



Garden Waste Business Plan

2023/2024

September 2023

Executive Summary

West Lindsey currently runs a fortnightly collection service for refuse and recycling to circa 42,700 properties through a wheeled bin regime. In addition, a weekly bagged service is provided for c2000 properties in the South West Ward, these properties cannot have wheeled bins for logistical reasons.

In 2017, West Lindsey introduced an annual subscription for green waste collections (previously free since 2010); the charge was introduced in order to introduce a 'user pays' ethos, as many residents felt they did not want or need the service but were subsidising it through their Council Tax. Since its introduction, the service has been very popular and outperformed original business case predictions. The subscription to the service had originally been set at £35 per bin for 18 collections per year, closing down over the winter period due to lack of waste being produced. In 2021/22 the charge increased to £39 (fixed for 2 years) in order that a cost recovery model could continue to be delivered.

Moving forwards with the garden waste service, a new digital platform is being implemented for operatives to be able to record and receive live data. This will be delivered through the new Customer Relationship Management System (CRM) and will also improve the customer experience. This new digital technology will be able to map subscriptions and allow officers to target low take-up areas with targeted marketing.

Information in this plan concludes that there a number of risks to the Garden Waste Service including increasing costs, the cost of living crisis, Government policy and even the weather. However, it is a popular service with residents and therefore a prudent prediction of continuing to receive the current level of subscriptions has been forecast.

A Member decision is urgently required on the frequency and subscription rate for the 2023/24 garden waste season. Should more collections be required, a comms plan schedule and subscription window would need to be brought forward, therefore an October Committee decision is vital.

The officer recommendation is to increase the current subscription level to £44 in order to achieve cost recovery in 2023/24. In addition, as the service is now entering its sixth year, it is appropriate to undertake a full community engagement exercise to understand customer preferences around subscription levels, frequency of collections and payments methods. This will inform the level of service delivered from 2024/25 onwards.

Business Overview

Currently there are 36 green waste rounds collected over a rolling two-week period. The garden waste rounds begin at the end of March and cease the last week in November, with each subscriber receiving 18 collections per calendar year.

The cost for each bin is £39 per calendar year, this increased from £35 in 2021/22 and was fixed for two years.

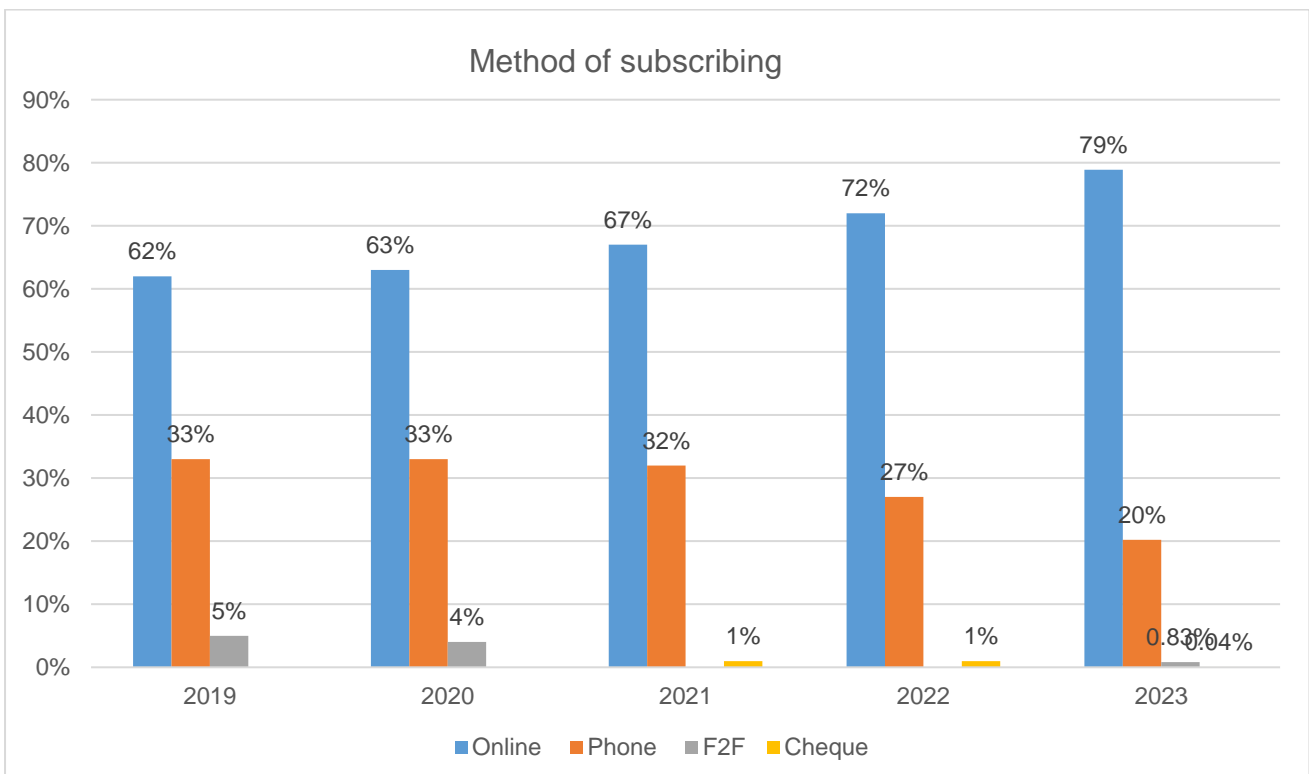
The customer has multiple ways to subscribe to the service from the 1st January each year (Table 1 and Table 2 below demonstrate). There has been a gradual increase in the number of online subscriptions achieved by improving processes, this will be further enhanced with the ongoing introduction of the CRM system.

The 2023 data is year to date so far; traditionally a level of income continues until the end of September.

Table 1 Subscription trends

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%

Table 2 Method of Subscription

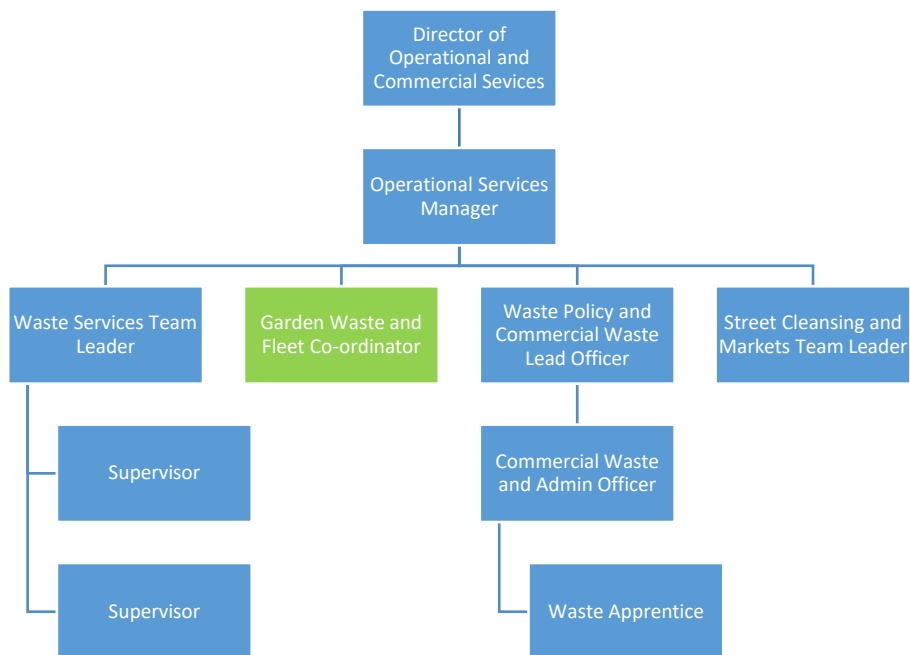


Service Management

The Garden Waste service benefits from one full time member of staff, with a Waste Admin Support Officer covering for periods of absence (Operational Services structure below at Table 3).

Currently, the Garden Waste Co-ordinator is the first point of contact for any issues regarding the service. The post is very admin heavy at the moment; duties include printing of daily round sheets for all crews going out that day, highlighting new customers, assisted collections and number of bins at each address. The new CRM system will reduce this administrative burden and more time will be able to be spent on targeting sales and customer satisfaction.

Table 3 Operational Services Staff Structure



Performance

Since the introduction of the chargeable service, it has continued to grow year on year to a peak level in 2020/21. However, the years since then have seen a small reduction mainly due to the increase in subscription level and the introduction of purple lidded bins, meaning residents have less storage room for bins (Tables 4 and 5). The cost of living crisis and changing environmental conditions may also have impacted on the number of subscriptions.

Table 4 Number of bins sold

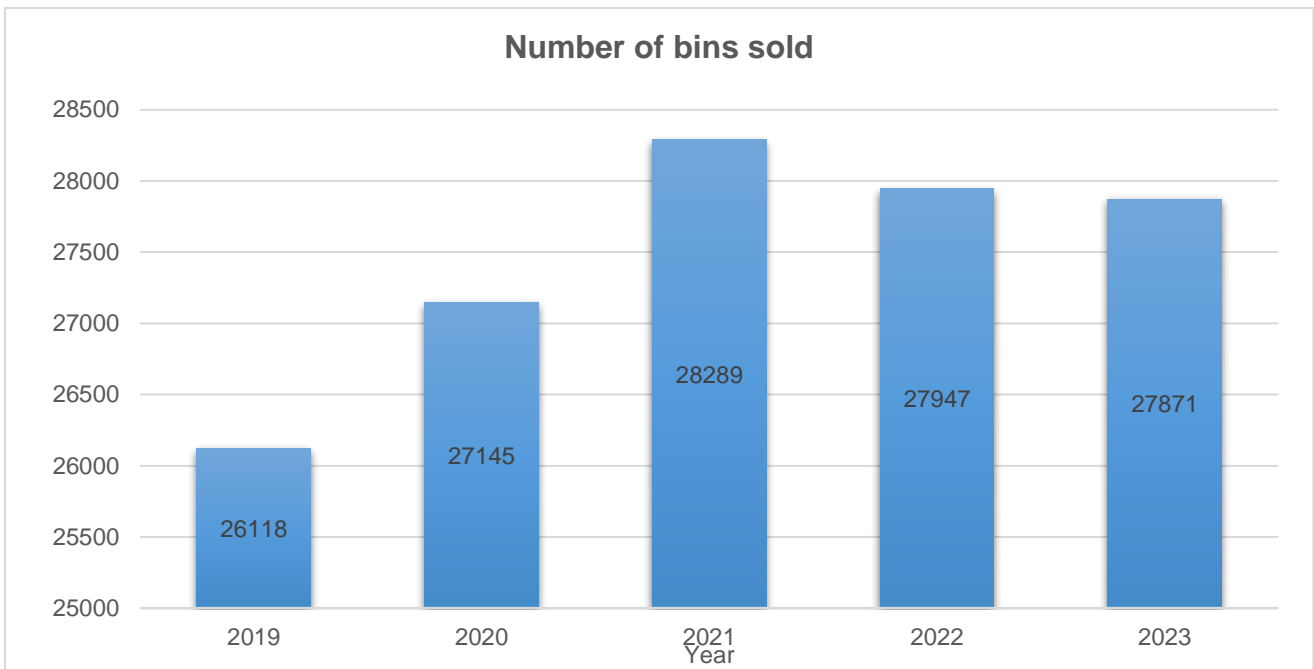
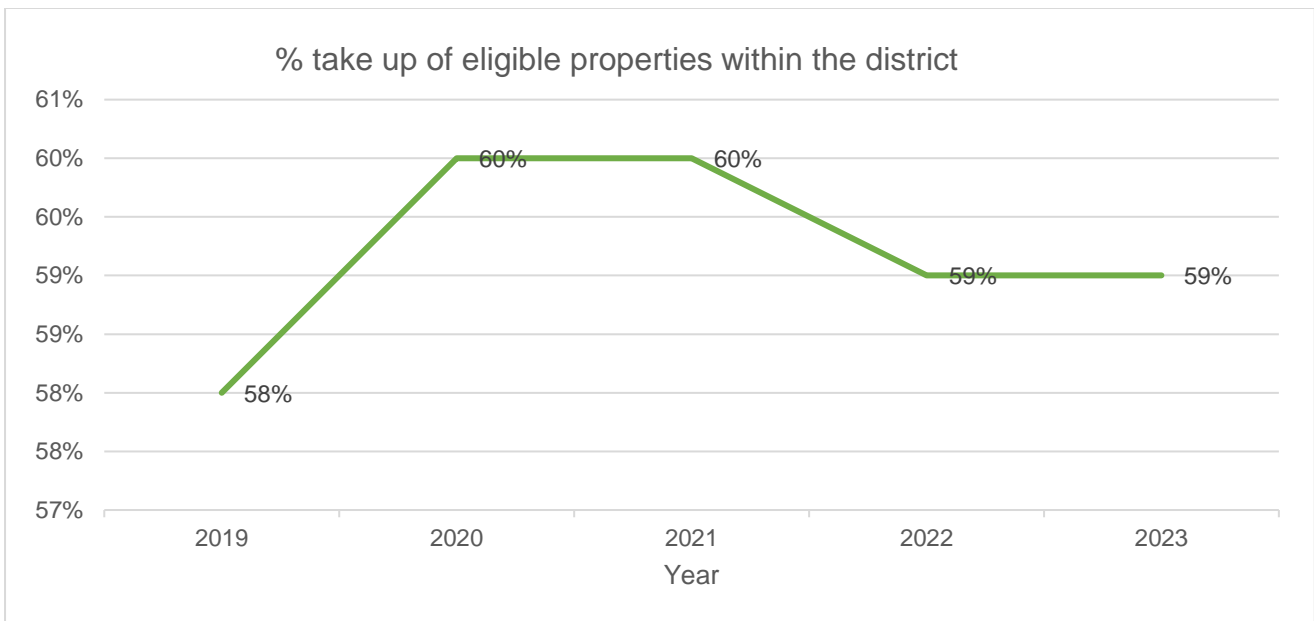


Table 5 % take up



What is on the horizon?

The new CRM system will be fully up and running ready for the 2024 garden waste subscriptions starting. This software will enable previously time consuming, manual tasks to become not only more user-friendly for customers, but also to reduce the reliance on manual, paper-based processes. Currently, crews have paper copies of round sheets which are printed daily, these are not only very cumbersome for the crews to use, but do not capture up to date information.

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.

The Government are possibly considering implementing free garden waste for all as part of the implementation of the Environment Bill (2021). Should that happen, the Council would lose all its current income from the service and pick up additional costs for delivering the service to those who don't currently subscribe. Some costs may be able to be recouped through New Burdens Funding that the Government will set aside, but this is unlikely to cover more than 80% of the actual capital cost. Alternatively, the Government may cap the level of subscription or leave the current process in place.

The number of properties within the district is constantly increasing, so a full round review will be undertaken in 2023/24. This may lead to an extra vehicle and additional staff members being required, which has cost implications on the service.

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 just didn't grow 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.

Market Analysis

Eleven local authorities in region have been surveyed regarding their garden waste offering.

Table 6 below highlights the service provided by these councils. Each authority reviews their price point annually and these may be increased for the 24/25 season.

Table 6 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

Although West Lindsey offers the equal least number of collections per annum, it is one of the cheapest in the area apart from North Lincs where the first, small bin remains free. Offering more collections would not only increase the cost of the service, but also increase the Council's carbon footprint.

Direct Debit and recurring card payment options have been considered in previous years but ruled out due to transactional issues. Just three authorities in Table 6 offer direct debits currently, feedback received from two of these authorities suggest that direct debits are difficult to manage and result in increased administration costs resulting from customers cancelling them. One authority stopped offering direct debits as the software wasn't compatible with their new website.

However, the software offerings supporting direct debit payments has improved in recent years and further analysis can be undertaken in the coming year.

Benchmarking

West Lindsey continually benchmark performance through the Association of Public Service Excellence (APSE) which not only helps by networking with other councils across the country, but with value for money. Also, benchmarking takes place through the Lincolnshire Waste Partnership, which is an excellent source of sharing best practice.

Social Media and Digital Marketing

The Garden Waste service is continually using all available platforms at the Council's disposal to promote itself and make the public aware of this excellent, value for money service.

Website

The vast majority of subscriptions come from the WLDC website, which is continually being updated with service information.

Printed Media and Advertising

At the start of each year, the service is advertised in the local media to inform residents of the service and how to subscribe. Annually, a calendar drop is done for all residents in the

District to let them know when their collection dates are, which includes a section on the service and when and how to subscribe.

Marketing Action Plan

Moving forward, the introduction of a new CRM system will allow information to be transferred from one system to another without additional hours of admin being taken up. It will enable a mapping system of bin sales to be continually updated and highlight all the low areas of take up. This will inform targeted marketing for certain areas through a designated Garden Waste leaflet highlighting the service. This approach, alongside digital up to date information being delivered directly to the crews, will enable the service to make customers aware that they can subscribe the day before collection and the information will be passed directly onto the crews devices.

Financial Overview

The subscription for 2022/23 and 2023/24 was agreed at £39 per subscription for each year. There has been a well-documented increase in costs to deliver services over the last couple of years. Unprecedented increases in staff, fuel, vehicle supply and vehicle maintenance costs mean the service is not recovering its costs in year.

Tables 7 and 8 below shows demonstrates recent performance and predicts future income based on different collection and subscription levels levels. Last year (2021/22) produced a deficit of £14k. Predicted outturn for this season (2022/23) is a deficit of £117k. Accounting for forecasted increasing costs in the coming year, the forecast outturn in 2024/23 based on retaining a £39 subscription level is a deficit of £137k.

Due to increased costs, to achieve cost recovery for 2024/25 for the normal 18 collections we would need to increase the subscription cost from £39 to £44. If we increase the number of collections in 2024/25 the subscription would have to increase as follows: -

- Two more collections - £47.50
- Four more collections - £51.00
- Eight more collections - £58.00

Table 7 Details for 2022/23 actuals, 2023/24 forecast outturn and costs for each option.

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%				27,382	27,382	27,382	27,382
ESTIMATED CHARGE				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%

Table 8 2024/24 forecast – no change to subscription level

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

What's next?

2023 is the last year of the fixed price of £39 which was agreed in 2021, in Table 8 below there are various options identified along with the financial implications.

Table 8 Options for 2023/24

Option	Number of collections	Price per bin	Financial implications
Same price, same number of collections	18	£39	This will create a deficit of £137k
Cost recovery same number of collections	18	£44	This will cover the costs and account for a risk adjustment of 2% less subscribers
Same price, two more collections	20	£39	This will create a deficit of £201.9k
Same price, four more collections	22	£39	This will create a deficit of £297.1k
Same price, all year round collections	26	£39	This will create a deficit of £485.6k
Cost recovery including two more collections	20	£47.50	This will cover the costs and account for a risk adjustment of 2% less subscribers
Cost recovery including four more collections	22	£51.00	This will cover the costs and account for a risk adjustment of 2% less subscribers
Cost recovery, all year-round collections	26	£58.00	This will cover the costs and account for a risk adjustment of

			2%less subscribers
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There has been some debate around the number of collections provided each season. The number was reduced to eighteen per annum some years ago following in-depth analysis to the weight of material collected and the environmental impact of out-of-season collections. The original consultation undertaken when the subscription-based service was introduced suggested that residents would rather pay less for fewer collections, rather than have more collections for an increased cost. As identified in the table above, adding just two more collections would increase the subscription level on a cost-recovery basis from £44 to £47.50. As part of the Budget Consultation exercise in 2021, 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.

Community Engagement

2023/24 will be the sixth year of delivery of the subscription-based garden waste service. Whilst it is clear from feedback from customers that this is a valued and popular service, it is timely to undertake a full community engagement exercise to further understand our customers opinions about frequency and cost of collections and payments methods. It is proposed to undertake this exercise during the 2023/24 garden waste season, with a draft community engagement proposal to be presented to committee in June 2024 for approval.

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.

