	REPORT TO CABINET TO BE HELD ON 15 NOVEMBER 2016	
	Key Decision	YES
	Forward Plan Ref No	
Corporate Priority All	Cabinet Portfolio Holder	Cllr Bill Chatt Cabinet Member for Public Health and Housing

REPORT OF: DIRECTOR (NE) – 16/255

WARDS AFFECTED: ALL

SUBJECT: GREEN WASTE

RECOMMENDATION (S):

Cabinet is recommended to:

1. Approve a revised pricing structure for garden waste collections from 1 March 2017 on a voluntary subscription basis with:
 - (a) an annual charge of £25 per licensed bin or £25 per property for a sack collection;
 - (b) a £15 administration charge for a new brown bin if required
 - (c) a £15 charge for seven rolls of 10 sacks if required

2. Delegate the responsibility to set prices in future years to the relevant Director in conjunction with the relevant Cabinet Portfolio Holder.

REASON FOR RECOMMENDATION (S):

Garden waste collection is a non-statutory service. To protect the service and ensure its continued provision, the recommendations propose a revised subscription (opt-in) charge for 2017 to offset the cost of providing the service.

HIGHLIGHTED RISKS

All risks are identified in the attached risk matrix.

1.0 INTRODUCTION

- 1.1 The Council's Cabinet, in December 2015, approved the implementation of a charge for the collection of garden waste for the 2016 season. The approval covered;
- Detailed promotional literature to all households explaining the scheme and their options;
 - An annual charge of £38 per licensed bin or £38 for 100 compostable sacks;
 - A £20 discount in year one for residents who have previously purchased a brown bin from the Council.
- 1.2 The Council's Cabinet also requested an annual review of the scheme.

2.0 CORPORATE AIMS/PRIORITIES AND THE COMMUNITY PLAN

- 2.1 Contributes to 'Place' and 'Council' aims within the Corporate Plan.

3.0 BACKGROUND AND ISSUES

- 3.1 The promotional literature relating to the scheme was delivered in three phases to allow for a managed take-up of the scheme. This was completed by mid-February 2016 ahead of collections starting at the beginning of March. After each delivery there was a surge in take-up, to a peak of 852 in one day [10 February] [See Chart 1]. There was also a spike around the start of collections and then at the end of the initial grace period.

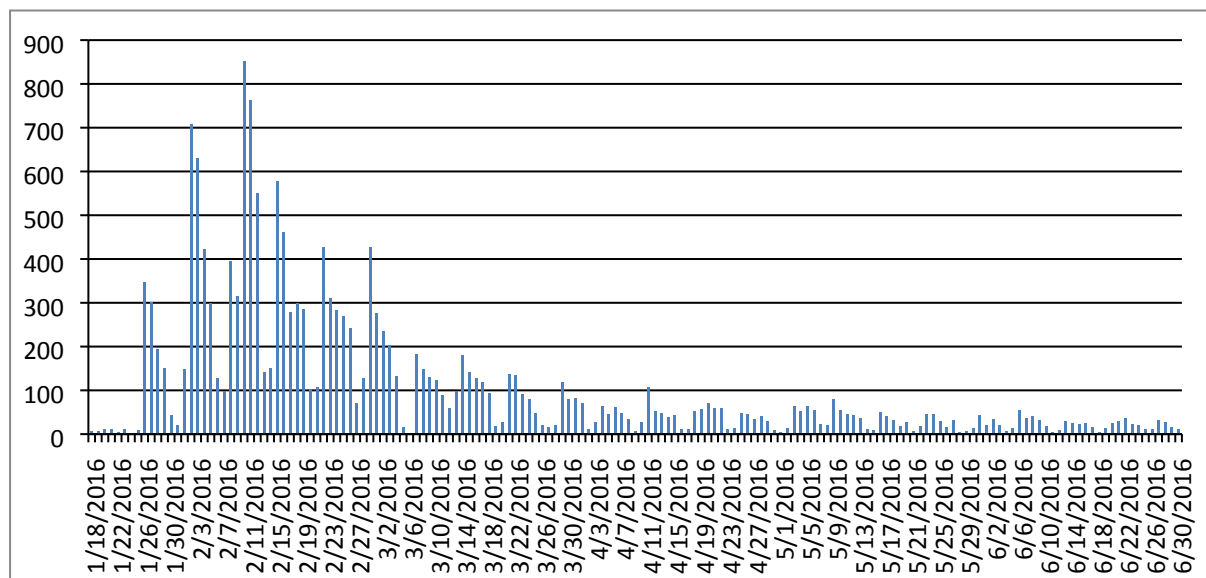


Chart 1 – Daily additions to the Customer List

3.2 The comprehensive nature of the leaflet designed in conjunction with the Portfolio Holder for Public Health and Housing, helped to reduce calls requesting further information. The information was mirrored on the Council website ensuring a consistent message. The use of the corporate 'do it online' message contributed to the large take-up of the online offering, seen in the statistics in chart 2. Across all Council services the average online take up is less than 16%, so this shift is significant and very successful.

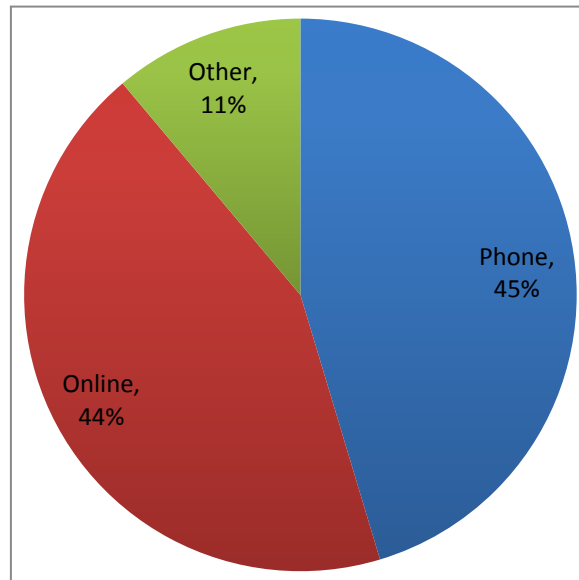


Chart 2 - Channels used to subscribe

3.3 Take-up of the scheme to date has been significantly higher than the forecasted 8000; to the end of August 2016 the Service has issued;

Number of bin licences	16547
Number of sack licences	670
Total	17217

3.4 Over 1300 brown bins have been sold to new residents and those wishing to make the switch from sacks onto bins. This move has helped see an 85% reduction in sack sales; sacks have long presented manual handling concerns for the service. It would therefore be advantageous to see a further reduction in the use of sacks in future years and Officers would recommend using the pricing structure to encourage this.

3.5 The garden waste tonnage collected has reduced, this was expected and so Officers identified this as a project risk initially. In line with the experience of other local authorities, we have not seen a comparable increase in our landfill arisings. This strengthens the findings from other local authorities that people who do not sign up choose instead to home compost or take the material to the Household Waste Recycling Centres. Notably, there has also been no increase in reported fly tipped garden waste.

Month	Garden Waste	Change	Landfill Waste	Change
Apr-May-Jun 15	2795t	-22.5%	8543	+1.6%
Apr-May-Jun 16	2112t		8683	

3.6 The scheme costs and income have been closely monitored throughout the year. The scheme was referred to the Borough Council's audit team for inclusion in their work in Environmental Services. The scheme was fully audited in July 2016 and was given Substantial Assurance by the auditors.

3.7 The larger than expected customer base and subsequent licence income, allows the Council to consider a further discount for 2017 [From the £38 figure agreed by Cabinet in December 2015].

4.0 CONSULTATION

4.1 Officers have undertaken consultation with the Council's Residents Panel together with the Portfolio Holder for Public Health and Housing.

4.2 The proposals contained within this report were considered by the Council's Scrutiny Board in October 2016. An extract from the Chair of the Overview and Scrutiny Board's report to Council (7 November 2016) reads:

"A review of the garden waste collection scheme has revealed that the take-up has been significantly higher than forecast, with over 17,000 households subscribing. An internal audit of the scheme has given substantial assurance, and there have been no significant increases in flytipping as a result of introducing fees for garden waste collection. The larger than expected customer base and subsequent licence income, allows the Council to consider a proposed further discount for 2017 of £25 per bin licence, compared to £38 in 2015, which the Board endorses."

5.0 ASSESSMENT

5.1 The introduction of the subscription based garden waste collection scheme has delivered above initial forecasts, with:

- a) In excess of 17,000 subscribers
- b) Substantial Assurance of the project provided by a full, independent audit
- c) No significant increase in flytipping of garden waste or waste to landfill

5.2 Sixty five percent of subscribers have an email address registered with the Council meaning that actual printed material only needs to be sent to 6100 subscribers who are not registered for email. These printing costs should be

approximately £3500+VAT, emailed information and subscription details can be sent free of charge to the bulk of customers.

- 5.3 Officers have contacted a number of other Councils who operate charging schemes to see if further savings can be identified. One such area was around the cost of the physical licence issued to customers; these licences currently cost £1 [including postage] per customer. Consideration was given to changing the credit card style licence to a cheaper adhesive sticker or none at all. Experiences from Council's that operate stickers suggest that collection crews find it hard to quickly identify them in low light levels and they are quite costly to produce and also to issue replacements if they become damaged/come off. With the Council operating afternoon-evening collection shifts, it is important to have a solution that allows staff to quickly identify subscribers in very low light levels. Officers have considered not issuing any sticker/physical licence altogether, however this could prove extremely difficult if not impossible to identify subscribers from non-subscribers when bins are presented together.
- 5.4 It is therefore recommended to issue physical licences again using the same manufacturer, although a new colour needs to be selected. The 2016 licence followed the corporate colour of purple, working with our licence partner the four brightest colours available at nil extra cost are;



- 5.5 The high level of take-up has exceeded all expectations and helps to safeguard this non-statutory service in the future. Conducting research into nearby neighbour's price proposals for 2017 identifies the following;

Ryedale	Minimum £37
Hambleton	£35
Harrogate	Proposed charge of £37-£39
York CC	No charge
East Riding	No charge
Redcar and Cleveland	No charge

- 5.6 Officers have also conducted price sensitivity work with the Council's Residents Panel – full results at appendix 1. From a small sample of 130 respondents it was clear that attitudes are mixed, with many opposing the charge. Only 43% felt the service represented value for money, for people who did sign up with a bin 29% would not sign up next year if the price was frozen, however over 62% did not believe they would sign up if the price rose to £25 and 81% would not sign up beyond £25. Any price increase therefore represents a risk that the numbers subscribing to the scheme may fall.
- 5.7 The original Cabinet decision was for a three year fixed period of £38 per year with a year one discount of £20 for all bin subscribers to recognise that they had previously paid for the bin. The high level of participation in year one offers the opportunity to offer a further discount and revised pricing structure for 2017. Adopting this approach would reduce the risk of large numbers of customers abandoning the scheme upon the implementation of a large price increase.
- 5.8 Taking the price sensitivity data, comments from users and elected Members, and continued budgetary pressures into consideration, the following pricing structure is proposed for 2017;

£25 for a licence per bin
 £15 administration charge for a new brown bin, if required
 £15 for seven rolls of 10 sacks

This structure is designed to separate the cost of the licence from the cost of either sacks or bins.

- 5.9 It should be noted that this revised pricing structure reduces the number of sacks supplied to 70. Presently, the provision of sacks is heavily subsidised by the Council and this revised structure ensures that the full cost for the provision of sacks is recovered. In addition, it is not proposed to change the colour of the sacks into 2017, ensuring that residents can use any leftover stock into the new year (upon payment of the £25 licence fee). It should also be noted that less than 4% of subscribers opted for sack collections in 2016.
- 5.10 Typical price scenarios are outlined as below:

Scenario	Cost
Resident has an existing bin	£25
Resident has two existing bins	£50
Resident has one bin already but wants to buy sacks also	£40
Resident has a supply of sacks already	£25
Resident requires a licence and a supply of sacks	£40

- 5.11 Officers have considered offering a discount for an additional bin for residents with large gardens, although the majority of subscribers – 92.8% have signed up for one bin. The team have scoped offering a discount if at the point of

purchase two or more bins are licenced rather than one, this would reduce internal processing costs negligibly but to implement would require a rewriting of the internal system process. It also introduces an element of risk – if near neighbours join together to purchase two licences but do not present them at the registered address we will not have the second bin on our customer list and may miss the bin in some locations. It also creates issues if one decides to move and the other does not or if one bin becomes contaminated. Taking this into consideration Officers do not propose to offer a discount for second bins.

5.12 These proposals were fully endorsed by the Council's Scrutiny Board in October 2016.

6.0 IMPLICATIONS

(a) Policy

6.1 There are no new policy implications that arise from this report.

(b) Financial

6.2 There are no new financial implications that arise from this report.

(c) Legal

6.3 There are no new legal implications that arise from this report

(d) Equalities and Diversity

6.4 There are no new equalities and diversity implications that arise from this report.

(e) Staffing Issues

6.5 There are no staffing implications that arise from this report.

(f) Planning, Environmental, Health and Safety, Sustainability, Crime and Disorder

6.6 The continued operation of a subscription based garden waste collection service contributes to an improved environment for the Borough.

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Background Papers: None

IF YOU HAVE ANY QUERIES ABOUT THIS REPORT OR WISH TO INSPECT ANY OF THE BACKGROUND PAPERS, PLEASE CONTACT PAUL THOMPSON ON 01723 232323 OR E-MAIL paul.thompson@scarborough.gov.uk

Risk Matrix

Risk Ref	Date	Risk	Consequences	Mitigation	Current Risk Score	Target Score	Service Unit Manager/ Responsible Officer	Action Plan
1		Take up drops due to price increase	Operating Costs remain high but income is much lower than forecast	Minimise any price rise	C3	B2	Operations, Transport & Countryside Manager	As identified in the report
2		Take up is isolated	Operating Costs remain high but income is much lower than forecast	Minimise any price rise	C3	B2	Operations, Transport & Countryside Manager	As identified in the report
3		No discount is offered and price increases to £38	Large numbers of residents may abandon the scheme; budget savings will not be met; potential for adverse publicity for the Council	Adopt pricing structure as identified in this report	C3	B2	Operations, Transport & Countryside Manager	
4		Implementation is delayed	Subscription sign up period is shorter and call centre struggles to cope with traffic.	Mirror the successful project plan as delivered in 2016	C3	B2	Operations, Transport & Countryside Manager	

Glossary of Terms

Risk	An event which may prevent the Council achieving its objectives
Consequences	The outcome if the risk materialised
Mitigation	The processes and procedures that are in place to reduce the risk
Current Risk Score	The likelihood and impact score with the current mitigation measures in place
Corporate Objectives	An assessment of the Corporate Objectives that are affected by the risk identified.
Target Risk Score	The likelihood and impact score that the Council is aiming to achieve
Service Unit Manager	The Service Unit or Officer responsible for managing the risk
Action Plan	The proposed actions to be implemented in order to reduce the risk to the target score

Risk Scoring

Impact	5					
	4					
	3					
	2					
	1					
			A	B	C	D
		Likelihood				

Likelihood:

- A = Very Low
- B = Not Likely
- C = Likely
- D = Very Likely
- E = Almost Certain

Impact

- 1 = Low
- 2 = Minor
- 3 = Medium
- 4 = Major
- 5 = Disaster