

Business Case

Garden Waste Subscription Charge

EXECUTIVE SUMMARY

The Executive Summary is a short summary of the Business Case and should be the last section you complete, this will enable you to extract or only the key facts from relevant sections i.e. 'project on a page'. The summary is a 'snapshot' of the business case which will need to tell the story and sell the proposal.

Funding available to local government has been reducing steadily in recent years despite rising demand for services. As a council we have undergone huge change in order to maintain good local services with fewer resources. We've had to deliver ongoing savings in order to set a balanced budget each year. Before setting this year's budget we had already saved more than £25 million over the three previous years.

A key part of managing this change has been our ongoing modernisation programme that has sought to continuously drive greater efficiency in everything we do and maintain good quality services with fewer resources. Like all authorities we are now in a serious and unprecedented position due to additional national factors largely beyond our control, including rapidly rising energy costs and demand pressures and costs in social care.

This business case sets out the opportunity to introduce a subscription charge for the collection of household garden waste. The introduction of this charge would deliver against a range of drivers including: helping mitigate the Council's unprecedented budget pressures; improve service reliability; provide the right level of resource on our toughest waste collection rounds to reduce the risk of musculo-skeletal injuries for our crews; and provide resource to help educate residents to recycle more. It is also a fairer approach for those residents who do not currently receive this non statutory service as the decision will enable Council budgets to be prioritised for the provision of other essential and statutory services.

The garden waste collection service is very popular with 58,442 households who have had a wheelie bin delivered. This amounts to approximately 50% of Plymouth households. Scenarios of 20 and 30% participation rates have been modelled following the introduction of a subscription charge, this business case assumes 23.5%.

The majority of Local Authorities already charge for this discretionary and non-statutory service. There is a varied range of approaches to charging across the Country including how long the service is provided, the choice of containers and variable rates. The average annual charge levied is £49.86 which is also broadly in line with the charges levied by our neighbouring Councils.

The proposal for Plymouth is to retain the current seasonal approach of April to November. A subscription charge of £39 would be introduced as an 'early bird' offer to drive registrations ahead of a defined date. The charge would then increase to £49 for any subsequent registrations. The early bird period will be in place for approximately 8 weeks from the date the subscription launches. The reason for this is to help optimise the efficiency of the collection rounds which will need to be rebuilt to balance the registrations. The majority of registrations are required as early as possible to do this properly. Residents will also be offered the opportunity to purchase a subsidised home compost bin to help manage garden waste arisings and help drive reuse of material.

The service will align with the Council's digital by design principles by ensuring residents register and pay online and this in turn will enable a level of automation with existing back office systems used to coordinate rounds and collections.

The key risks are:

- achieving a lower than forecast participation rate, resulting in less income than forecast;

- adverse public opinion;
- a reduction in the Council's overall recycling rate;
- the Government legislating to make Garden Waste Collections free of charge

SECTION I: PROJECT DETAIL

Project Value	£431,330 in 2023/24	Contingency (show as £ and % of project value)	£71,041 4.9% of cost
Programme	Street Services Modernisation	Directorate	Place - SS
Portfolio Holder	Cllr Bill Wakeham	Service Director	Philip Robinson
Senior Responsible Officer (client)	Andy Sharp – Head of Business Improvement	Project Manager	None
Address and Post Code	Prince Rock Depot	Ward	Citywide

Current Situation: *(Provide a brief, concise paragraph outlining the current situation and explain the current business need, problem, opportunity or change of circumstances that needs to be resolved)*

Service overview

Plymouth currently offers a fortnightly household garden waste collection service to residents across the City. Garden waste includes grass cuttings or soft foliage from pruning (branches up to 7 cm in width), weeding and vegetable growing. The service operates from April to November, it is operated with six collection crews which work Monday -Thursday. The crews consist of 20 frontline members of staff, supported by a team leader, the contact centre and back office staff.

Background

The Council rolled out wheelie bins to residents in 2021 primarily to reduce the musculo-skeletal risk to our staff from manually lifting and emptying the garden waste bags used previously. Residents were offered the choice of 140 litre or 240 litre bins. This change was popular and resulted in a take up of approximately 50% of Citywide households opting into the service, there are 58,442 registrations currently. The tonnages collected contribute towards the Council's overall recycling figures and the collected materials are composted by a third party provider.

Recycling

The Council's 2021/22 Recycling rate was 36.7%. Table 1 show the rates for the last 3 years of Garden Waste collected at kerbside, Garden Waste brought to the Recycling Centres, overall recycling and then garden waste as a percentage of overall recycling. There is a clear link between the ease of household collections and tonnages at the Recycling Centres. It is therefore reasonable to assume that as subscriptions for the collection service reduce visits to the Recycling Centres will increase. A proportion of residents who cease using the Garden Waste collection service will compost at home, which we can't record, and some will divert small volumes into the residual waste bin. The combination of a number of measures will help reduce the risk of any negative impact on the Council's overall Recycling Rate. These measures include: the ability for residents to bring garden waste to the Recycling Centres; the addition of new Recycling Officer roles to increase recycling participation and reduce instances of recycling contamination; and targeted general communications campaigns inform and encourage residents to recycle more and recycle correctly.

Table 1: Garden waste and recycling tonnages

	Tonnes		
	2019	2020	2021

Garden Waste Kerbside Tonnage	4429.13	1527.96	6806.62
Garden Waste Recycling Centre Tonnage	3314.26	3883.03	1947.89
Overall Recycling %	35.67%	31.36%	36.73%
Garden Waste % of Overall Recycling	7.73%	5.08%	8.25%

Service delivery

In 2022 the service delivery was impacted by high sickness levels in the waste department. This was a combination of general sickness but also spikes in Covid19 cases and particularly a number of refuse vehicle drivers having NHS treatments for outstanding conditions. Due to the non-statutory nature of Garden Waste collections the service was given lowest priority for crew allocations compared to residual waste and recycling collections. The situation was so dire in early summer 2022 that a temporary suspension of the garden waste service was put in place for 1 month.

A further challenge faced by the Service is the impact of heavy bins, long pull outs and steps on certain rounds. This is an issue which affects all waste collection services and where possible a 3rd crew member is allocated. A new garden waste model would provide the opportunity to bolster the number of collectors overall as part of resilience measures which would enable a 3rd crew member to be provided, where required, more consistently.

The Council are also facing unprecedented budget pressures both in year and forecast for future years. This pressure directly led to the decision to completely suspend the Garden Waste service for the remainder of the 2022 season from the end of August.

Legal

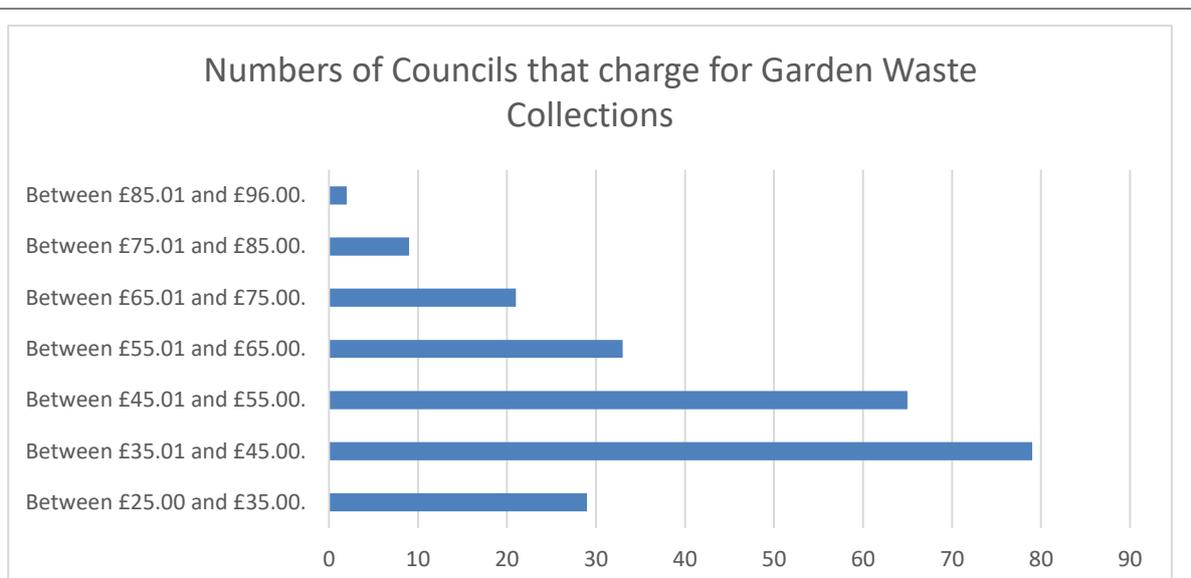
The Council does not have a statutory obligation to offer a separate garden waste collection and can legally charge for the service. The Government has previously suggested it may bring legislation to mandate free collections of Garden Waste. However, it is unknown whether this will happen and if implemented would further pressurise local authority budgets across the country, unless Additional Burdens funding was to be provided.

Benchmarking

Recent benchmarking undertaken by South Hams District Council assessed the majority of Local Authorities in England. Of the Local Authorities assessed 238 levied a charge for garden waste collections. The average charge is £49.86 per annum.

Graph 1 details the price bands of the English local authorities that were benchmarked. It should be noted that there is a very wide range of charging methods and individual scheme details. Some charge a variable rate depending upon bin size and number of, some issue sacks or bags, some provide a full 12 month service whereas others only seasonal, a few provide weekly collections whereas the majority provide fortnightly collections.

Graph 1: Numbers of Councils that charge for garden waste collections by price band



Cornwall Council and all Devon's district councils charge currently with the exception of South Hams who have recently announced they will implement a charge from 2023. Table 2 details the various charges and other scheme details.

Table 2: Charges levied by neighbouring Local Authorities

Council	Collection frequency	Annual Charge¹
Cornwall County	Fortnightly	£30 - £55 per bin
East Devon District	Fortnightly	£48
Exeter City	Fortnightly	£39 - £51
Mid Devon District	Fortnightly	£40 - £50 per bin
North Devon	Fortnightly	£45 per bin
South Hams District	Fortnightly	£49 per bin
Teignbridge District	Fortnightly	£50 per bin
Torbay	Fortnightly	£12 for 8 bags no annual charge
Torrige District	Fortnightly	£45 per bin
West Devon Borough	Fortnightly	£40 per 4 sacks

¹ A charge range indicates there is different charge depending on the size of bin or bag

Transforming the Council

The Council's Transformation journey has evolved to focus on a range of drivers which will balance fiscal efficiency with ensuring the needs of our customers, residents and communities are met, and ultimately that our City vision is delivered. The Garden Waste service supports the programme through its digital registration process. At the heart of this programme sits 'the wedge' infographic, as shown, which sets out a vision for how the needs of our customers should be met. This involves for the majority a greater push to digitisation, self-help, signposting and empowering communities to deliver services whilst ensuring a more niche focus on specialist and targeted support for the minority through the Council's digital advocacy service. The project also aligns with the Council's focus on automation through the One Council Programme. The registration process will automatically link with our back office system and allocate households to our scheduled rounds.

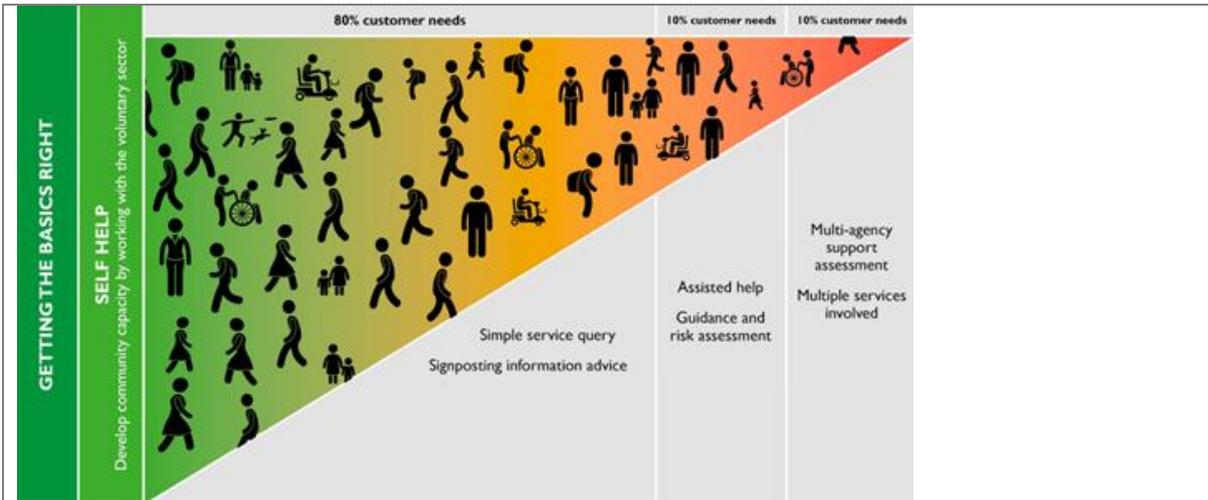


Table 3 sets out the various drivers for the change associated with this business case, the issues these drivers pose and the opportunities that can be realised.

Table 3: Drivers for change, issues and opportunities

Driver	Issue	Opportunity
Financial	Service does not cover costs. One of most generous LA's in relation to concession and charge.	Full cost recovery on a charged service.
Health and Safety	High risk of musculoskeletal injuries on some collections rounds – both Garden and residual	Utilise income through new model to ensure we can consistently provide enough crew members for the rounds which pose the greatest manual handling challenges.
Improve resilience of service	Service reliability has been a major issue in recent years as simply not enough crew resilience.	Utilise income through new model to bolster crew resilience across all waste collection services.
Customer	Inequitable service with 50% participation, 50% of households did not register	Give residents the choice to pay for this discretionary service, rather than current model whereby everyone effectively pays for it through Council overall spend.
Targeted Recycling education	There is currently no specific resource to help drive behavioural change with residents to help improve recycling. This means natural resources are being wasted and also a high level of contamination of recycling collections, where incorrect items are placed in the bins.	Introduce dedicated resource to work with and provide information to households to help residents recycle more and correctly. This will increase recycling levels and reduce costs associated with recycling contamination.

Proposal: (Provide a brief, concise paragraph outlining your scheme and explain how the business proposal will address the current situation above or take advantage of the business opportunity) **and** (What would happen if we didn't proceed with this scheme?)

It is proposed that Plymouth City Council join our neighbouring, and the majority of English, Local Authorities by introducing a subscription charge for Garden Waste collections.

The introduction of a new revenue income line will offset costs and enable more investment in resources to ensure there are enough drivers and collectors across the Waste department. This decision will also ultimately help mitigate the budget pressures the Council are under thus ensuring other valued services are retained; alongside ensuring resilience and greater reliability of all types of waste collection; and help to mitigate the musculo-skeletal risks to our crews due to manual handling pressures on some of the waste collection rounds.

A detailed cost model has been produced with the following assumptions and considerations:

- Participation levels:

Plymouth is currently at 50% household participation and this is expected to fall considerably following the introduction of a subscription charge. The cost model assessed scenarios between 21-30%. This business case has assumed 23.5% which is comparable to other Local Authorities and reasonable considering Plymouth's currently very high participation rate.

Table 2: Varying budget impact of different participation rates

Participation %	Net cost	Net variance to 2022/23 budget
21	£456,033	(£434,496)
25	£295,526	(£595,003)
30	£94,892	(£795,637)

- Registration

Residents will be asked to register annually for the service. As part of this registration a charge will be taken for the full season. Residents will only be given the option to register digitally through the Council's website and payment will also be taken online. Residents with no internet access can use the existing customer advocacy service provided by the Council and will be able to call the contact centre to register. It is proposed that a cut off of mid-February is introduced for registrations to ensure new rounds can be built which optimise crew, vehicle and fuel efficiency. To facilitate this registration a higher charge will be levied for those who register after the specified date. Effectively offering an early bird discount.

- Frequency & Duration of collections:

Most Local Authorities offer a fortnightly collection. The majority of those benchmarked refer to the service being offered for a year. In some cases it is unclear whether this is an annual season or a service across 12 months. Plymouth has an established collection season from April to November, having been extended from October in 2021. Demand is likely to be significantly lower in the winter months and therefore risks wastage and inefficiency from crews and vehicles driving across the City for much lower yields.

This business case assumes the continuation of a seasonal service between April and November, and the relatively low proposed subscription charge reflects this.

- Subscription charge:

There are a wide range of approaches to levying the charge. Cornwall Council for example charges £30, £42 or £55 depending upon the size of the container. The highest charge is for a 240 litre wheelie bin. Devon's district councils charge between £40 to £50 where wheelie bins are provided. Mid Devon offers a PAYG service charging £13 for 10 sacks. Benchmarking across 27 Local Authorities across England, including our

neighbouring Local Authorities, revealed even more variance but the average charge is £49.86.

This business case has assumed that a charge of £49 per container is implemented in Plymouth which would be subject to an annual inflationary increase. Residents who subscribe during an advertised early bird period of time will pay a reduced rate of £39. The business case assumes 80% of residents who subscribe will pay the lower rate. Residents will also have the option of paying for more than one subscription. It is proposed that there is no variance in charge dependent upon the size of bin the resident either already has or has in the future.

If the Council determines that a property is not suitable for a wheelie bin then up to 4 reusable bags may be issued. These 4 bags will be considered the equivalent of one container for the purposes of a subscription.

- Resource

To ensure reliability and adequate resilience across all waste collection services including commercial waste a net increase of HGV Drivers and refuse collectors has been included in the cost modelling. Additionally, this extra capacity will help ensure the musculo-skeletal risks associated with some collection rounds are minimised. Provision for administrative resource within the Council's Business Support team has also been made. They will take on full responsibility for all customer and back office related administration including policy related queries and complaints. Additionally, the business case allows for two Recycling Officer roles which will be used to work with residents who are either not recycling or not recycling correctly. This will help improve the Council's recycling rates and also help reduce costs associated with contaminated recycling and residual waste disposal fees.

- Fleet

Whilst it is possible that a lower participation rate will require a smaller number of collection rounds, thus reducing fleet requirements this is currently an unknown. The mileage required to serve the City is likely to be very similar and therefore the business case has not factored in any reduction in fleet, maintenance or fuel requirements. The cost model does factor in the significant increase in fuel costs since the current budget was set.

- Diverted waste streams

The business case allows for a diversion of some Garden Waste to the Recycling Centres and some will be managed by residents through home composting. However, there is a likelihood that some residents will dispose of garden waste in their residual bins. The cost of disposal is substantially higher through the Energy from Waste plant compared to our Garden Waste disposal contracts. There is also a consideration that if people are paying for a service they are more likely to use it as fully as possible.

- Home composting

The Council will work with an existing provider to offer residents the opportunity to purchase a home composter at a subsidised rate. This will help residents dispose of garden waste in a sustainable manner and will be open to any resident. A £10 discounted rate will be applied and to manage the financial risk to the Council's budget a fixed number, 4,000, discounts will be available in 2023. This will be reviewed for future years.

- Recycling communications and engagement

To mitigate the risk of the Council's recycling rate being impacted adversely by this decision a sum for communications and engagement has been allocated. This will fund targeted campaigns to encourage higher levels of recycling and reduced contamination levels.

- Redundant bins

The current wheelie bins were part of a capital business case approved in December 2020. The cost of bins fluctuate with oil prices but at the time were between £15 to £18 each depending upon size. There is a churn in bins due to damage, wear and tear and new subscribers, and therefore it is assumed that redundant bins will be retained by the Council. It is proposed that residents who already have a bin, but choose not to pay for the subscription service, will have the following options: they can retain the bin and repurpose; they can return the bin to Chelson Meadow Recycling Centre; or they can request a collection of the bin. The introduction of a container collection charge of £10 is necessary to help reduce the volume of requests and contribute towards the cost of collection. Lower volumes will mean that the Council can collect the bins within shorter timescales.

The business case allows for the estimated cost of collection and a sum for the lease of a space to store the bins if a suitable site cannot be secured on the corporate estate.

- Bin stickers

The Council will write to each subscribed household and include a bin sticker for that season that will need to be stuck onto the bin prior to the first collection. The cost for printing and postage has been factored into the business case.

- System integration.

The Council uses in cab technology to designate registered Garden Waste subscribers. This system would be updated with households who register.

Sufficient cost has been assumed to cover the relevant IT integrations between the Council's customer facing and internal systems.

- Scheme Terms and Conditions

A full list of T's and C's will be published on the Council's website. Principles will include:

- Annual subscription charge for the garden waste collection service of £49 per garden waste receptacle with an early bird reduction to £39 for those who sign up within the publicised offer period.
- The season will remain April to November each year.
- Registration will need to be made by a specified date in order to secure a Service from the start of the season.
- Whilst it is the intention that Households will be able to swop bin sizes, subject to payment of a delivery and administration charge, this option will not be available initially due to very limited delivery capacity.
- Should a general delivery and administration charge be introduced for bins then this charge will be additional to the Garden Waste subscription charge.
- With the exception of any statutory requirements, no refunds will be provided if a households cancels their subscription either pre or mid season.
- Flat charge regardless of bin size.
- Multiple bin subscriptions will be permitted but the standard charge will apply to each bin.

- Bin stickers for annual season will be sent to each subscribed household to display on their bin.
- Bins presented that do not display a valid seasonal sticker will not be collected.
- Subscriptions will be for the property and not linked to an individual, therefore if someone moves home following registration the service will not be transferred to a new property.

SECTION 2: PROJECT RISK, OUTCOMES AND BENEFITS

Risk Register: *The Risk Register/Risk Log is a master document created during the early stages of a project. It includes information about each identified risk, level of risk, who owns it and what measures are in place to mitigate the risks (cut and paste more boxes if required).*

Potential Risks Identified		Likelihood	Impact	Overall Rating
Risk	Government could legislate to ensure free garden waste collections. Whilst it's possible Additional Burdens funding may be provided to Local Authorities there is still the risk of a future budget shortfall	Medium	High	High
Risk	Participation levels may be lower than anticipated which could result in a deficit against the 2023/24 budget	Low	Medium	Medium
Risk	Risk of inappropriate disposal of garden waste through placing in residual waste bins. The costs for a potential increase in tonnages have been factored into the business case.	Low	Low	Low
Risk	The decision is likely to increase complaints from residents who are unhappy with the charge.	High	Low	Low
Risk	Risk to achieving Council's overall recycling rate target. The combination of a number of measures will help reduce the risk of any negative impact on the Council's overall Recycling Rate. These measures include: the ability for residents to bring garden waste to the Recycling Centres; the addition of new Recycling Officer roles to increase recycling participation and reduce instances of recycling contamination; and wider general communications campaigns to inform and encourage residents to recycle more and recycle correctly.	Medium	Medium	Medium
Risk	Risk of increased fly tipping. Whilst there is a risk of increased fly tipping it is a significant step for a resident who currently registers for a collection service to commit environmental crime through illegal disposal.	Low	Low	Low

Outcomes and Benefits

List the outcomes and benefits expected from this project.

*(An **outcome** is the result of the change derived from using the project's deliverables. This section should describe the anticipated outcome)*

*(A **benefit** is the measurable improvement resulting from an outcome that is perceived as an advantage. Benefits are the expected value to be delivered by the project, measurable whenever possible)*

Financial outcomes and benefits:

Non-financial outcomes and benefits:

<p>Reduced cost to the Council for the provision of a non-statutory and discretionary service. Helping to tackle the Council's overall budget deficit</p>	<p>Increased investment in staff resources will improve resilience leading to improved reliability and service consistency across all waste collection services.</p> <p>Residents are given a choice as to whether to pay for a service they value – as opposed to cross subsidisation from Council budgets.</p> <p>Reduced risk of musculo-skeletal injuries through bolstering crew numbers to provide the right number of staff on rounds with greatest manual handling requirements.</p> <p>Ability to provide targeted Recycling Officers to help residents increase household recycling and reduce contamination of collected recycling waste.</p>
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Low Carbon	
What is the anticipated impact of the proposal on carbon emissions	The crew mileage, idling times and disposal trips are likely to reduce thus reducing associated vehicle carbon emissions. However, resident trips to the Recycling Centres are likely to increase.
How does it contribute to the Council becoming Carbon neutral by 2030	The impact of this decision will include elements which increase carbon emissions such as increased private car trips but also elements which decrease carbon emissions such as targeted interventions to encourage greater household recycling and encourage home composting.
Have you engaged with Procurement Service?	Yes
Procurement route options considered for goods, services or works	Procurement advice may be required if a third party contractor is used to collect unwanted bins. Proactive advice will be sought but the decision to use a contractor will depend upon the volume of requests.
Procurements Recommended route.	N/A
Who is your Procurement Lead?	Paul Williams
Is this business case a purchase of a commercial property	No
If yes then provide evidence to show that it is not 'primarily for yield'	N/A
Which Members have you engaged with and how have they been consulted (including the Leader, Portfolio Holders and Ward Members)	Cllr Bill Wakeham Cabinet Members

SECTION 4: FINANCIAL ASSESSMENT

FINANCIAL ASSESSMENT: *In this section the robustness of the proposals should be set out in financial terms. The Project Manager will need to work closely with the capital and revenue finance teams to ensure*

that these sections demonstrate the affordability of the proposals to the Council as a whole. Exact amounts only throughout the paper - not to be rounded.

Tax and VAT implications	Garden Waste subscriptions would not be subject to VAT.
Tax and VAT reviewed by	Sarah Scott

The proposals, based on a 23.5% household participation rate, are modelled to produce a net cost of £0.360m in 2023-24, and £0.227m in 2024-25.

When these proposals are compared to the 2022-23 £0.890m net cost budget, then the proposals generate a net £0.530m saving to the current budget in 2023/24, and a £0.663m saving against current budget in 2024-25. If the participation rate is lower or higher then the figures will vary.

Ongoing Revenue Implications for Service Area*			
	Budget 22/23	23/24	24/25**
	£	£	£
Service area revenue cost			
Staff: Crew	444,320	723,638	759,820
Staff: Business Support	0	20,444	21,466
Waste disposal costs	218,310	185,724	195,010
Vehicle costs incl fuel	211,904	214,184	224,893
Equipment	3,500	36,612	4,500
IT / Systems integration	0	20,000	21,000
Borrowing charges	11,975	11,975	12,573
Transaction fees	0	18,000	18,900
Bin collection allocation	0	80,000	0
Lease of land for bin storage	0	20,000	21,000
Postage and printing	0	50,000	52,500
Recycling communications & engagement	0	25,000	25,000
Home composting	0	40,000	20,000
Contingency 5%	0	71,041	64,019
Total Revenue Cost (A)	890,000	1,516,618	1,440,681
Service area revenue benefits/savings			
Total Revenue Income (B)	0	1,156,200	1,214,010
Service area net cost (B-A)	890,000	360,418	226,671
Variance to 22/23 budget	n/a	529,582	663,329

Has the revenue cost been budgeted for or would this make a revenue pressure	Overall favourable position compared to 22/23 budget.		
Which cost centre would the revenue pressure be shown	Garden Waste cost centre	Has this been reviewed by the budget manager	Y
Name of budget manager	Andy Sharp		
Revenue implications reviewed by	Philip Robinson and Charlie Green		

* Assumes a 23.5% household participation rate. The actual participation rate will determine certain cost elements and all income.

** Inflationary increase of 5% assumed for 2024/25

Version Control: (The version control table must be updated and signed off each time a change is made to the document to provide an audit trail for the revision and update of draft and final versions)				
Author of Business Case	Date	Document Version	Reviewed By	Date
Andy Sharp	20/10/2022	V 1	Philip Robinson	20/10/2022
Andy Sharp	31/10/2022	V 2	Philip Robinson	31/10/2022

SECTION 6: RECOMMENDATION AND ENDORSEMENT

Recommended Decision

It is recommended that the Council's Cabinet:

- Approves the Business Case
- Approves the introduction of an annual subscription charge for the garden waste collection service of £49 per garden waste receptacle with an early bird reduction to £39 for those who sign up within the publicised offer period.
- Approves an inflationary increase to be applied to the charge for garden waste collection to take effect for each calendar year from 2024 onwards.
- Approves the introduction of a charge of £10 for residents who request that the Council collect Garden Waste containers that are no longer required, as opposed to retaining it or taking it themselves to Chelson Meadow Recycling Centre.

[Name, Portfolio]		Service Director	
Either email dated:	<i>date</i>	Either email dated:	<i>date</i> 03/11/2022
Or signed:		Signed: Philip Robinson	
Date:		Date:	
		Service Director	

	<i>[Name, department]</i>	
	Either email dated:	<i>date</i>
	Signed:	
	Date:	