

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	OPERATIONAL MANAGEMENT COMMITTEE	17 JANUARY 2017	4
SUBSCRIPTION BASED GREEN WASTE COLLECTION SERVICE			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

This report provides the committee with the operational recommendations regarding the introduction of a chargeable green waste subscription service following approval at full council on 5 December 2016. This decision will mitigate against the reduction in funding from Lancashire County Council as a result of the termination of the Waste Cost Sharing Arrangement that will leave a funding gap of £763,000 per annum from 2018/19 onwards. These payments contribute to the funding for waste and recycling services. Introducing the scheme in 2017 provides sufficient time to allow the service to mature and optimise the green waste rounds to ensure maximum efficiencies by the time the funding is withdrawn. The introduction of a subscription scheme will require employee resource and investment to set-up (i.e. software upgrades, payment system set up and communications etc. as well as customer and back office support.) Wherever possible, these costs will be met from existing budgets or funded through income generated in year 1 if necessary.

RECOMMENDATION

The committee is requested to consider the following recommendation:

- Implementation date of subscription service 1st June 2017
- Annual subscription of £25 per bin in year 1 (reduced year service to March 31st 2018)
- Collection of additional wheeled bins at annual subscription of £25 per bin in year 1
- Subscription increase to £30 from year 2 (full year service April 1st to March 31st)
- Collection of additional wheeled bins at annual subscription of £30 per bin from year 2
- Fortnightly collections with a Christmas period suspension
- No reduction for part year subscription
- No refunds or transfer of subscription
- No reductions or concessions applied until the scheme has been proven
- Online direct debit payment system
- Expenditure of £38,500 on communications, finance and back office support in Year 1
- To delay making a decision on the collection of non-scheme green bins until after the scheme matures

SUMMARY OF PREVIOUS DECISIONS

At a special meeting of the Operational Management Committee in March 2016 it was RESOLVED that a subscription service for green waste be considered as part of future budget proposals and the intervening time is used to research other options for the service, to be reported to a future meeting of the Operational Management committee.

The Operational Management Committee on 13 September 2016 RESOLVED to recommend to full Council: the introduction of a year-round green waste subscription service, at a charge of £30 per waste bin per annum, in order that the service may be ready for implementation from April 2017; and that the income arising from the introduction of the charge, if approved, be reflected within the Councils budget for 2017/18 onwards.

At a meeting of Full Council on 5 December 2016 it was RESOLVED to approve the introduction of a year round green waste subscription service, at a charge of £30 per waste bin per annum, for implementation in 2017; and that income arising from the introduction of the charge, be reflected within the Council's budget for 2017/18 onwards and that the Operational Management Committee agree the operational detail of the scheme prior to implementation.

CORPORATE PRIORITIES

Spending your money in the most efficient way to achieve excellent services (Value for Money)	✓
Delivering the services that customers expect of an excellent council (Clean and Green)	✓
Working with all partners (Vibrant Economy)	
To make sure Fylde continues to be one of the most desirable places to live (A Great Place to Live)	✓
Promoting Fylde as a great destination to visit (A Great Place to Visit)	

REPORT

1. Following the council decision of 5 December 2016, with regards to the introduction of a chargeable service for green waste, council officers from a number of departments have met to discuss the operational and logistical details of introducing a subscription service. The operational meetings started to consider the logistical details after the decision to introduce a chargeable service was made at Full Council in order to maximise use of the resources available.

IMPLEMENTATION DATE

2. The original proposal was for the scheme to be implemented from May 2017. After establishing the level of resource required to upgrade and implement new IT and financial technology as well as develop and communicate promotional and informational literature for the scheme, it is proposed that the implementation date is 1 June 2017. This will allow sufficient time to implement the logistical arrangements and reduce demand on the Customer Services Team during the busiest time of year with Council Tax billing.

SUBSCRIPTION CHARGE

3. An annual subscription of £30 per bin for the collection of garden waste in 240L (or smaller) wheeled bins was approved by council however, if the scheme is delayed as recommended in the report until June 2017, it is proposed that the charge is reduced to £25 in year 1 (which is £30 pro-rata for a 10 month period), with an increase to the £30 per bin in year 2 for a full year service.

COLLECTION PATTERN

4. Collections will take place on a fortnightly basis apart from over the Christmas period when the service will be suspended, resulting in 25 collections per year equating to £0.58p per week or £1.16 per collection for a full calendar year.

DISCOUNTS

5. A number of options have been considered with regard to introducing discounts for multiple bins, reductions for part year subscriptions, concessions and other incentive schemes. There have been a number of challenges to implement discounts for certain groups or for the purchase of more than one chargeable service including; the different time frame for the service being delivered in year one (June to March as opposed to April to March) resulting in 'out of sync' services; the additional resource and development required to apply discounts across multiple systems; integration modules required between new and existing systems; the preference for Direct Debit payment for the green waste subscription service; and lessons learnt from other authorities that experienced complications. The prevailing advice from best practice is to implement the scheme as a stand-alone operation initially and embed the technological systems before considering the application of discount or concession options. Members can be assured that discount and concession options will be considered and brought before the committee for consideration once the scheme and associated systems has been proven.
6. The introduction of a scheme of this nature, and the associated infrastructure, is a learning experience for several departments of the authority. The ICT and finance teams need to implement a streamlined process that would fit all future administration of income streams, integration between the green waste payment and the finance systems is essential. To consider integration of other existing service based payment systems in order to apply discounts prior to implementing the new process would add resource, cost and risk to the project. The intention is to establish a standard set of charges initially to keep the system development work simple and reduce the risk of complications to an important borough wide roll out, this is consistent with the approach taken by several authorities that have recently implemented a subscription scheme for green waste and based on lessons learnt. Once the service is established and the payment processing technology fully tested, the option of discounts and incentives will be re-visited.

TECHNOLOGY INFRASTRUCTURE

7. The introduction of a charge will require employee resource and initial investment to set-up (i.e. software upgrades, payment system set up, integration of systems etc.) it is expected that by working closely with the ICT, finance and customer service teams that any additional cost regarding system development can be met from within existing budgets as part of a corporate objective to migrate to digital services.

CUSTOMER PAYMENT FOR SERVICE

8. Annual payment for subscription by Direct Debit is the most cost effective method of payment and will also make renewal easier, this is not consistent with some existing one off procurement options

adding further complication to discounts and concessions prior to implementation. An online direct debit payment option is recommended as the preferred payment method with customers assisted in using this process over the telephone or face to face in the One Stop Shop. It is estimated that additional bank charges in the region of £10,000 per annum will be incurred through online card payments and processing direct debits.

9. It will not be possible to set up an automated payment telephone line as customers would require a unique account/invoice number however, the telephone system will be used to direct callers to a dedicated officer who will assist customers in setting up online payment for the service, the same as if they were sat at home doing it themselves. Payment technology has shifted from multiple payment channels to a single channel accessed through multiple methods e.g. online payment only by self-service, phone or face to face.

COMMUNICATION

10. Effective communication is essential to success when introducing a change of this nature. The details of the subscription service will be communicated to residents via different methods including leaflets, press releases, social media, website, posters, vehicle signage etc. to publicise the scheme as widely as possible.
11. A press release was issued following the council decision in December which has resulted in some initial queries but at a fairly low level. The scheme will be promoted in the council tax newsletter which will go out to residents in March enclosed with their council tax bill. However, a more wide-ranging communication will be made to all green bin customers during February 2017 delivered direct to residents using canvassing teams supervised by Fylde officers.
12. The subscription service will be promoted on a regular basis to encourage maximum participation and annual reminders will be issued to existing customers in future years to encourage renewals. The cost of producing and distributing the communication literature and supporting information will be in the region of £12,000.
13. There will be a pro-active campaign of advice and support outlining alternative options for managing garden waste, e.g. home composting which has the least environmental impact as it stops unnecessary transportation of materials or use of the household waste recycling centre; grey bins are a last resort for green waste and the closed lid/no side waste policy for collection arrangements of the grey bin will remain in place.

BACK OFFICE SUPPORT

14. It is anticipated that a large number of enquiries regarding the scheme will be received via calls to the contact centre and emails to listening@fylde.gov.uk when the scheme is advertised. This will have an impact for the Customer Services team coinciding with the very busy period for Council Tax enquiries. Experience from other authorities introducing similar schemes indicate that call volumes can increase by as much as 35% in the months leading up to the start of the service. It is proposed to recruit two temporary call centre staff to deal with calls and email enquiries relating to the green waste service during this time i.e. February to June at a cost of £16,500.

MANAGING THE SUBSCRIPTION SCHEME

15. It is essential to be able to identify which properties have subscribed to the scheme to avoid missed bins and prevent collection of non-scheme bins presented in error. Data from the payment system will be used to upload property details into Bartec to identify which addresses are subscribed to the scheme. This information will be used by the crews to ensure they only collect the correct bins.

16. Non-scheme bins presented for collection will be rejected, stickered to identify as a non-scheme bin and an event logged against the specific address on Bartec to identify the reason for non-collection. A report will be produced on a regular basis of non-scheme bins and a letter will be sent out to residents with details of the scheme and how they can subscribe in order to increase participation. If residents do not subscribe to the scheme but continue to present their bins after receiving letters, it is recommended that the bins are removed.
17. Evidence supports that there is a significant reduction in participation when a charge is first introduced followed by a steady increase over time as residents realise it is easier and cheaper than disposing of the waste themselves. Based on the experience and best practice of schemes recently implemented, it is anticipated that the Fylde scheme will reach maximum participation in 2019-20. As such it is recommended to delay the collection of non-scheme green bins to provide residents sufficient opportunity to opt into the scheme beyond June 2017 and save the resource implications of re-issuing a green bin(s). This would also avoid container charges for existing residents joining the scheme at a later date. The operation to collect unused green bins has resource implications i.e. hire costs for suitable vehicle and additional agency support and this can be reduced by allowing time for the service to mature and reduce the volume of bins that would need to be collected.

IMPLICATIONS	
Finance	A charge of £30 for a full year (and £25 pro rata for year 1) is consistent with local Authorities that have already implemented a charge and below the national average of £35. A standard annual tariff will facilitate ease of administration. The upfront one-off cost associated with implementing the scheme will be met from existing revenue budgets wherever possible, with any shortfall met through the income accrued in year 1. The financial implications of a chargeable green waste scheme will be reflected in the Council's Medium Term Financial Strategy.
Legal	The Controlled Waste Regulations 1992 in which garden waste is classified as a household waste for which a charge for collection may be made. On the level of a charge, the Environmental Protection Act 45 (3) does not stipulate the level of charging but states "the authority may recover a reasonable charge for the collection of the waste from the person who made the request". In proposing revised arrangements for the collection of garden waste the Council is required to have regard to the provisions of the Equalities Act 2010 and s.17 of the Crime & Disorder Act 1998. Nothing within the proposals to charge for the collection of waste contravenes the provisions of these Acts.
Community Safety	There are no community safety implications as a result of this report
Human Rights and Equalities	There are no human rights or equalities implications as a result of this report
Sustainability and Environmental Impact	There is no requirement for a sustainability or environmental impact to accompany this report
Health & Safety and Risk Management	There are no health and safety or risk management implications as a result of this report

LEAD AUTHOR	TEL	DATE	DOC ID
Kathy Winstanley	01253 658658	December 2016	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Previous committee reports	March, September & December 2016	www.fylde.gov.uk