

## **LEISURE & ENVIRONMENT COMMITTEE**

**21 JANUARY 2020**

### **GARDEN WASTE UPDATE**

#### **1.0 Purpose of Report**

- 1.1 To update members on progress for bringing the Garden Waste service back to Newark and Sherwood District Council from properties currently served by Rushcliffe Borough Council and Mansfield District Council.
- 1.2 To seek a member decision on pricing of the service for 2020/21.
- 1.3 To update members on plans for the expansion of the service from April 2020.

#### **2.0 Background Information**

- 2.1 From 2014 the Garden Waste Service was delivered in partnership with Rushcliffe Borough Council (RBC) and Mansfield District Council (MDC) using a mixed delivery approach within the District. However, following a Leisure & Environment Committee decision in January 2019, the service will be brought back in house with Newark and Sherwood District Council (NSDC) commencing service delivery for the whole district from 1 April 2020. This decision was taken as the provision of the service 'in-house' contributes to the Council's green aspirations, offers NSDC greater control ahead of the National Waste Strategy, provides a better customer experience through a single point of contact and aligns with the Council's commercial ambitions.

#### **3.0 Proposals**

##### **3.1 Update on Bringing the Garden Waste Service 'In-House'**

The customer service system for delivering garden waste has been developed and is in testing ready for rollout on 1 April 2020. Customer communications are expected to go out from 3 February informing customers of the change and requesting customers to sign up for the service for 2020/21. The Garden Waste webpage has been updated and the whole service will be relaunched in January 2020 rebranded as 'Garden Recycling' to reflect that garden refuse is composted not landfilled as 'waste' and thus recycled sustainably.

##### **3.2 Financials**

The decision to bring the Garden Waste Service back in house, taken in January 2019, was based on customer numbers and financials provided within the Business Case. Below are the updated figures for member information:

<b>Customers Numbers</b>		
	<b>Expected Numbers for 2020/21</b> From Business Case Jan'2019	<b>Updated Numbers for 2020/21</b> Updated Dec'2019
Rushcliffe BC	2,246	2,027
Mansfield DC	5,514	5,122
Growth	538	538
<b>Total</b>	<b>8,298</b>	<b>7,687</b>

Whilst there is a decline in the number of customers coming from MDC and RBC the number of customers in the NSDC delivery area has increased therefore overall the net change from the business case is minimal (a 1% positive variance).

<b>One-Off Costs</b>		
	<b>Expected Costs</b> From Business Case Jan'2019	<b>Updated Costs</b> Updated Dec'2019
Two 32-Tonne Trucks	£370,000	Not required
Bin purchase	£82,980 *Estimate based on £10 per bin	£53,809 *Actual purchase at £7 per bin
<b>Total</b>	<b>£452,980</b>	<b>£53,809</b>

The business case also budgeted for two additional vehicles to deliver the service. However, upon reflection, the service will use the best vehicles in the existing fleet. This will enable us to as we learn more about the requirements of the rounds and re-position the fleet as more information becomes available about the National Waste Strategy. There was also a £29.1k saving against budgeted bin costs and the difference was used to enhance the garden waste software provision (urgency item noted at Policy & Finance Committee on 26 September 2019).

Please see appendix one for the revenue impact of these changes on the Business Case numbers.

### 3.3 Service Pricing

The decision to charge £37 a bin was taken in January 2019 before the successful Cleaner, Safer, Greener programme or the adoption to the Community Plan with its objectives around recycling and greening the district. In light of this Council wide 'cleaner and greener' focus it would be most appropriate to promote good waste management and increase recycling rates through greater uptake of the garden waste service. Therefore, it is the officer recommendation that the current charge of £35 is maintained for 2020/21.

This would impact not only the customers coming back 'in-house' but also the customers already served by NSDC. Using the most recent customer numbers, altering the service charge from £37 to £35 a bin would change the income for 2020/21 from £497.5k to £471k a £26.5k financial impact.

### 3.4 To summarise;

	<b>Original Business Case</b> <i>13,327 customers at £37</i>	<b>Updated Business Case</b> <i>13,331 customers at £37</i>	<b>Updated Business Case £35 charge</b> <i>13,331 customers at £35</i>
Service Charge for bins from RBC, MDC & Growth	£307,026	£284,419	£269,045
Service Charge for bins from NSDC	£186,073	£208,828	£197,540
Bin Replacements/ New Bins	£4,400	£4,400	£4,400
<b>Total Income</b>	<b>£497,499</b>	<b>£497,647</b>	<b>£470,985</b>

Therefore, to summarise, a member decision to alter the charge from £37 to £35 for 2020/21 would have a £26.6k impact on the income received.

### 3.5 **Expansion of the Service**

The aim is to expand the Garden Recycling service to increase service income in line with the Council's aspirations, increase the district's recycling rate and improve the waste practices of service users by encouraging considered waste disposal practises.

This will be achieved through:

- Targeted marketing to increase service penetration,
- Expansion of the offer to increase the number of households utilising the Council's garden waste service by offering a lower cost 'bag service' for residents with smaller gardens who would not require a full size bin, and
- Clear branding of the service demonstrating the 'USP' of the service in that the service is all-year around, reliable, regular and environmentally friendly.

### 4.0 **Equalities Implications**

4.1 No adverse impacts have been identified. Assisted bin collections currently offered for refuse and recycling will be extended to garden waste service users. The garden waste service will remain an opt-in chargeable service at this current time and the methods of payment will stay the same.

### 5.0 **Financial Implications (FIN19-20/7619)**

5.1 As per 'One off Costs' part of the table at 3.2 the £370,000 is no longer required for the two 32 tonne trucks. Therefore £89,410 can be allocated to the three new vehicles required following the waste management review as per the report to this committee on 24 September as we now have the vehicle specification. This leaves £280,590 no longer required in the Capital Programme, freeing up capital receipts for other projects and therefore reducing the need to borrow for other schemes. Approval for these changes will be sought as part of the Capital Budget Report to Policy & Finance Committee on 20 February 2020.

5.2 An urgency item was noted at the Policy & Finance Committee on 26 September reporting the reduced costs of the bins with a recommendation to use the difference to enhance the garden waste software provision with the remaining amount set aside for new customer's bins.

5.3 The Business Case income was for the areas returning to Newark and Sherwood District Council, from MDC and RBC. The income projected is now £38k less, due to a reduction in the forecast collection numbers, and by agreeing to keep the charges at the 2019/20 price of £35 per bin. The projected surplus has now reduced to £16.6k.

5.4 However, the NSDC customer numbers have increased, and with the reduction to £35 per bin, the income is expected to still increase by £11.5k. Therefore, the NET income reduction in the whole Garden Waste service, if the price stays at £35 per bin, is £26.5K.

### 6.0 **Community Plan – Alignment to Objectives**

6.1 This Garden Waste service achieved a surplus and thus contributes to the objective to 'generate more income, improve value for money and increase residents' satisfaction with the Council'. The provision of the service in-house also means a better customer

experience. Whilst the improved waste management and increased recycling contributes to the 'improve the cleanliness and appearance of the local environment' objective and the 'protect, promote and enhance the district's natural environment' objective.

## **7.0 RECOMMENDATIONS: that**

- a) Members note the updates within the report;
- b) Recommendation to the Policy & Finance Committee the removal of the £280,590 no longer required for the RCV's from the capital programme in order to reallocate the capital receipts to other projects; and
- c) Members endorse amendment of the Garden Waste Service charge from £37 to £35 for 2020/21 and recommended to Policy and Finance Committee.

### **Reason for Recommendations**

**To enable the Council to provide a Garden Waste Service that delivers a quality customer experience and contributes to the Council's 'green' aspirations.**

### **Background Papers**

Nil

For further information please contact Ella Brady on Ext.5279

**Matt Finch, Director of Communities & Environment**

**Appendix One: Business Case Updated Revenue Impact**

<b>Updated Revenue Budget</b>		
	<b>Expected Costs for 2020/21</b> From Business Case Jan'2019	<b>Updated Costs for 2020/21</b> Updated Dec'2019
Staffing (two drivers and four loaders)	£151,640	£151,640
Running of two vehicles	£50,110	£50,110
Supplies and services	£12,580	£12,580
Postage and staffing (customer invoices and queries)	£42,450	£42,450
<b>Total Expenditure</b>	<b>£256,780</b>	<b>£256,780</b>
	<b>Expected Income for 2020/21</b> From Business Case Jan'2019	<b>Updated Income for 2020/21</b> Updated Dec'2019
Service Charge for bins from RBC & MDC & Growth (at £35 per bin)	£ 307,026	£269,045
Bin Replacements/ New Bins (at £22 per bin)	£4,400	£4,400
<b>Total Income</b>	<b>£311,426</b>	<b>£273,445</b>
<b>Net Impact</b>	<b>£54,646</b>	<b>£16,665</b>

Therefore, the updated financial impact of the service in 2020/21, based on the charge of £37 per bin, now remaining at £35 per bin, is a surplus of £16.7k in 2020/21. This is £38k lower than the Business Case forecast of a £54.6k surplus.