



**Corporate Policy and
Resources Committee**

Date 13th December 2018

Subject: Review of the Garden Waste Subscription service roll-out

Report by:

Executive Director of Operations and Head of
Paid Service

Contact Officer:

Adrian Selby
Strategic Manager Services
01427 675154
Ady.selby@west-lindsey.gov.uk

Purpose / Summary:

To update Members on performance following the implementation of a subscription based garden waste collection service and to make a recommendation for the charge for Year Two.

RECOMMENDATION:

Members approve a charge of £35 per subscription for the 2019/20 garden waste season.

IMPLICATIONS

Legal: Garden waste collections are chargeable under current legislation, however the Council is only allowed to recover its costs for providing the service.

Financial: FIN REF: FIN-156-19

The costs of providing the Garden Waste service have been reviewed and updated within the Medium-Term Financial Plan (MTFP) and below in this report.

The revised costs stand at £919k based on the expected volumes of 25,911 (volumes achieved in 18-19). Applying the rate of £35.00 will generate an income of £907k.

Analysis of volumes (+5% / -5%) and of price (£33 / £35 / £37) included below within the report highlight that the current rate of £35.00 is the most appropriate charging rate for 2019/20.

Staffing : None

HR REF: HR072-10-18

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.

Risk Assessment / Mitigating action: Members could choose to change the charge/*systems should be robust and flexible enough to change*. Charge could be set too high or too low meaning service is in profit or being subsidised by other Council Tax payers / *clear financial evidence presented to allow evidenced decision*.

Climate Related Risks and Opportunities : No new risks

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

N/A

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

Key Decision:

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

Yes

No

1. Executive Summary

- 1.1 This report will reflect on the implementation of a subscription based kerbside garden waste service and the performance of that service in year one.
- 1.2 It reports on key metrics which Members considered important as part of their original deliberations.
- 1.3 The report identifies current charges implemented by neighbouring authorities. It will go on to consider financial implications and recommend the level of charge for year two.
- 1.4 All data is correct to October 31 2018 apart from some disposal weights, which are always a month behind.

2. Background

- 2.1 In December 2017, Prosperous Communities Committee resolved to introduce a subscription based garden waste service from 1 April 2018; the service had previously been free for residents who could receive it.
- 2.2 Corporate Policy and Resources Committee resolved to set the annual subscription at £35 per year per bin and tasked officers with delivering a report back to that Committee in December 2018 reviewing the delivery of the service in year one and to consider the charge for year two.

3. Year One Delivery

- 3.1 A Project Team comprising of officers from key service areas led on implementation of the service in year one.
- 3.2 A number of key performance indicators were developed with the aim of ensuring full cost recovery, achieving high levels of satisfaction, monitoring take up method and understanding levels of fly-tipping.

3.3 The commentary and graphics below demonstrate performance of the service in year one.

4. Take up

4.1 The original Business Case predicted that 50% of householders would take up the service. In addition, it was anticipated that most residents who had previously paid for second garden waste bins would choose to keep them.

4.2 In total, the Business Case predicted there would be 21,651 subscriptions. In reality, to the end of October 2018 there had been a total of 25,911 subscriptions (58.3%).

4.3 These subscriptions were spread across 23,710 customers.

4.4 Table 1 below shows the total number of subscriptions and profiles when the service requests were received throughout the initial months. As the service approaches closedown for the year it is not anticipated that any further requests will be received.

4.5 The service has out-performed initial predictions.

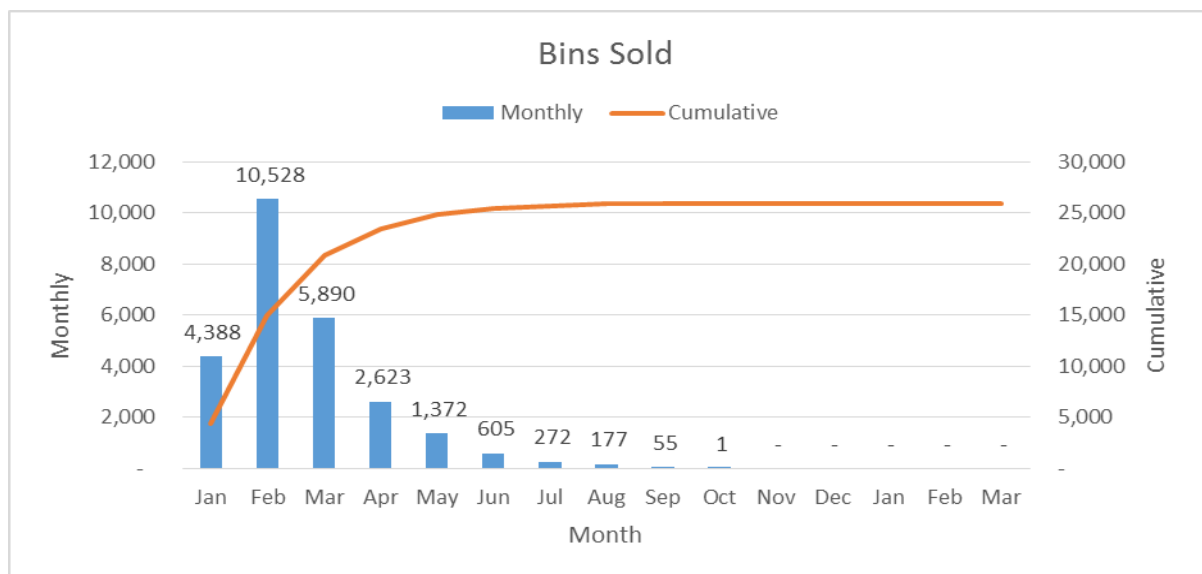


Table 1

5. Income generated

5.1 Table 2 below shows the cumulative income for the service in year one, and compares it with the prediction in the original Business Case.

- 5.2 To the end of October 2018 a total of £885k had been generated through the subscription scheme. It is not expected that any further significant income will come in as the service closes for the winter months in early December.
- 5.3 Some discounts were offered to residents who had already subscribed to second bins in the 2017/18 season, this action ensures the payment process will be simpler in the coming year as the anniversary for every subscription is 1st April.
- 5.4 The service has out-performed initial predictions.

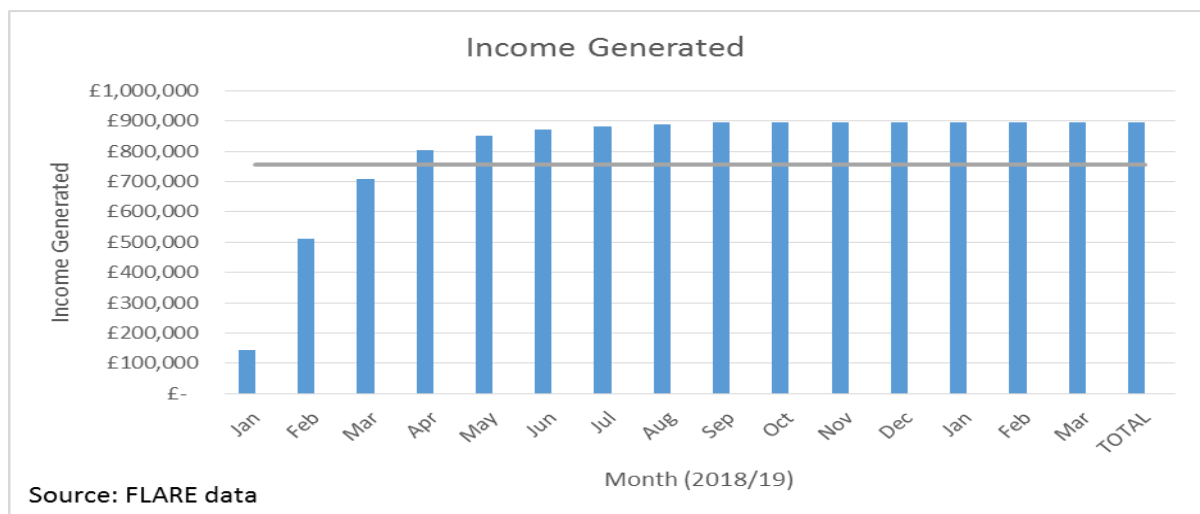


Table 2

6. Sign up method

- 6.1 The introduction of this service was an opportunity for the Council to engage with a large proportion of householders and encourage channel shift.
- 6.2 A challenging target of 60% of subscriptions to be completed online was imposed. New online forms were designed and tested.
- 6.3 Table 3 below summarises take up method.
- 6.4 To the end of October, a total of 59% (14,030) of subscriptions were received online and despite some technical issues with the website in early January, householders fed back that they found the process reasonably simple and straightforward.
- 6.5 Additional staff were taken on in the Customer Services Centre and a total of 8,448 telephone payments have been taken along with 1,236 face to face transactions.

6.6 The original 60% target was not quite achieved, measures are being implemented in year two to improve this.

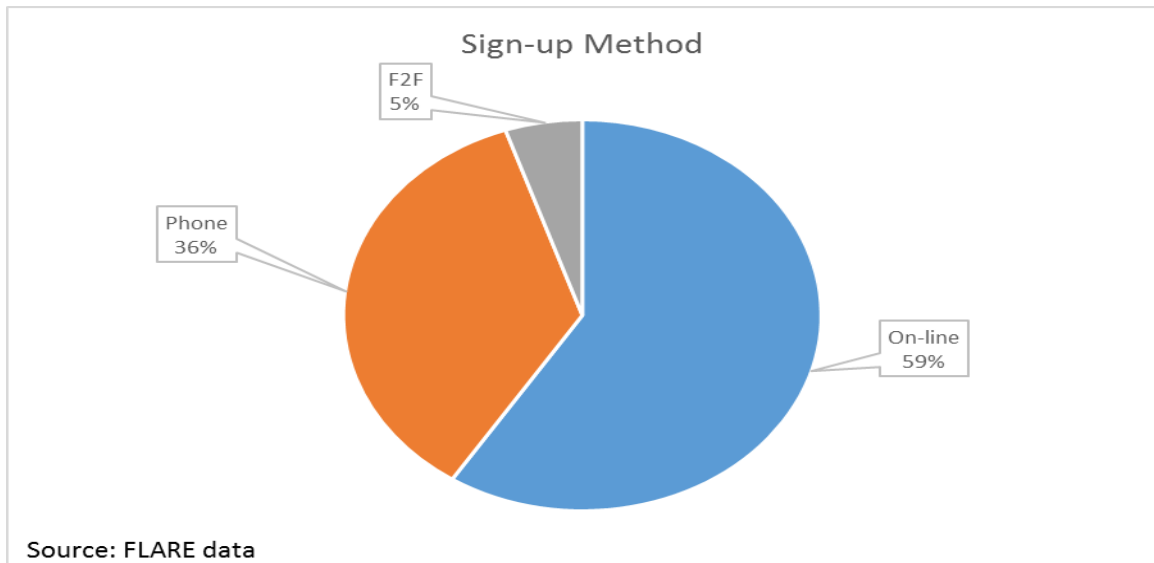


Table 3

7. Analysis by ward

7.1 Some work has been undertaken to understand the location of subscribers in order to target future marketing campaigns and to undertake round re-routing.

7.2 Table 4 below shows the percentage of subscriptions in each ward compared with the total number of households in that ward.

7.3 Unsurprisingly, the lowest rates of uptake are in Gainsborough due to the proliferation of smaller gardens.

7.4 Nettleham has the highest rate at 76.2%.

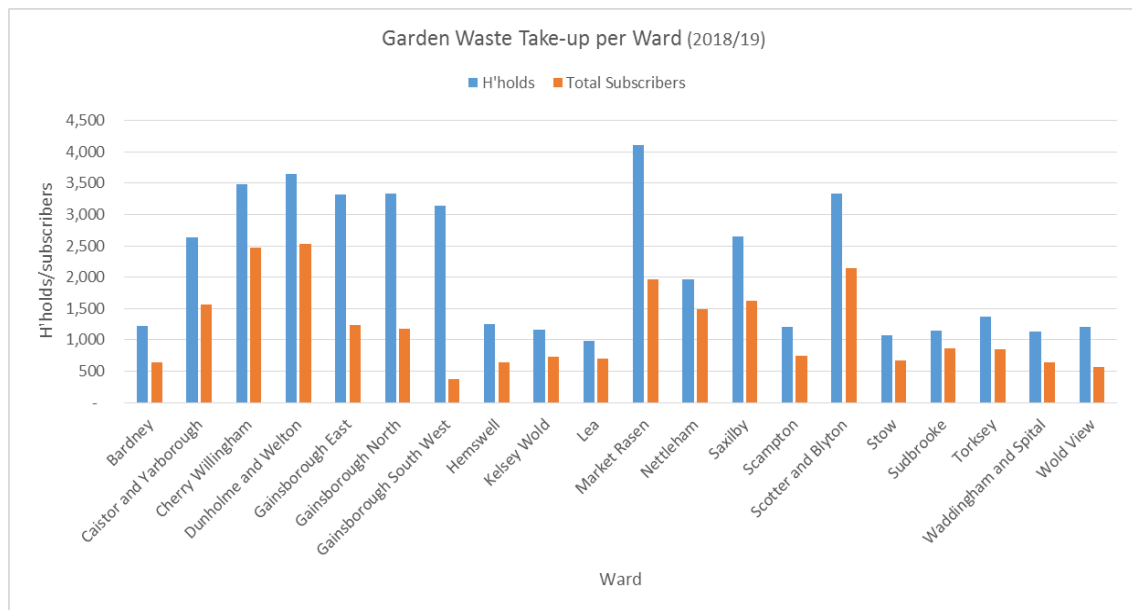


Table 4

8. Tonnage collected

8.1 Table 5 below shows the tonnage of garden waste collected compared to last year.

8.2 To the end of August in 2017/18, 7,594 tonnes of material was collected. In the same period in 2018/19 5,655 tonnes was collected.

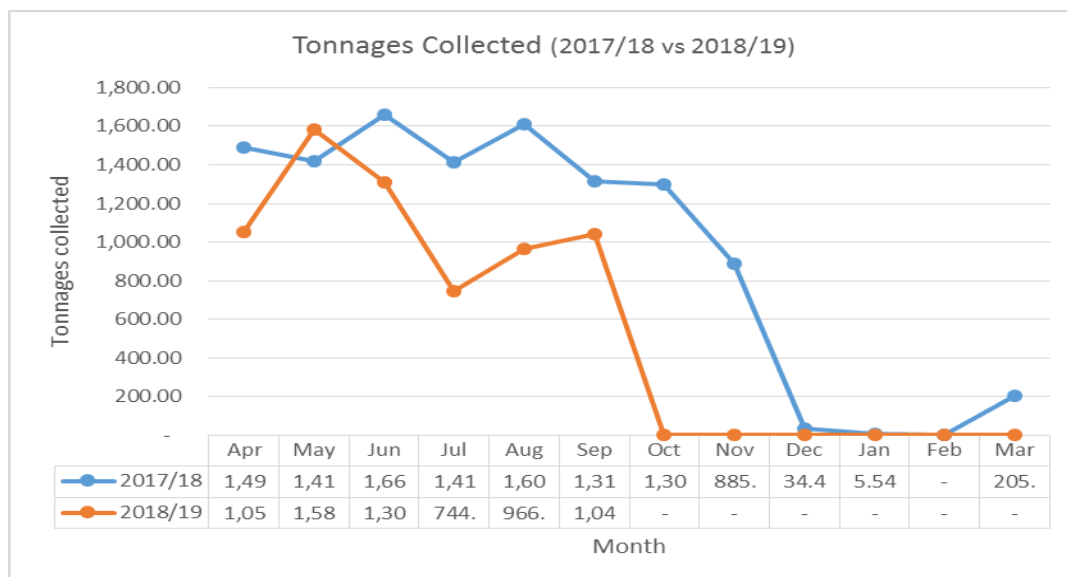


Table 5

8.3 Members raised some concerns around residents putting garden waste in residual waste bins rather than subscribing to the garden waste service.

8.4 There has been a rise in residual waste to the period to the end of August, however it's very small - less than 1kg per household over the five month period.

- 8.5 Data from Household Waste Recycling Centre's shows that waste overall, and especially garden waste, reduced in year.
- 8.6 The reduction in presented garden waste is likely to be the result of a lower growth rate due to the long, hot summer.
- 8.7 There has been an increase in residents composting at home following the announcement of a consultation into charging for the service.121 composters were sold through official channels between September 2017 and September 2018, this compares to 33 sales the previous year.
- 8.8 The recycling rate is difficult to predict as it is dependent on a number of factors. However, officers are predicting the end of year rate will be between 43 and 46% which is in line with the prediction in the original Business Case.
- 8.9 It should be noted that trends in rates of presented waste are traditionally dynamic and it is recommended that a minimum of three years data would be required before making business decisions based on this data.

9. Missed bins

- 9.1 Table 6 below shows the rate of missed bins compared to last year. Unsurprisingly, there was a spike in missed collections as the new service was introduced.
- 9.2 This was due to new staff learning a new service, residents reporting missed bins when they had not subscribed to the service, and an increase in assisted collections being missed as more residents wanted this service as they were now paying.
- 9.3 Supervisors worked hard with crews and residents to resolve issues as quickly as possible, and the table demonstrates how performance improved to better than that of last year by July 2018.

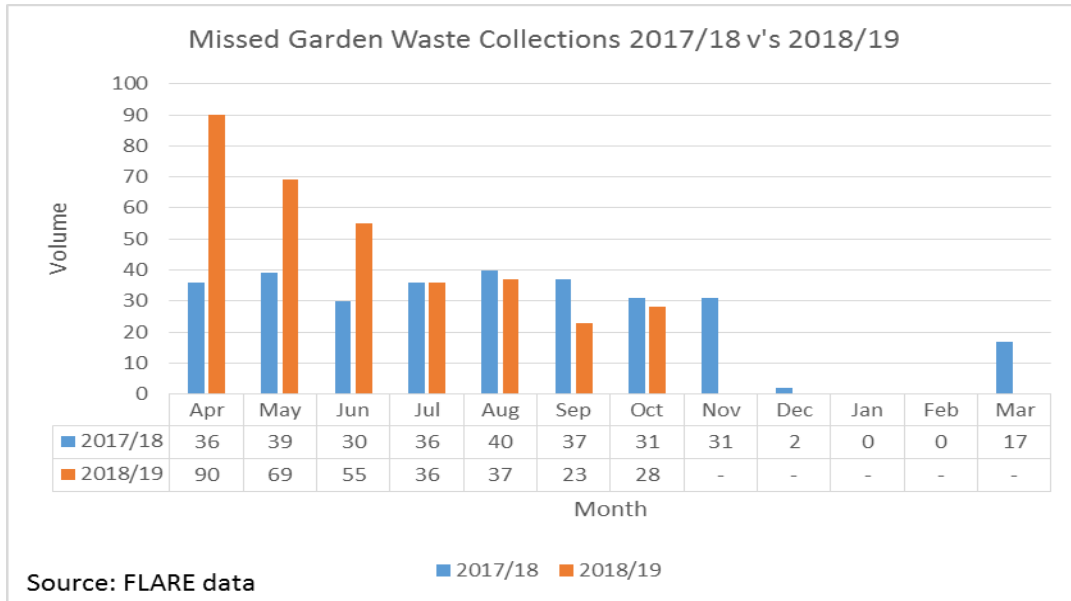


Table 6

10. Fly-Tipping

10.1 Members were concerned about the potential for an increase in fly-tipped garden waste following the introduction of a charge and tasked officers with monitoring the situation closely.

10.2 Table 7 below shows the percentage of fly-tips which were due to garden waste compared to last year. It shows that there is no evidence to suggest an increase in these incidents, in fact the rate has reduced.

10.3 Nationally, fly tipping has increased in recent years. West Lindsey suffered a spike in occurrences in 2014/15, up to high of 1477 incidents. Since then the rate has reduced to below a thousand and this year has seen 390 instances in the first six months.

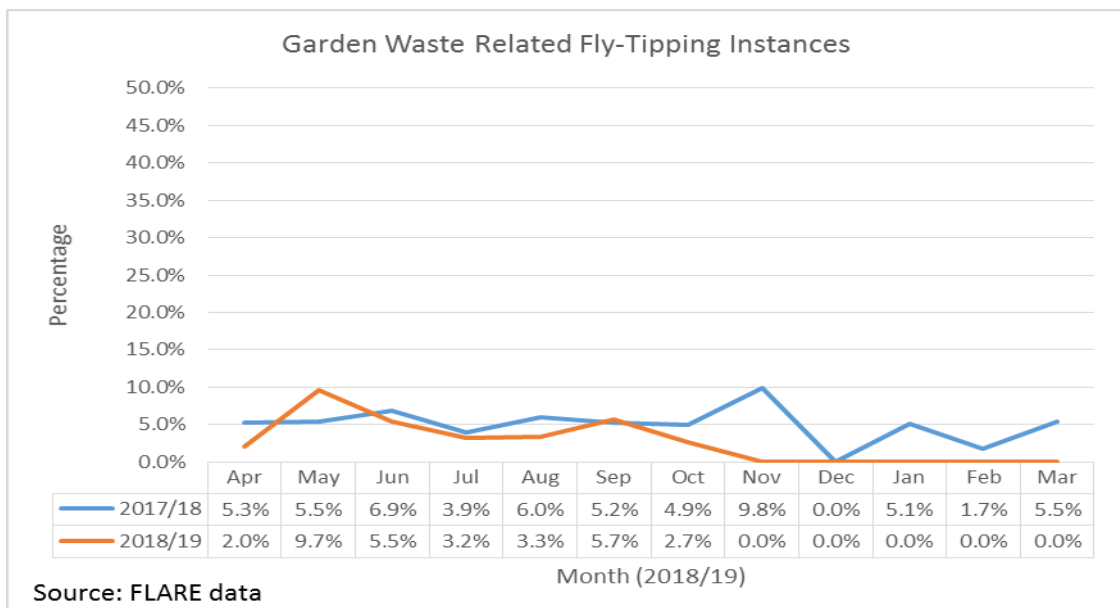


Table 7

11. Satisfaction

11.1 A satisfaction survey was carried out in June to understand residents' views of the subscription process.

11.2 Table 8 below shows that the vast majority of residents were satisfied with the process, and those that encountered issues cited the website failing and calls going unanswered or even dropped.

11.3 An Improvement Plan is in place for year two, which considers these issues.

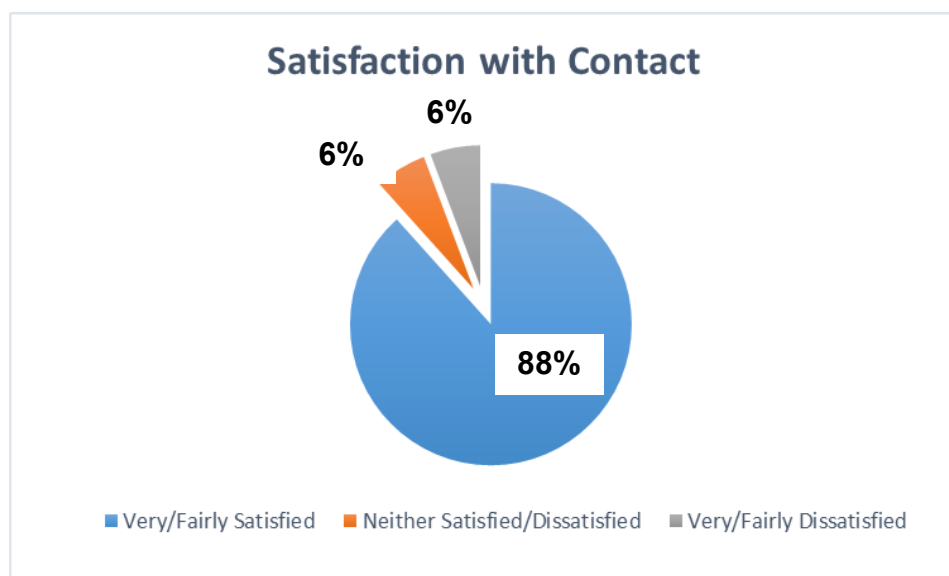


Table 8

11.4 Regarding service delivery, a total of eleven formal complaints and eleven comments were received.

11.5 These were mainly either about the introduction of a charge, payment difficulties and non-collection of bins. All have been resolved.

11.6 Overall satisfaction rates with waste collections are not due until December 2018, the service usually achieves a rating of over 90% satisfaction.

12. Returned bins

12.1 Members asked questions at Committee regarding the fate of the bins for residents who did not subscribe to the service.

12.2 There were comparatively few requests for bins to be returned, in general residents found other uses for the bins or just stored them. In total, 157 requests for bins to be collected were received and two collection weeks were organised, one in May and one in September.

13. Year Two

13.1 Overall the project to implement a subscription based service was a real success, with performance levels much higher than predicted.

13.2 The requirements of the service for year two are quite different from year one as it is a renewal process rather than first contact. A smaller project team is overseeing the year two process based on the following principles;

- Systems and processes are being reviewed to enhance the customer journey.
- More residents will be encouraged to channel shift as subscribers will only be able to subscribe online in January, the Customer Centre will open for telephone subscriptions in February
- There are no plans to amend collection dates although collection rounds will be reviewed and days of collection could change, consideration will also be given to collecting garden waste on different days to residual and recycling bins.
- Welcome Packs printing and postage will be outsourced in order to gain better value
- Stickers will have residents addresses printed on to reduce the opportunity for fraud
- There are no plans to introduce direct debits at least until a new financial system is procured
- In-cab technology has been assessed and there are no plans to implement it at this time
- Welcome Packs will be posted nearer to the date of the start of the service to reduce lost packs.

14. What our near neighbours do

14.1 Table 9 below summarises our near neighbour's position with regard to subscriptions for their kerbside garden waste services.

	Annual charge	Number of collections pa
North Kesteven	£30	24
Boston BC	£30 (under review)	20
CoLC	£36 (under review)	26
South Kesteven	£35	21
South Holland	£49	24
East Lindsey	£40	21
NE Lincs	£35	20

N Lincs	Free	N/A
Bassetlaw	£30	March-mid December
West Lindsey	£35	18

Table 9

15. Financial Overview

15.1 The principal established at Committees' was that those residents who use the service should pay for it and it should no longer be a burden to the wider Council Tax payer, in essence a total cost recovery model.

15.2 Table 10 below shows predicted cost of service for year one and year two.

Direct Costs	Report - Est	Budget 19-20
Operational Costs	£318,890	£511,100
Vehicles	£200,850	£190,900
Management	£80,470	£0
Total Direct Costs	£600,210	£702,000
Indirect Costs		
Depots	£14,350	£12,600
Support Services	£62,740	£57,000
Depreciation	£99,100	£126,600
Total Indirect Costs	£176,190	£196,200
Full cost of service	£776,400	£898,200
Additional costs of providing new service	£76,770	£20,800
Total cost of service	£853,170	£919,000

Table 10

15.3 Regarding the increase in operational costs;

- Management costs are now being included in the same cost centre
- Pension contribution identified for the Lump sum Deficit across WLDC.
- Popularity of service-more customers = more costs
- Higher than anticipated pay award for staff

15.4 Indirect costs have remained fairly constant, a slight reduction has been achieved for the accommodation and support costs. These have been offset by increased costs for depreciation which reflects the current value and the economic life of the fleet.

16. Future considerations

16.1 Current budgeted costs do not make any provision for renovation or relocation of depot facilities. Any capital costs for these works will directly impact the garden waste service.

17. Future Income

17.1 A level of discount was applied for some customers who already subscribed to additional waste bin. However, all subscriptions are now aligned and therefore the potential income for a static customer base for next year is shown in Table 11 below.

Actual volumes of customers (bins) 2018/19	25,910
Rate applied in 2018/19	£35.00
Full year income (ignoring discounts)	£906,850

Table 11

17.2 Taking this into account the effect of different charges has been modelled based on the same number of customers as this year and is demonstrated in Table 12 below.

	Cost of Service	Income
£33 charge	£919,000	£855,030
£35 charge	£919,000	£906,850
£37 charge	£919,000	£958,670

Table 12

17.3 Given this information, officers recommend keeping the £35 subscription per bin for all customers for the 2019/20 season as it is the nearest to achieving full cost recovery.