



INFORMATION NOTE

GREEN WASTE SUBSCRIPTION SERVICE – UPDATE

Background

The Council has an approved corporate priority to 'Mitigate the impact of the loss of the Lancashire County Council (LCC) waste subsidy', as set out in the Corporate Plan, with the reduction in funding to Fylde Council from LCC impacting from 2018/19 onwards. As part of planning to mitigate against this reduction in funding, the Council agreed at its meeting of 5th December 2016 to introduce an 'opt-in' green waste subscription service. The subsidy from LCC part funded all the recyclable collections (paper, cans, plastics, glass and green waste) however, green waste is the only recyclable material that can be charged for in legislation, so long as the charge is 'reasonable', with many local authorities doing so from inception of the service. Lancashire districts have benefitted from LCC contributing towards the cost of the service as part of the cost sharing agreement to support recycling initiatives across the county. The decision by LCC to withdraw the subsidy has led to almost all the Lancashire districts having to introduce a subscription service for the collection of green waste.

At the January 2017 Operational Management Committee it was RESOLVED to approve the introduction of a subscription service from 1st June 2017 at an annual subscription of £25 per bin in year 1, increasing in to £30 from year 2 (full year service April 1st to March 31st).

2017/18 Service

Following this decision, employees from Waste Services, Customer Services, IT, Finance and Communications met regularly to implement arrangements for the rollout of the scheme. An information leaflet was delivered to all suitable properties during March 2017 with details of the subscription service and how to make payment online, together with a comprehensive list of FAQs. The information circulated in the press and social media, encouraging residents to sign up at www.fylde.gov.uk/greenwaste. Electronic payments methods were preferred in line with the corporate digital transformation strategy, a small number of cash/cheques were accepted to assist residents who were unable to sign up and pay online.

Two temporary Customer Services staff were recruited for a six month period to support the team with the increased number of enquiries associated with the subscription service. The whole team underwent training to respond to green waste queries and assist residents in subscribing to and making electronic payment for the service over the phone and face to face in the contact centre. The waste team also worked closely with Customer Services staff to finalise appropriate scripts and frequently asked question responses to ensure the correct information was provided to Customers.

ICT and finance staff supported waste colleagues to ensure that the correct information was recorded at sign up and payment so that address details for subscribed properties could be uploaded into the Bartec system. Subscribed properties have an icon next to the address on the in-cab screen so the crews collect only from subscribed properties. Residents received a service sticker to attach to the green bin to assist the crews in identifying subscribed properties.

The service went live on the 1st June as scheduled. Unauthorised bins that were presented for collection were recorded so that targeted communications could be sent to encourage subscription to the scheme. This proved successful as the number of unauthorised bins presented steadily declined and subscriptions increased. Subscription rates peaked in mid-May ahead of the launch of the scheme however subscriptions continued to come in over the summer months as awareness of the scheme increased. Subscriptions for year 1 closed on 30th November 2017 with a total of 17,304 subscriptions.

Appendix 1 attached shows an updated estimate of the outturn costs and income for the green waste service for 2017/18. The total cost of the whole waste service for 2017/18 is c£2.4m, of which the estimated cost for the collection of green waste alone is c£641k - which is itemised in the appendix below.

The analysis has been prepared by estimating how much of each element of the total waste service cost relates to the collection of green waste.

The Council does not account separately for green waste as that would require the apportionment of all joint costs for staff, vehicles, overheads etc. at source i.e. whenever an invoice is received and processed, between green waste and other types of collection (such as general/grey bin waste, cardboard, plastics, glass etc.).

As many of the costs relate to all aspects of the waste collection service, for example vehicles and staff are employed on both the collection of green waste and household/grey bin waste, and the specific element of that service to which a particular cost relates is largely not identifiable, the analysis has been prepared by apportioning the annual costs for the whole service between the constituent elements according to the most appropriate apportionment method available. Where costs are more easily identifiable as relating to a particular element of the service (for example printing costs for the green bin stickers and the purchase of new replacement bins) these costs have been allocated directly to that element of the service.

As the income from subscription charges to the waste service relates entirely to green waste collection it is not necessary to apportion that income between the various elements and all is included within the green waste service income analysis.

Therefore the following analysis is comprised of a number of different accounting approaches (direct attribution, apportionment, etc.) to provide as accurate a picture as it is reasonably possible to produce for the costs and income relating to the green waste collection service for the 2017/18 financial year.

In addition to the income received directly from subscriptions, the Council received the following payments from LCC in 2017/18; a cost sharing payment of £627,576 and recycling income of £121,850. These payments were provided to support the introduction of a three-stream waste collection service and to encourage districts to promote recycling, and as such they are a contribution towards the costs of the green, blue and brown bin collections (paper, cans, plastics, glass and green waste). However, this is the final time that LCC will contribute in this way following its decision to withdraw this funding.

2018/19 Service

To date there have been 15,867 subscriptions for the 2018/19 green waste service. A further information update will be provided to members at a later committee meeting.

Attached: *Appendix 1: Estimated Costs and Income - Green Waste Collection Service 2017/18*

FURTHER INFORMATION AVAILABLE FROM

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Estimated Outturn Costs - Green Waste Collection Service 2017/18

6 x front line refuse collection vehicles + 1 spare

	Totals 2017-18 Cost of green bin collection service	
Estimated Labour Costs, including NI and pension costs		
Drivers / Loaders / Supervisors / Admin / Agency / Back Office Support / Other	£289,344	
Sub-total	£289,344	<i>Direct</i>
Estimated Vehicle Costs		
Twin Bin Refuse Collection Vehicles	£212,934	
Sub-total	£212,934	<i>Direct</i>
Estimated Container Costs		
Cost of replacement Green Bins	£12,591	
Sub-total	£12,591	<i>Direct</i>
Estimated Promotion / Subscription Fee Collection Costs		
Additional comms / printing / leaflet and sticker costs	£33,129	
Bank Charges	£6,213	
Sub-total	£39,341	<i>Direct</i>
Total Operational Costs - Direct Costs	£554,210	
Estimated Support Service Costs		
All Support Service / Service Management Costs	£86,799	
Total Operational Costs - Indirect Costs	£86,799	<i>Indirect</i>

Total Estimated Operational and Support Costs - Green Waste Service: **£641,009**

2017/18 Income (subscriptions @ £25 per bin): **-£432,600**

2017/18 Estimated Net Cost of Service after income from subscriptions **£208,409**