

Report to: **Hub Committee**
Date: **16 May 2017**
Title: **Future garden waste service design**
Portfolio Area: **Cllr R F D Sampson Commercial Services**

Wards Affected: **All**

Relevant Scrutiny Committee:

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:

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Recommendations:

The Waste Working Group recommends that:

1. The annual subscription for the opt-in, garden waste service be set at £40.
2. Subject to approval of recommendation 1, the level of subscription does not increase for the duration of the current waste contract to 31 March 2019.
3. The service starts as soon as possible which, subject to confirmation of container delivery times, is estimated to be late summer 2017.
4. A structured campaign is delivered to promote the scheme and also to promote home composting as the best environmental option.
5. Any changes considered necessary to the terms as highlighted are delegated to the Commissioning Manager (Waste) in consultation with the Lead Hub Member for Commercial Services.

1. Executive summary

1.1 This report details the operational changes required and implementation timing for an opt-in charged garden waste service in West Devon and addresses the note of Council on 7 February 2017, CM55.

1.2 It puts forward the recommendations of the Waste Working Group, specifically, the level of charge and the start date of new subscribed service.

1.3 This report fits with the Council's core objectives of Environment and Resources and affects all residents who produce garden waste.

1.4 The Working Group recommend that the service starts as soon as operationally possible during the 2017 growing season in order to maximise participation. Dates are dependent upon container deliveries and these are not confirmed at the time of writing. However, the Group anticipate a start date of late summer.

1.5 The Group have considered subscription charges around the country and locally and have taken into account increased outgoing costs since the original report came before Hub in April 2016. The Group's recommendation is that an annual subscription of £40 is set and that this does not increase for the duration of the Managed Service i.e. to 31 March 2019. The annual subscription is considered reasonable to cover the cost of the service.

1.6 Residents will be given various options for disposing of their garden waste including a more tailored service, subsidised home composting, and utilising the free Household Waste Recycling Centres.

1.7 A publicity campaign is planned to maximise participation which will include promotion of home composting, and this will help to mitigate the risk of reductions in public satisfaction and recycling rate.

2. Background

2.1 General

2.1.1 In light of reported budget pressures and the shift towards income generation linked to non-statutory service provision as an alternative to cutting front line services, it was resolved at Council on 7 February 2017:

CM55 (iv) the proposal for an opt-in charged garden waste service with no concessions (as set out in Exempt Appendix F of the presented agenda report) be adopted, with a targeted net saving of £67,500 for the 2017/18 financial year. (NB. a further report detailing the operational changes required and implementation timing will be brought to the March meeting of the Hub Committee);

2.1.2 This report is later than expected in order to provide sufficient time for the Waste Working Group to consider the details of the service in the light of updated information, specifically, the level of charge and the start date of new service. This report sets out the recommendations of the Group.

2.1.3 The issue affects all residents who produce domestic garden waste.

2.2 Start Date

2.2.1 It is likely that the number of subscribers to the scheme will be higher if it is introduced during the growing season. The Working Group recommend that there is a two week break in service between the old service ending and the new service starting to give a clear distinction between the services and allow for feedback and potential additional subscriptions. This also has the advantage of utilising the garden waste crews during this time to assist with the sack and permit distribution.

2.2.2 Exact dates cannot be set until firm delivery dates for containers have been confirmed and residents will not be notified of any specific dates until this time. However, the aim is to start the service during late summer.

2.3 Level of Subscription

2.3.1 The average charge of a garden waste collection service in England is around £41 although there is no information on how much waste is collected for this average charge. Locally, charges are as follows:

Mid Devon	£48	240 litre bin
Exeter	£44	240 litre bin (seasonal)
North Devon	£36	240 litre bin
Teignbridge	£35	240 litre bin (seasonal)
East Devon	No service currently but will be considering soon	
Torbay	£6	8 'refuse' type sacks (certain areas only)
Plymouth	Free	
Torrige	£35	240 litre bin (starts June 2018)
South Hams	Considering charges May 2017	
Cornwall	apply variable charges dependent on containment type.	

2.3.2 Original reports on this subject modelled an annual subscription of £38 with an expected participation rate of 35%. This gives a targeted net saving for 2017-18 of £67,500. As reported at the time, this level of subscription was used for illustration purposes and any actual level would be set by Members at a later date.

2.3.3 Members of the Waste Working Group have considered the increase in outgoing costs for the service since figures were first put before Hub in April 2016. In order to ensure that the net saving target is reached, the Group has unanimously, albeit regretfully, agreed the level of subscription should be set at £40. To offset any impact this may have on participation, the Group also recommend that this level does not increase for the duration of the current waste collection contract to 31 March 2019.

It should be noted that the £40 subscription proposed allows for four, 90 litre sacks, offering better value than any of the other Devon Authorities. For example, an equivalent capacity in Mid Devon would be at a cost of £72 and in Teignbridge would be £52.50 though this collection does not operate during the winter months.

2.3.4 Section 93 (3) of the Local Government Act 2003 states that income from charges must not exceed the cost of provision. Provided a participation rate of 35% is obtained, total income for a full year is estimated at around £350,000. The cost of providing the service is around £300,000 including vehicles and crew whilst administration costs are estimated at £50,000. The price set is therefore reasonable to cover the cost of the service. The savings stated at 2.3.2 are lower than the gross income generated as there are additional costs associated with providing the new service, for example higher administration and promotional costs.

2.4 Choice for Residents and Publicising the Service

2.4.1 Residents will be offered 4 sacks per subscription. Additional sacks can be purchased offering a more bespoke service than is currently provided.

2.4.2 Residents will have a choice of four ways to pay for the service which are shown below in order of preferred priority to reduce impact on administration:

- Direct Debit
- Online
- By phone
- In person

Direct Debit will be offered as soon as possible to encourage retention. Residents can join the scheme at any time during the year and will be required to pay the full yearly amount for the remainder of the subscription period.

2.4.3 Many studies give guidance figures on the cost of transactions with the public and typically these costs are in the order of:

- Face to Face - £8 to £14 per visit.
- Telephone - £3 to £5 per call
- Web transaction – 14p

Using differential prices between digital and offline channels have been shown to effectively encourage customers to change behaviour and it is therefore proposed that the Working Group consider incentives in the future designed to promote channel shift.

2.4.5 An extensive publicity campaign is scheduled from May onwards designed to maximise participation which will include information to every household, use of social media, road-shows, and community group presentations supported by Locality officers.

2.4.6 Alongside this, home composting will be promoted as the best environmental option for this material and as a more economical alternative to the kerbside scheme. A dedicated home composting campaign is planned for late spring and summer comprising road-shows and events across the district and offering subsidised home composters. These events will be also be supported by the new Devon waste advisors funded by the Devon Authorities Strategic Waste Committee. Devon County Council are providing professionally-designed publicity material for the campaign and residents will also be sign-posted to the two Household Waste Recycling Centres within West Devon where garden waste can be taken free of charge.

2.4.7 For those residents unable to bring their garden waste to the kerbside, an assisted collection will be offered in line with current waste policy.

2.5 This report fits with the Council's core objectives of Environment and Resources. It is also in line with developing action plans from the Devon Authorities Strategic Waste Committee and follows the principles of the international waste hierarchy. The garden waste service affects all households in the Borough.

2.6 Once the current Managed Service contract ends, this service could be provided in future by external contractor or through an internal company structure.

3. Outcomes/outputs

3.1 The recommendations offer a financially sustainable garden waste recycling service which enables the Council to continue to provide a much valued service for residents. A 35% participation rate will achieve the budget savings forecast.

4. Options available and consideration of risk

4.1 Original quotes for equipment were obtained in early 2016 and it is likely that current costs are higher. There is therefore a risk that the net income target will not be met if the modelled charge of £38 is levied.

4.2 The proposed subscription of £40 carries a risk of affecting participation and there is therefore also a risk that the net income target will not be met. To mitigate this risk, the Working Group proposes that the subscription charge does not increase for the duration of the Managed Service i.e. until 31 March 2019.

4.3 Based on research in other Local authorities, there is a risk that recycling rate will reduce by between 2-6%.

4.4 Public satisfaction is affected by any change in service. This will be mitigated by a comprehensive publicity campaign which explains the reason for the new services and offers choice for residents.

5. Proposed Way Forward

5.1 It is recommended that an annual subscription of £40 for four, 90 litre sacks is levied for a year round service, which is only suspended over the festive period, and that this level of subscription does not increase for the duration of the current contract to 31 March 2019. At this point it should be reviewed to ensure that the level of subscription is still reasonable to cover costs.

5.2 Whilst a rolling annual charge was suggested during earlier consultation, this presents operational difficulties around identification of service users. Therefore, at least initially, a single, annual subscription is proposed which is collected each year on 1 October to reduce the burden on customer contact at peak times. During 2017-18, it is proposed that subscribers will receive the service to 1 October 2018. Thus if the service starts in early August 2017, subscribers will benefit from receiving the first 2 months free of charge. This will encourage greater participation at the start of the service allowing for more effective round planning, reducing on-going administration costs, and increasing net savings. Direct Debit will be promoted as the preferred method of payment.

5.3 It is also proposed that the service starts during late summer, two weeks after the current scheme has finished. Members will be updated on exact dates when container delivery dates are confirmed.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	Schedule 1 (4) of the Controlled Waste (England and Wales) Regulations 2012. Section 93 (30) of the Local Government Act.
Financial	Y	Potential annual cost recovery of £350,000 producing a saving on the current budget of £67,500 in 2017-18 and £190,000 in subsequent years.
Risk	Y	Potential reduction in recycling rate of between 2-6%. Loss of public satisfaction.

Comprehensive Impact Assessment Implications		
Equality and Diversity		The impacts on residents on low incomes and/or with reduced mobility have been considered and mitigating measures such as alternative options are offered. The system can be regarded as fairer as only those who benefit from the service will pay to use it.
Safeguarding		None
Community Safety, Crime and Disorder		None
Health, Safety and Wellbeing		The impacts on all residents have been considered and mitigating measures taken through an extensive publicity campaign.
Other implications		There are potential impacts on staff in terms of additional workloads and processes are being put in place to reduce this. There are potential impacts on climate change which could be either positive or negative. Negative impacts may be mitigated by the quality of a targeted publicity campaign on home composting which would have a net positive effect.

Supporting Information

Background Papers:

Council agenda and minutes: 7 February 2017 Meeting; and
Comprehensive Impact Assessment