

SUBJECT:	Garden Waste Collection Service Charges 2016/17
REPORT OF:	Portfolio Holder for the Environment Cllr Luisa Sullivan
RESPONSIBLE OFFICER	Chris Marchant, Head of Environment
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WARD/S AFFECTED	All wards

1. Purpose of Report

- 1.1 To seek Member approval for the 2016/17 Garden Waste Service Charge

RECOMMENDATION

Members are asked to advise the Portfolio Holder as to whether:

1. the early bird discount of £35 should be continued for a third year during the month of February with the price rising to £45 in March,
2. an early bird discount of £36 should be introduced with the full price being £46 to help ease the budget deficit
3. or whether the early bird discount should cease and a charge of £40 for online customers and £45 for telephone subscriptions be charged.

2. Executive Summary

- 2.1 The Council operates a garden waste collection service to paying subscribers for 25 weeks of the year.
- 2.2 The subscription cost of this service has remained the same for the first two years of £35 per bin for “early-bird” subscribers and £45 per bin after the offer ended. From 1st September £30 is charged for the rest of the financial year.
- 2.3 The service has attracted the customer numbers expected, but the anticipated level of income has not been achieved to date and Members are asked to recommend next year’s subscription charge so that the budget can be set.

3. Reasons for Recommendations

- 3.1 To plan next year’s service charge in line with budget forecasts and customer expectations.

4. Content of Report

- 4.1 The chargeable garden waste collection service was introduced District-wide on 31st March 2014 and by the end of that financial year we had 6,476 customers, with some paying to have more than one bin emptied.
- 4.2 Despite efforts to get as many residents to sign up for the whole year in advance, many signed up during the year, and our resources were nearing full capacity by the end of the year. By the end of the year we were £15,500 under our budget, which had been based on charging for 7,000 bins even though it was acknowledged that this was unlikely in the first year.
- 4.3 At the planning stage, an early bird discount of £10 off the full price of £45 was proposed and agreed for the first year only. However Members chose to offer a discount for the current service year also. This discount was available for just over 5 weeks. Every customer was contacted when the early bird discount began and it was featured on our website and in press releases and on social media.
- 4.4 This year, we have exceeded the estimated 7,000 customers and at the time of writing have just over 7,500 customers with some subscribers ordering more than one bin. The budget was reduced by £30,000 due to the lower subscriber numbers and anticipated potential early bird discount. We are therefore only £6,500 under budget at this time. It was known that extra operational costs would be incurred if customer numbers were higher than the 7,000 forecast. If all early bird customers had paid the full price this year, we would have generated an extra £57k and exceeded our original forecast.
- We have recently brought one of our old refuse collection vehicles back into service to cope with the higher number of customers. We have very recently had to pay to refurbish the vehicle and pay ongoing running costs which are still being finalised but likely to be in the region of £40k per year.
- 4.5 The early bird discount is popular with customers, with around 75% signing up during the discounted period. However for most customers it is not felt that paying the full price is a disincentive to sign up, as the service is still good value.
- 4.6 An incentive for customers to pay early for a short period of time helps us operationally because we can employ extra staff for this period and process the majority of payments. It is proposed that if a discount is offered, it is done so for the whole of the month of February only.
- 4.7 Processing payments online requires a lower level of resources than for payments made over the telephone and offering a discount for paying online would reduce pressure on resources in the long term. The loss of the early bird option may stop a small number of customers subscribing. This year, 67% of our customers signed up online.

- 4.8 There are therefore resource advantages of both an early bird option and a discount for online payments, but the latter is better aligned with budgetary expectations.
- 4.9 Members are asked to note that as last year, from 1st September the subscription cost will be reduced to £30 for the rest of the service year.

5. Consultation

Not Applicable

6. Options

- 6.1 With the above in mind, Members are asked to recommend which of the following three subscription options should be adopted next year:
1. A discounted rate in February of £35, rising to £45 on 1st March
 2. A discounted rate in February of £36, rising to £46 on 1st March
 3. A charge of £40 for online customers and £45 for telephone subscriptions regardless of when the subscription is made.

7. Corporate Implications

- 7.1 The 2016/17 financial implications of each option are:
1. The income forecast will need to be reduced by circa £6k based on the 2015/16 budget
 2. We will achieve our 2015/16 income forecast based on current customer numbers
 3. We will exceed our 2015/16 income forecast by £18.5k (based on 80% of 7,400 customers signing up online).
- 7.2 There are no legal issues identified at this time

8. Links to Council Policy Objectives

This matter is related to the following local and national policy objectives:

- The current Joint Waste Management Strategy for Bucks policies, including “securing a long-term strategy for the management of wastes for which the member authorities are collectively responsible”.
- The Council’s recycling/composting target of 60% by 2025 as part of the Joint Waste Management Strategy for Bucks. The national target of 45% by 2015 and 50% by 2020. There are no longer District specific targets.

9. Next Step

The decision will be included in service publicity in due course.

Background	None
Papers:	