

CABINET

18 September 2018

Title: Green Garden Waste Subscription Service Review 2018	
Report of the Cabinet Member for Public Realm	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
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Accountable Director: Robert Overall, Director of My Place & Public Realm	
Accountable Strategic Leadership Director: Claire Symonds, Chief Operating Officer	
Summary <p>Following the commencement of the “paid-for” Green Garden Waste service (GGW) in April 2017, the service has been reviewed to see how it has been performing including financial impact. The report sets out the future options of the service.</p> <p>In conjunction with this review, a survey to current subscribers was conducted to evaluate their preference of whether to extend the number of collections from 16 to 19 per year, giving the options to either extending collection longer to the end of the season, November/December, or commencing earlier in March. The costs and feasibility of this extension are included in the report.</p> <p>The preferred option of this report (Option 3a) keeps the subscription charge at £40 for 2019, for the third year in succession, with the increase of collections from 16 to 19 per year. The estimated customer base of 7,909, based on current projections, would provide enough additional income to maintain a cost neutral service.</p>	
Recommendation(s) <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none">(i) Agree the continuation of the “paid-for” Green Garden Waste service at the current charge of £40 per annum for at least one further year (2019);(ii) Agree that, in view of the success of the scheme and in response to feedback from the recent Green Garden Waste customer survey, the service be extended in 2019 from 16 to 19 collections per year at no extra cost to subscribers; and(iii) Note that the subscription charge for 2020 would be reassessed as part of the Council’s annual fees and charges process in November 2019.	

Reason(s)

The Council funded provision of free green garden waste service ended in September 2016 to deliver a £220,000 savings and was replaced with a paid for (subscription) service in April 2017.

The continuation of the paid for service will also contribute to the Council's corporate objectives of:

- Encouraging civic pride
- Enabling social responsibility
- Well run organisation

1. Introduction and Background

- 1.1 In October 2014, the Council agreed a series of savings proposals to ensure that it could meet its financial targets. One of these was to save £220,000 against the provision of a GGW service. The decision was taken to only provide a GGW service for those who wished to opt in for a "paid-for" scheme. The decision adhered to the fairness agenda of non-statutory services being paid for by those residents who use them and not by all council tax payers, for instance, those who live in flats with no garden access. Until 2017, GGW collections were offered to all street level households free of charge on an opt-in basis. The service operated on a fortnightly collection basis from April to October/November offering residents 16 collections per year.
- 1.2 One objective of this review is to determine the performance of the GGW "paid-for" service since its launch, its value for money to customers and current financial impact on Council budgets.
- 1.3 In addition, this report will evaluate options and the viability of extending the "paid-for" GGW service to 19 collections (38 weeks) as opposed to the 16 Collections (32 weeks) currently operated from April to October/November. The potential impact of this extension will be to raise the Council's overall recycling rates.
- 1.4 In conjunction with this review, a survey to current subscribers was conducted to see if they would like the service to be extended to 19 weeks.
- 1.5 From April 2017 residents were required to register for a "paid-for" GGW service, being charged £40 for a fortnightly collection on 16 occasions. To encourage participation, residents were encouraged to commit to two years sign up £80, which a large number agreed to do (1,579 subscribers applied for the two-year option).
- 1.6 In 2017, the first year of the "paid-for" GGW service, the response was encouraging with 7,389 residents taking the decision to start to use the "paid-for" service. The level of participation has increase slightly for 2018, the second year of the scheme, with 7,909* subscribing to the scheme.

* subscription as at 31st July 2018

2. Proposal and Issues

Current performance

- 2.1. The current GGW service was based on an expected 4,000 subscribers paying £40 each per year to ensure the service was viable and fully covered the cost of one vehicle and crew and setup and operational costs. When subscriptions closed for 2017 (year 1) the GGW service had 7,389 customers, generating income to cover the cost of the 2 vehicles and crew required to meet the service demand.
- 2.2. Subscriptions for 2018 (year 2) are currently at 7,909 households (31 Jul-18). Service provision is expected to continue the same basis as the last year with 2 vehicles and crew.
- 2.3. Feedback from subscribers of the “paid-for” GGW service have expressed a general preference for possibly more collections in the year.
- 2.4. The increasing number of subscribers signals a clear demand for the service. The department is reviewing options to deliver the service to a growing customer base which fully cover the cost of delivery.
- 2.5. If the GGW proceeds as a “paid-for” service from 2019, residents will be able to make payments on the Council’s website via a new payment platform, since the current payment system, provided by Capita’s My Permit (Chipside), will cease to exist.

3. Options Appraisal

3.1 This report provided option appraisals as set out below:

- Option 1 – Cease GGW collections altogether
- Option 2 – Revert back to a “free” GGW service for all
- Option 3 – Continue with a “paid-for” GGW and extend the number of collections from 16 to 19 per year.
 - Option 3a – No inflationary increase to charge for 1 year
 - Option 3b – Inclusive of 3.9% (RPI Aug-17) in line with 2018/19 fees and charges increase in charges

3.2 Option 1 – Cease GGW collection altogether

- 3.2.1 The complete cessation of any GGW service would have a significant impact on the amount of general waste collected, as with no other option, potentially residents would place garden waste in the general waste stream, which would be detrimental by reducing the Councils recycling percentage. GGW could also end up in the mixed recycling bins, which would increase contamination of the recycling and lower our performance.
- 3.2.2 The disposal of garden waste through the general waste stream would increase the weight of waste arising/collected per household (Corporate KPI), subsequently requiring additional vehicles and crews to accommodate the upturn in tonnage.

3.2.3 The move could be seen negatively and possible detriment to the Councils reputation, in an effective U-turn in Council policy.

3.3 Option 2 – Revert back to “free” collections

3.3.1 In 2014, the Council agreed a series of savings to ensure it met its financial targets. £220,000 of saving was achieved by the removal of a “free” GGW service and replaced by a “paid-for” GGW service for those residents who wished to use it.

3.3.2 The return to a “free” GGW service would require alternative funding being found as this has been removed from the budget in the previous service review. Due to that decision, the option to continue a free collection service at that time was not one that could be pursued. (Cabinet paper – Outcome of GGW consultation dated 17th January 2017).

3.3.3 Although a return to a “free” GGW service may have a limited effect on the Council’s overall recycling figure, it could be seen negatively and possible detriment to the Councils reputation in an effective U-turn in Council policy.

3.4 Option 3 – Continue with a “paid-for” GGW and extend number of collections

3.4.1 To continue with the “paid-for” GGW service with the inclusion of an “Extended” business case based on increasing the GGW service from 16 to 19 collections with additional back office support (1FTE) to build in service resilience.

3.4.2 To compare the extension of 3 collections per subscriber per year (6 weeks additional operations – Fortnightly collections) an assumption has been made that the same weights per household per bin was extrapolated in assessing vehicles capacities as a worst-case scenario. It is expected that the additional collections, being at the beginning or end of the growing season, will attract lower than average bin weights.

3.5 Option 3a - Extended service model (19 collections) no inflationary increase

3.5.1 This option keeps the subscription charge at £40 for the third year of the service. The estimated customer base of 7,909 provides the additional income to provide a cost neutral service.

3.5.2 It is anticipated that subscription numbers could rise above the target 7,909 in 2019 and hence provide additional income with only a marginal increase in costs. This would provide a contingency to manage financial risks to operational service delivery and financial benefit to the council.

3.6 Option 3b – Extended service model (19 collections) with inflation increase

3.6.1 The second option assumes an inflationary increase of 3.9% (RPI in Aug 2017) on the current rate in line with the 2018/19 fees and charges. This results in a subscription charge of £42 per household.

3.6.2 This option again provides a fully funded service and in addition, a contingency of c£20k to manage the risk provision and other operating pressures.

3.7 The benefits of extending to 19 collections per year include:

- Building on the successful introduction and operation of the “Paid-for” service.
- Comply with customer preference, as indicated in recent survey.
- Extended collection period for subscribers to accommodate leaf fall.
- Additional collections for garden clearing at the end of the growing season, greenhouse tidying, tomato plant etc.
- Possible reduction in complaints associate with autumn leaf fall, as subscribers have a convenient way of disposing of street leaves.
- Potential increase of the overall Council’s recycling rate by green garden waste being collected with the potential avoidance of green garden waste being disposed of in resident’s black general waste bins.

4. Consultation

- 4.1 A customer survey, Appendix 1, was conducted, by reply letter, to gain their opinion of the proposed extensional change. No other consultations have been undertaken.
- 4.2 In total, 7,434 surveys were mailed to subscribers with 4,335 taking the opportunity to respond.
- 4.3 The proposals in this report were considered and endorsed by the Corporate Strategy Group on 16 August 2018.

5. Financial Implications

Implications completed by: Katherine Heffernan, Group Manager –Services Finance

- 5.1 The Council funded provision of green garden waste collections ended in September 2016 to deliver a £220,000 savings and was replaced with a paid for (subscription) service in April 2017.
- 5.2 Initial modelling for the subscription service (current scheme) concluded that the service would require 4,000 households to subscribe to pay £80 over 2 years (£40 per year) for the scheme to be viable and cost neutral. The collections would be for 7 months (Apr-Oct) in each of the 2 years
- 5.3 When subscriptions closed for the 2017 year, there were 7,389 subscribers with 1,579 of these paying for a 2-year service (£80). Currently, there are 7,909 (31 Jul-18) subscribers to the service for 2018.
- 5.4 The proposal is to continue providing the service on an annual subscription basis at the end of this 2-year phase. It is estimated to have a similar number of subscribers as 2017 and 2018.
- 5.5 The current operating model and routes require 2 vehicles to service 7,909 subscribers. The estimated cost of the proposed service is based on 2 vehicles with a crew of 2 on each vehicle. This however allows for growth in subscription numbers up to about 9,000 at which point a more detailed review of the routes and/or service delivery model will be required to avoid the additional cost of a third vehicle and crew.

- 5.6 Should subscription not reach the 7,909 targets for the new year; the service will need to reassess the viability of the provision and identify specific cost reductions to maintain a cost neutral position. However, based on current trends, it is anticipated that subscription numbers will continue to increase, and will, as a minimum, achieve the current 7,909 level for the next year.
- 5.7 Under Option 3a, the subscription is maintained at the same level (£40) as the last year. This option results in a cost neutral service should customer numbers remain at 7,909.
- 5.8 Option 3b suggests an increase in line with inflation (in line with 2018/19 fees and charges) to £42 which results in a benefit of c£20k, providing a small contingency for the service.
- 5.9 Under both options, an increase in the number of subscribers will provide additional financial benefit to the council and should only result in a marginal increase in vehicle costs (fuel and maintenance) provided subscription remain below the 9,000 level when an additional vehicle may be required.

6. Legal Implications

Implications completed by: Dr Paul Field, Senior Governance Lawyer

- 6.1 The Council is the waste collection authority for the borough with a duty to collect specified forms of waste. However, Section 45 of the Environmental Protection Act 1990 enables such authorities to make reasonable charges for the collection for specified waste defined by the Secretary of State. These forms of waste for which the Council may charge is defined in the Controlled Waste (England and Wales) Regulations 2012 at Schedule 1 article 4. This includes green garden waste. The Council is therefore able to bring in a green garden waste scheme and make charges for collection.
- 6.2 As with any service provided by the Council an equality needs impact assessment should be carried out to ensure that the final scheme that is introduced is compliant with the Equality Act 2010 public sector equalities duties.

7. Other Implications

- 7.1 **Risk Management** – The potential of risk to the outcome of the recommendations are assessed as being **LOW**.

A potential risk could be elevated in not extending the collections period, increasing disposal of general waste with garden waste being deposited in resident's black bins.

There is also the associated risk of general waste crews not being able to complete rounds with the increase loads as referred above.

- 7.2 **Staffing Issues** – This proposal has no change to the term and conditions of employment about working hours or days worked. As the service runs part way

through the year (9 months), additional back office support (1FTE) will be engaged to build in service resilience.

- 7.3 Corporate Policy and Equality Impact** – Increasing recycling and reducing waste are part of the Council’s vision set out in the Borough Manifesto. The paid for green garden waste service will provide an alternative way of disposing of the green garden waste for the residents of the borough.

As the waste will be collected in wheelie bins, this has the potential for presenting problems for our residents with mobility issues. An equality needs impact assessment was carried out prior to the introduction of the service in April 2017 and refreshed in July 2018 (Appendix C), to ensure compliance with the Equality Act 2010.

This has resulted in offering residents with mobility issues an assisted collection of their green wheelie bins and, at 31 July 2018, there are 145 residents on assisted collection out of 7,909 subscribers. It should also be noted that the Council has been using wheelie bins since 2009 for general and other waste which similarly has an assisted collection scheme that adapts the collection to meet the needs of the residents.

This proposal is intended to give residents a better service by prolonging the period of use each year. The proposal will:

- Give greater access to the green garden recycling service.
- No change to the fairness and equality as assisted collection will be available
- Meet needs of subscribed users.
- Improve satisfaction and service-user experience.
- Continue to ensure that the service is self-funding.

Public Background Papers Used in the Preparation of the Report –

- Cabinet Report “Outcome of Green Garden Waste Consultation” 17 January 2017, Minute 84
<https://modgov.lbbd.gov.uk/Internet/ieListDocuments.aspx?CId=180&MId=8809&Ver=4>

List of appendices:

- Appendix A - Sample subscriber survey
- Appendix B – Benchmarking with scheme comparison of neighbouring Councils
- Appendix C – Community and Equality Impact Assessment