A number of years ago, Members considered a report regarding collections in winter months and committed to stopping collections in four winter months based on the environmental and financial impact of collecting low weights of material during these months. Currently, subscribers receive eighteen collections per year which is the equal lowest number of those authorities surveyed, however the subscription rate is also one of the lowest. The consultation exercise undertaken when the subscription was first proposed found the residents would rather pay a lower subscription for fewer collections. This was backed up in the 2021 Budget Consultation exercise when residents were asked if they would be prepared to pay an increased subscription if more collections were added, 63.7% of respondents were against this approach. Adding two more collections to the annual regime would increase the cost of subscription by £3 if applied on a cost recovery basis.
- 3.8 The subscription-based service has now been operating for five years; whilst comments about the service are captured through day to day management of the service, there has been no in-depth community engagement regarding residents views around the number of collections and payments methods. It is proposed that a full community engagement

proposal for the Garden Waste service is reported to Prosperous Communities Committee in the Spring of 2024 for approval.

4 Market Analysis

- 4.1 Eleven local authorities in region have been surveyed regarding their garden waste offering.
- 4.2 Table 3 below, highlights the service provided by neighbouring councils. Each authority reviews their price point annually and these may be increased for the 24/25 season.
- 4.3 Although West Lindsey offer the equal least collections per annum, it is one of the cheapest in the area apart from North Lincs where the first, small bin remains free.

Table 3 Neighbouring authority comparison

Authority	Subscription cost 1st Bin	Subscription cost for additional bins	Number of collections	Direct Debit
WLDC	£39 (frozen for 2023 season)	£39 (frozen for 2023 season)	18	No
South Kesteven	£49.00	£27	23	Yes
North Lincs	140l free 240l £44.40	–	24	No
North Kesteven	£40	£8	24	Yes
East Lindsey	£50 (frozen for 3 years from 2022)	£50 (frozen for 3 years from 2022)	21	No
City of Lincoln	£39	£15	26	No
North East Lincs	£39	£39	22 (April - March no collections from 11 Dec – 4 Feb)	Yes
South Holland	£52	£30	24	No
Boston Borough	£45	£20	21 (April – end Nov, resume 19 Feb – 31 March)	No Have done them in the past but now stopped

Bassetlaw	£34	£34	18	No
Newark and Sherwood	£35	£35	21	No

5 Financial Overview

- 5.1 Core direct costs are continuing to rise dramatically; these include vehicle supply, vehicle maintenance, staffing and fuel.
- 5.2 The current year forecast outturn position is a deficit of £117k.
- 5.3 Table 4 below, demonstrates that continuing to charge £39 per bin would result in a deficit of £137k in 2024/25. This pressure would be borne by the wider council tax paying base who do not receive the service.

Table 4 Predicted Outturn

Summary Garden Waste Total Cost Recovery	2024/25 Current Budget 18 Collections
£39 for 27,500 Subscription	(1,072,500.00)
Total Costs	1,209,610.00
Total Pressure	137,110.00

- 5.4 A summary of the past, current and future years predicted financial position is shown at Table 5 below. It demonstrates the level of subscription needed to recover costs for 18 (current), 20, 22 and 26 collections

Table 5 Financial Overview

Summary Garden Waste Total Cost Recovery	2022/23 Actuals	2023/24 Revised Budget	2023/24 Forecast outturn	2024/25 Current Budget 18 Collections	2024/25 Proposal 20 collections	2024/25 Proposal 22 collections	2024/25 Proposal 26 collections
Direct costs							
Operational Costs	706,408.20	615,000.00	655,633.18	646,300.00	712,200.00	778,000.00	907,900.00
Vehicles	284,259.30	282,800.00	252,300.00	282,800.00	312,100.00	341,500.00	400,100.00
Total Direct Costs	990,667.50	897,800.00	907,933.18	929,100.00	1,024,300.00	1,119,500.00	1,308,000.00
Indirect Costs							
Depots	(104,808.70)	41,300.00	41,300.00	23,500.00	23,500.00	23,500.00	23,500.00
Support Services	102,840.32	110,700.00	110,700.00	109,400.00	109,400.00	109,400.00	109,400.00
Depreciation	96,434.57	124,400.00	124,400.00	124,400.00	124,400.00	124,400.00	124,400.00
Notional Interest share New Depot	23,210.00	23,210.00	23,210.00	23,210.00	23,210.00	23,210.00	23,210.00
Total In Direct Costs	117,676.19	299,610.00	299,610.00	280,510.00	280,510.00	280,510.00	280,510.00
Total Costs	1,108,343.69	1,197,410.00	1,207,543.18	1,209,610.00	1,304,810.00	1,400,010.00	1,588,510.00
Service Charge	(1,094,284.60)	(1,102,900.00)	(1,089,700.00)	(1,210,000.00)	(1,306,250.00)	(1,402,500.00)	(1,595,000.00)
(Surplus) / Deficit	14,059	94,510	117,843	(390)	(1,440)	(2,490)	(6,490)
Current subscriptions **	28,059	28,279	27,941	27,941	27,941	27,941	27,941
Cost Recovery current levels	£39.50	£42.34	£43.22	£43.29	£46.70	£50.11	£56.85
Risk adj. Subscriptions @ 2% ESTIMATED CHARGE				27,382	27,382	27,382	27,382
				44.18	47.65	51.13	58.01
PROPOSAL	39.00	39.00	39.00	44.00	47.50	51.00	58.00
% increase				13%	22%	31%	49%

- 5.5 Taking into account a rise in subscription would probably result in a reduction in subscriptions of c2%, the level would need to be set at £44 per bin per year to achieve cost recovery for 18 collections. This would equate to a 13% rise in the subscription level.
- 5.6 A more in-depth analysis of the impact of adding extra collections is included in the appended Business Plan.

6 Recommendations

1. The officer recommendation is for the subscription to be increased to £44 for eighteen collections in 2023/24.
2. For a draft community engagement proposal to be presented to committee in June 2024 for approval.