

PROJECT BUSINESS CASE TEMPLATE

PROJECT NAME:

Proposed Kerbside Domestic Garden Waste Collection Service

TRANSFORMATION PROJECT

PROJECT MANAGER:

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THEME SPONSOR (TRANSFORMATION PROJECT)

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BUSINESS CASE

Document Control

Version	Date	Description	Author
1	30/09/15	1 st draft	Emily Spicer
2	13/10/15	Amendments following feedback from transformation board	Emily Spicer

Purpose of Business Case	<p><i>To provide justification for undertaking a pilot garden waste collection scheme based on an assessment of the cost, impact and risk against the business benefits and net income that will be generated.</i></p> <p><i>This business case identifies why the forecast effort and time will be worth the expenditure. The on-going viability of the project will be monitored by the Project Board against the benefits identified in this business case.</i></p>
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1. Executive Summary

1.1 This business case estimates expected benefits and costs to South Holland District Council that would result from a decision to implement a pilot domestic garden waste collection service.

1.2 The proposal is to implement a Primary Service, collecting garden waste every fortnight from households in a pilot area with a 240 litre wheeled bin. In year 1, the pilot area covers 26,703 households (based on postcodes) and predicts a subscription base within that area of 5,000 households (19% take up for year 1). It is also proposed to introduce a Secondary Service, collecting garden waste from a paper sack if households within that pilot area want an ad-hoc collection or their household is not suitable for a wheeled bin. If the pilot is viable in Year 1 it is envisaged in year 2 it will extend into to a further 5000 households. Based on the results of a door to door survey and survey taken at the household waste recycling centre this will be achievable.

1.3 Environmental Services has considered the proposal in order to meet the needs of the council's objective 'To provide the right services, at the right time and in the right way', improve the efficiency and effectiveness of a service, provide a service that customers want (identified through market research), improve customer satisfaction and to minimise initial risk when setting up a new service. Various methods of analysis have been utilised including forecasting financial information, analysis of operational procedures, evaluation of customer insight techniques, understanding of current models and benchmarking across authorities.

1.4 The expected benefits are an additional net income of £108,800 over the 2 year pilot. This is based on an annual subscription charge £49 and a one off charge of £15 in the introductory period (for delivery, bin rental, quarterly newsletter and offers). These charges are based on the cost of the service, average disposal income within the pilot area, average cost to travel to the HWRC, benchmarking against other authorities in England and future proposed subscriptions, average delivery charges of large items and investigation into commercial approaches when selling a product. Households may have up to 4 bins. Each bin after the first main subscription incur a charge of £30 each.

1.5 The projected return is based on total additional capital costs of £265,050, financed from the organisational development reserve, which has been earmarked for Environmental Services Improvements for some time. This will also save interest on borrowing. Return of capital investment is 4 years as a minimum, assuming that after the pilot the scheme continues to grow.

1.6 Whilst not providing a service presents the least financial risk, this scenario will not meet the need identified for the households of South Holland or generate additional income. In addition, with projected dwelling stock increases of 1885 households over the next 5 years in South Holland and the majority have garden provision it is highly probable that not introducing a service and relying on the existing Household Waste Recycling Centre in Spalding will provide poor customer satisfaction for those that need to dispose of garden waste.

1.7 With the results of a Customer Survey regarding a potential service highlighting that there is demand, and based on the current known costs of a garden waste collection service, the proposal projects a net gain of £96,520 over 2 years). The proposal also allows development of the service by utilising customer insight, allowing us to future proof the service and providing confidence that this is a sound proposal to be approved.

1.8 The marketing and advertising of the pilot scheme will utilise social media, blanket delivery within the target area, promotional offers, adverts through the Council Tax bill circulation and door knocking within target areas.

1.9 The expected financial benefits depend on several assumptions. These include the theory that the robust marketing approach will lead to the projected subscription increases, that procurement of resources will be as defined, that online payment systems are in place at the start of the advertising phase, that the Environmental Services Team will continue to provide a consistent service and that the projected tonnages are collected.

1.10 This business case provides an estimate of providing the additional service. It is based on marginal costing, so only includes additional costs of providing the new service. These financials should be considered within the decisions within this document. The background analysis is based on information provided by a selection of households within the district and annual data held within Environmental Services and other authorities (tonnages collected, revenue generation, and subscriptions data). This business case is most sensitive to online payment processes in place, procurement of resources meeting the mobilisation plan and the number of additional subscriptions received.

1.11 Each refuse compaction vehicle will have a maximum capacity of 5,000 households. Therefore to provide the best operational and financial scenario maximum capacity should be aimed for. However, in order to present a realistic business case, the financial projections within this business case have assumed subscriptions to be at 6000 by the end of the 2 year pilot. This subscription projection will still enable a balanced budget with a small net income. However, a minimum of 2300 subscribers are needed in year 1 in order to break even.

2. Background

2.1 As Waste Collection Authority, South Holland District Council is responsible for the collection of household waste. This is administered by the Environmental Services Team and operated in house. South Holland District Council currently provides weekly sack collections for both residual waste and dry recycling to all its households of which satisfaction amongst residents is high.

2.2 For households needing to dispose of garden waste specifically, South Holland District Council has historically encouraged residents to home compost where ever possible. Where this isn't practical, residents have to travel to a disposal point such as the Lincolnshire County Council managed Household waste and Recycling Centre or a Lincolnshire County Council funded Saturday Morning Collection Point or pay £1.50 for a grey waste sack that ultimately is sent for residual disposal (not composted).

2.3 Over the past 10 years a significant number of physical and behavioural changes have occurred. These changes have highlighted a need to investigate further options for householders requiring disposal of garden waste.

Changes include:

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- Greater pressure on the family/household unit for time and money.
- The reduction in opening hours by over 50% at the only Household Waste Recycling Centre in South Holland (located in Spalding) and indication that these opening hours may be reduced further.
- Priority actions within the Corporate Plan and future objectives of the authority.
- The reduction in garden size with less space available for home composting.
- Aging population and ability to manage volumes/weight of garden waste.
- A need to improve upon recycling and composting rates by 2020.
- Residual Compositional Analysis (October 2013) highlighted that 7.18% of garden waste was still collected within black sacks
- Residual waste is now sent to Energy from Waste facility as directed by Lincolnshire County Council and ability to burn garden waste material is at a less efficiency to other household waste due to the high water content.
- The indication from Lincolnshire County Council that funding of the Saturday Morning Collection Scheme will be put forward as savings for 2016/17.
- The loss of recycling credits has caused a gap in the Environmental Services budget (£324k per annum).

3. Preparation Work

Investigation and Options Appraisal

3.1 In order to define the scope of any garden waste collection service the council may offer to residents, an investigation was undertaken during summer 2014 into the types of collection methods Council's offer, subscription numbers, costs and benefits of collections.

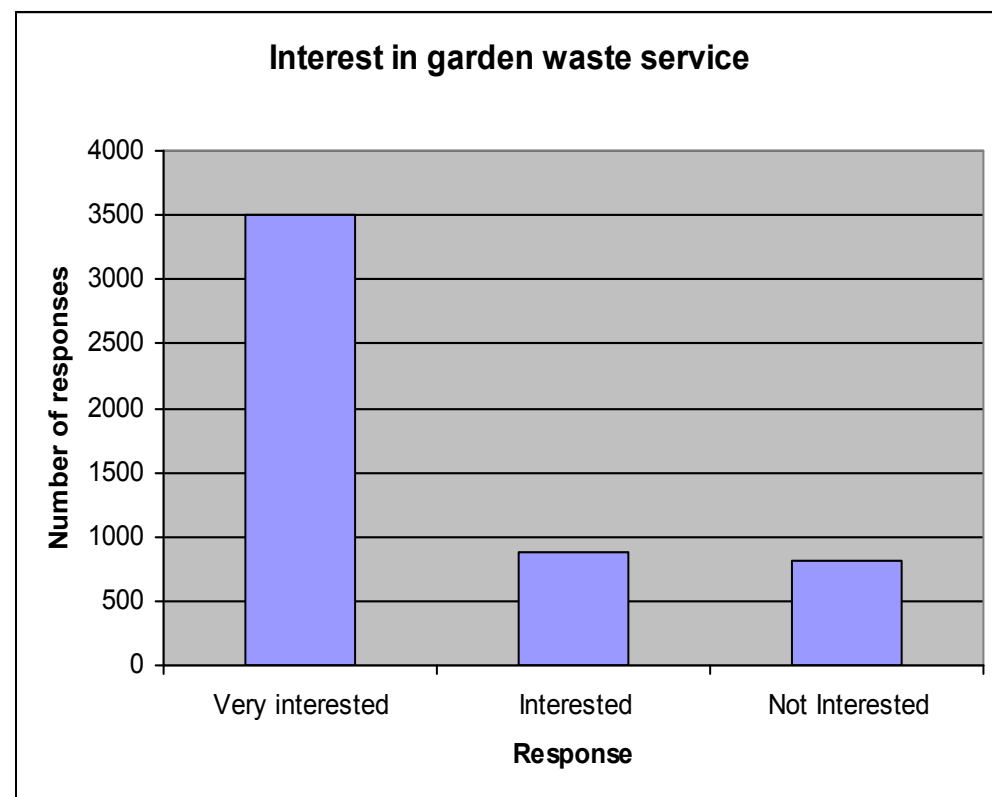
An options appraisal was completed to summarise this investigation. This options appraisal highlighted that fortnightly garden waste collections using wheeled bins was the most favourable, effective and efficient method for both residents and Council. In addition, the use of a paper sack for the collection of small amounts of garden waste could be used to compliment a wheeled bin service.

Competitor Analysis

3.2 A number of home gardening businesses are available to households within the South Holland District however it is not recognised that these companies provide direct competition with a domestic gardening waste collection service that SHDC is looking to provide.

Market Research

3.3 During June 2014, a garden waste survey was conducted in the form of postcard that was delivered by Royal Mail to all households within South Holland. The full survey was also available from the Customer Services desk in Spalding and online for any residents to enter. All methods of entering the survey were advertised in the local press and through local radio (Tulip FM).



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The overall aim of the research was to gain information on the requirements of households for a garden waste collection service. The information was needed to understand:

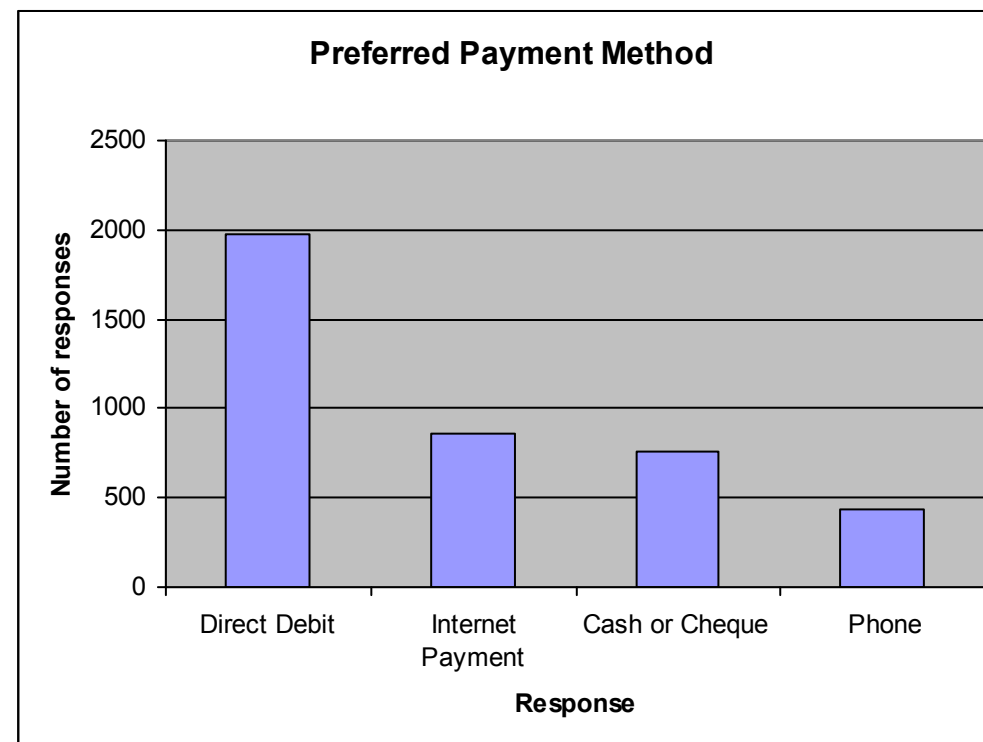
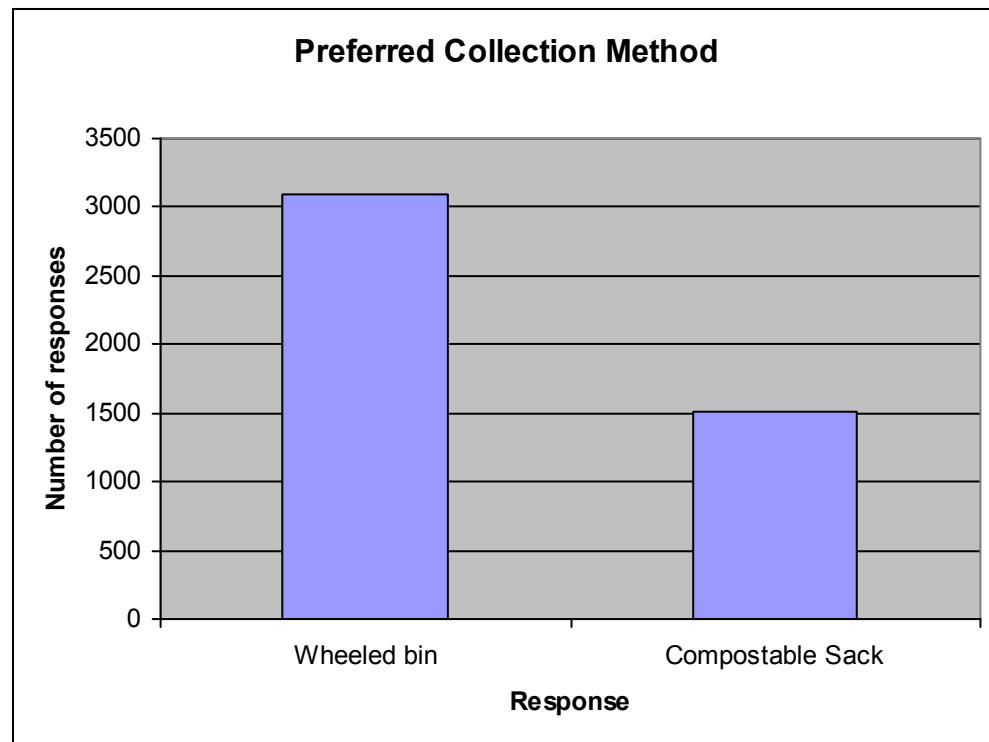
- How interested households are in a kerbside garden waste collection service.
- What sort of container would households prefer to use for a kerbside garden waste collection.
- If households were willing to pay for a collection service.
- Which payment method would households wish to use.

3.4 Key findings from the survey

The response rate of the garden waste survey is as follows:

Out of 40,000 postcards distributed the response rate was 13% with 5173 responses being collated.

Of these responses 68% (3498) of residents are very interested and 17% (876) are interested meaning that 85% of respondents would be interested in a garden waste service. 16% (805) of respondents stated that they were not interested in a garden waste service.



The respondents have indicated that collection with a wheeled bin is preferred with 60% (3093) of responses showing a preference for this service. 29% (1512) of respondents stated that they would prefer a compostable sack. 10% of the respondents were classed as not applicable due to respondents not completing this section (568 responses).

65% (3347) of the respondents would be willing to pay £2 per collection (£48 for 24 collections). 1222 respondents, or 24%, stated that they would not pay for the service. 12% of the surveys were classed as not applicable due to respondents not completing this section (604 responses). The preferred payment option is Direct Debit which 38% (1971) of residents opted for. Internet payments accounted for 17% (855) and payment at the council offices made

BUSINESS CASE

up 15% (759) of responses. The least popular option was phone payments with only 9% of residents preferring this option (440). 22% of the responses were classed as not applicable due to respondents not completing this section (1148 responses).

3.5 In addition to the mail out survey, over a period of 9 days (including two weekends), residents attending the Household Waste Recycling Centre in Spalding to dispose of garden waste were also asked if they would use a kerbside garden waste collection. It must be noted that the majority of these residents confirmed that they had not returned the post card survey due to convenience/time.

The results are as follows:

276 responses were collected from the HWRC. 62% (172) were in favour of the introduction of a garden waste collection, 38% (104) did not want a garden waste collection. Postcodes of those that were in favour of a garden waste collection included many who had made long and costly trips to the HWRC. Postcodes included:

Postcode	Area	Time driven for return journey (minutes)	Distance for return journey (miles)	Estimated fuel cost for return journey
PE12 9GF	Long Sutton	48	28	£5.50
PE12 9PD	Gedney Drove End	56	31	£7.18
PE12 8ER	Holbeach St Marks	44	28	£6.32

Those residents who did not want a service introduced were largely from Spalding (66%) with the majority being within an 8 mile radius of Spalding (88%).

Customer Profiling

3.6 Research was undertaken in how a number of authorities increase subscription numbers of garden waste collections. Efficiencies can be made by taking a more strategic approach to customer subscriptions, utilising a customer profiling technique and targeting customer profiles that are more likely to subscribe.

3.7 Acorn is a powerful consumer classification that segments the UK population. By analysing demographic data, social factors, population and consumer behaviour, it provides precise information and an understanding of different types of people. Acorn provides valuable consumer insight helping you target, acquire and develop profitable customer relationships and improve service delivery.

3.8 For the South Holland District there are currently 6 main Acorn categories (Acorn 1-6) and then a number of sub categories within these main 6 groups. These are:

ACORN 1 - Affluent Achievers

This ACORN category is the wealthiest. Within South Holland the category can be split into two groups: Executive Wealth and Mature Money. Types within these groups are noted below:

- Executive wealth group: Financially Comfortable families. These are well-off working families living in living in large detached and semi-detached properties in the suburbs, edge of town or semi-rural locations. Incomes are good, with many people having managerial or professional occupations.
- Mature Money group: Retired and Empty Nesters. They mainly live in rural towns and villages in larger detached and semi-detached houses and bungalows. They have high incomes, even if retired, and tend to be aged 55 or over. Leisure activities include gardening, wildlife and arts and crafts.

ACORN category 2 – Rising Prosperity

This category is not common in South Holland.

- The only ACORN group represented is Career Climbers. The only type found is Career Driven Young Families (12 postcodes, population of 707). They live in smaller detached or semi-detached houses. Incomes are above average.

ACORN category 3 – Comfortable Communities

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This is the most common category across South Holland. The postcodes within this category represent comfortably off people at a range of life stages. Within this category two ACORN types stand out within the Countryside Communities group:

1. Larger Families in Rural Areas (657 postcodes, population of 22550). These are people of an older age profile, living in rural communities. Incomes are higher than the national average. Tenure is generally large detached houses in sparsely populated areas.
2. Owner Occupiers in Small Towns and Villages (317 postcodes, population of 13796). This is largely made up of older and retired couples in smaller detached and semi-detached housing in villages and small towns. Most people are employed in skilled occupations with some earning above national income, however many also earn below the average income.

Another ACORN type worth noting are Comfortable Seniors, older people living in neat and tidy neighbourhoods.

ACORN category 4 – Financially Stretched

Within South Holland there is a mix of ACORN groups within this category. Housing is generally terraced or semi-detached with a lot of social housing. Incomes are below national average with employment in skilled, semi-skilled or routine occupations. Many of these fit into the following types:

- Modest Means: Semi-skilled Workers in Traditional Neighbourhoods (83 postcodes, population 4411).
- Striving Families: Labouring semi-rural Estates (95 postcodes, population of 5010).
- Poorer Pensioners: Low Income older people in smaller semis (76 postcodes, population of 4233). Benefit claims are high in this type, largely pensions. The population of this type is older than others in this ACORN category.

ACORN category 5 – Urban Adversity

This group is not largely represented in South Holland. This is the most deprived ACORN category, property is cheap and is generally smaller 1, 2 or 3 bedroom semi-detached or terraced housing and flats. Incomes are well below national average. ACORN groups and types to note are:

- Young Hardship group: Struggling Younger people in mixed tenure (34 postcodes, population of 743).
- Struggling Estates group: Low income large families in social rented semis (16 postcodes, population of 1222)

ACORN category 6 – Not Private Households

- ACORN 6 is largely made up of Business addresses without resident populations. These are postcodes where there is no regular resident population such as an industrial park.
- A few are in ACORN type 61 Inactive Communal Population. These are people in communal establishments that are unlikely consumers including care homes, hospitals and prisons.

Acorn analysis on Customer Postcard Survey

3.9 On analysis of the survey by postcodes given and assigning Acorn categories to each, the proposed scheme currently appeals to all areas of society within South Holland.

However specifically:

ACORN 1

In ACORN 1 (Affluent Achievers) 68% of residents were very interested and 20% were interested in the introduction of a garden waste service. In total 88% of ACORN 1 residents were interested in this service. Only 12% of the ACORN 1 samples were not interested in a garden waste service.

Wheeled bins were the preferred collection method with 60% of residents opting for these. 30% of ACORN 1 residents were interested in having a compostable sack, whilst 10% of the samples were not applicable due to not completing this section.

70% of the ACORN 1 samples were willing to pay for the service, whereas 20% did not want to pay £2 per collection. Again, 10% of the samples were not applicable due to not completing this section.

ACORN 2

In ACORN 2 (Rising Prosperity) 75% of residents were very interested and 25% were interested in the introduction of a garden waste service. In total 100% of ACORN 2 residents were interested in this service. None of the ACORN 2 sample claimed to have no interest in a garden waste service.

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Wheeled bins were the preferred collection method with 63% of residents opting for these. 25% of ACORN 2 residents were interested in having a compostable sack, whilst 13% of the samples were not applicable due to not completing this section.

50% of the ACORN 2 samples were willing to pay for the service, whereas 50% did not want to pay £2 per collection. No residents in the ACORN 2 samples were 'not applicable' in this section.

ACORN 3

In ACORN 3 (Comfortable Communities) 64% of residents were very interested and 18% were interested in the introduction of a garden waste service. In total 82% of ACORN 3 residents were interested in this service. 17% of the ACORN 3 samples were not interested in a garden waste service.

Wheeled bins were the preferred collection method with 58% of residents opting for these. 29% of ACORN 3 residents were interested in having a compostable sack, whilst 13% of the samples were not applicable due to not completing this section.

61% of the ACORN 3 samples were willing to pay for the service, whereas 23% did not want to pay £2 per collection. 16% of the samples were not applicable due to not completing this section.

ACORN 4

In ACORN 4 (Financially Stretched) 67% of residents were very interested and 18% were interested in the introduction of a garden waste service. In total 85% of ACORN 3 residents were interested in this service. 15% of the ACORN 4 samples were not interested in a garden waste service.

Wheeled bins were the preferred collection method with 64% of residents opting for these. 25% of ACORN 4 residents were interested in having a compostable sack, whilst 11% of the samples were not applicable due to not completing this section.

68% of the ACORN 4 samples were willing to pay for the service, whereas 17% did not want to pay £2 per collection. 15% of the sample were not applicable due to not completing this section.

ACORN 5

In ACORN 5 (Urban Adversity) 70% of residents were very interested and 20% were interested in the introduction of a garden waste service. In total 90% of ACORN 5 residents were interested in this service. 10% of the ACORN 5 samples were not interested in a garden waste service.

Wheeled bins were the preferred collection method with 50% of residents opting for these. 40% of ACORN 5 residents were interested in having a compostable sack, whilst 10% of the samples were not applicable due to not completing this section.

55% of the ACORN 5 samples were willing to pay for the service, whereas 35% did not want to pay £2 per collection. 10% of the samples were not applicable due to not completing this section.

3.10 Specifically for the garden waste collection service, Acorn data can therefore be utilised to efficiently implement a targeted marketing campaign to increase garden waste collection subscribers to those defined within the financial projections.

4. Reasons for the Project

Business objectives

4.1 The strategy for providing a garden waste collection service addresses the following business objectives:

- To meet residents needs and demands for a kerbside garden waste collection service
- To provide an efficient and effective collection service
- Provide maximum revenue generation for the Council.
- Develop an approach to improve customer insight for Environmental Services but also to the benefit of the Council
- To provide an easy to subscribe system and subscription discounts to motivate customers to join the scheme prior to implementation.
- Improve household recycling and composting rates
- Reduce the amount of biodegradable municipal waste (BMW) sent to Energy from Waste. Garden waste would fall into this category.

BUSINESS CASE

Contribution to Corporate Objectives;

4.2 The approval of this business case would allow a garden waste collection scheme to contribute to the following corporate objective:

To provide the right services, at the right time and in the right way

- Ensure that Council services are accessible, customer friendly and responsive to residents and business needs
- Develop and implement a commercial approach to ensure a secure financial position
- Develop the council's transformation programme and work with partners to drive through efficiencies and achieve resilience.

Critical Success Factors:

4.3 To meet the above business and Corporate objectives the following key elements must be in position:

- The introduction of an easy to access, simple and secure application through an online method and through the Customer Contact Centre.
- Discount for new subscribers in order to set efficient collection routes prior to the commencement of collections.
- Capacity within Environmental Services Operations Team to provide an efficient and effective service
- Capacity for vehicle and bin storage.
- Capacity at designated Composting Facility to meet demand supplied.
- Capacity of the In Cab System suppliers, Bartec and Compass Point IT Services to integrate system from vehicle to Customer Services prior to commencement of the service.
- A fully funded marketing plan including staffing resource to administer and sell the product.
- Senior management and Member buy in to the proposed scheme.

Key Waste Legislation

4.4 The following information summaries key waste legislation that needs to be considered as part of the proposal to provide a garden waste collection service.

European EU Landfill Directive (1999/31/EC)

- Aims to significantly reduce the negative environmental impacts of land filling by introducing strict technical requirements for waste and landfill, and by setting targets to reduce biodegradable municipal waste (BMW) going to landfill.
- It imposes national strategies for recycling, composting, biogas production and the recovery of BMW.
- The UK is obliged to reduce the amount of waste to landfill based on the amount of BMW in 1995 to 75% by 2010, 50% by 2013 and to 35% by 2020.

The Environmental Protection Act 1990

- Duty of Waste Collection Authorities (WCA) to collect waste Section 45 (1)
- Power to make charge Section 45 (3) – recover reasonable charge from the person requesting the service (see Pricing Strategy for evidence of this).
- Duty to pay the charge section 45 (4)
- Within Section 52 the Waste Disposal Authority (WDA) shall pay to a WCA credits to contribute towards the expenditure of the collection authority delivering the waste in a separated state.
- The Act was amended by the Clean Neighbourhood Environment Act 2005, Section 49 and further details that a WDA is not required to make payments to a WCA under subsection (1) above where, on the basis of arrangements involving the two authorities, the WCA has agreed that such payments need not be made.

The Controlled Waste Regulations (2012, previously 1992)

- States that garden waste is a type of waste for which a collection charge may be made.

Waste Regulations (2011)

BUSINESS CASE

- That all waste should be treated and diverted where ever practical abiding by the waste hierarchy. In this business case context, a WCA therefore must ensure that garden waste is diverted from landfill and composted where possible.
- A residual waste analysis undertaken in October 2013 showed that 7.18% of household waste collected was garden waste. It is estimated that during summer months, the amount of garden waste within the residual waste collection may exceed 20%.

Lincolnshire Joint Municipal Waste Strategy (2008-present)

States that the Lincolnshire Waste Partnership's vision is:

- To commit to sustainable development and the waste hierarchy
- To promote sustainable resource use through increase re-use, recycling and composting of waste.

Summary of the legislation

4.5 The legislation detailed in 4.2 can be viewed as an opportunity to drive this business case forward by increasing the need to divert waste from Energy from Waste which is lower down the waste hierarchy than composting garden waste.

5. Objective

As detailed in 4.1 the strategy for providing a garden waste collection service addresses the following business objectives:

- To meet residents needs and demands for a kerbside garden waste collection service
- To provide an efficient and effective collection service
- Provide maximum revenue generation for the Council
- Develop an approach to improve customer insight for Environmental Services but also to the benefit of the Council
- To provide an easy to subscribe system and subscription discounts to motivate customers to join the scheme prior to implementation
- Improve household recycling and composting rates
- Reduce the amount of biodegradable municipal waste (BMW) sent to Energy from Waste

6. Scope

6.1. What is the proposal?

The proposal is to introduce an opt-in chargeable garden waste collection service, available to a pilot area within the South Holland District.

There are 3 options for the geographical coverage of the pilot over a fortnightly collection regime. These are:

- A. Spalding based collections area (approximately 13,522 households).
- B. The main towns and villages outside of Spalding (approximately 17,352 households).
- C. Combination coverage - Spalding collections one week, Holbeach, Crowland, Long Sutton, Sutton Bridge, Donington, Gosberton and Surfleet second week (13,522 week one, 13,181 week two).

Each option highlights how many properties the scheme would be advertised to. Maximum capacity of 1 collection vehicle over a fortnightly period will be 5,000 households (500 households per day). Should more subscriptions be requested than capacity allows, a waiting list will be operated.

BUSINESS CASE

Due to the responses of a postcard survey (see section 3.1), cost of travel to the household waste recycling centre in Spalding, garden size and the potential removal of the Saturday Morning Collection funding by Lincolnshire County Council (section 7.2), indications show that subscriptions would have the fastest take up with option B (outside Spalding). However, by setting year 1 of the pilot as detailed in option C (a combination of areas) identification of the best coverage areas for the highest subscriptions will be tried and tested.

The scheme would offer subscribers the benefit of a fortnightly collection of garden waste for 24 collections utilising a 240 litre wheeled bin or sack where a bin could not be accommodated.

In year 2, this pilot area would then extend to cover a further household area based on any waiting list materialising from year 1 and extending to further main towns and villages in South Holland to capture a further 5,000 properties. For example, Moulton, Fleet, Weston, Pinchbeck, Cowbit, Whaplode.

It is critical to ensure that a payment system is in place that is easy for residents to use, works with our route planning software and aids reporting.

In order to release a vehicle for the collections of garden waste in year 1, it is proposed that the current waste and recycling fleet extends its working day. In year 2, should 5,000 households be subscribed it will be necessary to purchase an additional vehicle. This will enable the pilot scheme to increase capacity by a further 5,000 households. The business case has modelled 6,000 subscriptions and 600 properties who require a second bin.

6.2 What is not in the proposal?

This project deals entirely with a garden waste collection service. The collection of garden waste is a non-statutory function where legislation allows a charge to be made for that service. However, refuse and recycling collections are a statutory function. Therefore, charging for black refuse sacks or green recycling sack collections are entirely out of scope. In addition, the use of weighing equipment or chipping individual bins is not to be considered.

7. Stakeholders

7.1 The Project Team will require three working groups

- Payment (ICT/Finance)
- Communications
- Operations (Waste Management/Waste Operations)

The Environmental Services Manager will directly manage the Project and will provide bi-weekly updates to the Place Manager. However a significant input will be required from other organisations, Council teams and suppliers. These include the following:

7.2 Lincolnshire County Council (comment from Sean Kent, Group Manager Environmental Services) - Lincolnshire County Council welcomes and is fully supportive regarding the consideration of South Holland District Council to introduce a kerbside garden waste collection service. The County considers this proposal to be a positive service provision which is expected to be widely supported by the public, as experienced by some of the other Lincolnshire Districts Councils who have implemented a charged green waste service.

It is expected that this proposal will have the additional benefit of relieving the operational requirements regarding the green waste provision at the Spalding Household Waste Recycling Centre, which has resulted in excessive queuing times and public frustration. The introduction of a garden waste service would also allow the County Council to consider the operation of the Spalding Household Waste Recycling Centre within the County's Household Waste Recycling Policy 12 mile radius policy, as operated for the majority of the other 12 Household Waste Recycling Centres.

This proposal is expected to provide residents with the clear opportunity to increase the South Holland District Council recycling rate and consequently the overall County recycling performance, for the benefit of our public.

Conversely, Lincolnshire County Council are currently reviewing budgets and as such have identified the funding for the Saturday Moring Waste Collections to be utilised as a budget saving for 2016/17. With the scenario that this service is no longer funded and therefore no longer operated, there will be a greater demand from residents to have a garden waste service they are able to use from their home.

7.3 Organic Recycling Ltd – Lincolnshire County Council, as disposal authority, holds a series of Composting Facility contracts within Lincolnshire. As such, Lincolnshire County Council has power of direction to waste collection authorities and as such would require South Holland District Council to use the composting facility 'Organic Recycling Ltd' at Crowland. The facility has been contacted by Lincolnshire County Council to enquire that they would be able to facilitate garden waste collected from households in South Holland. The facility confirmed that an increased tonnage from households in South Holland could easily be managed. In addition the facility is able to accept paper sacks however would need to shred material entering the facility in this way therefore would prefer to keep these to a minimum.

7.4 Procurement Lincolnshire – the team has been contacted. Contract frameworks for wheeled bins are already in place and as such we are able to utilise these. Paper sacks will be procured separately. Confirmation has been obtained that the purchase of wheeled bins is currently at a 15 week lead time.

BUSINESS CASE

7.5 Compass Point IT and Customer Services – Consultation and preliminary preparation work has commenced with Compass Point to ensure capacity is available to meet all IT and Customer Services needs for this business case including an online payment system for subscriptions. Compass Point Business Services have confirmed that Direct Debit payments are currently being investigated but due to the complexity of holding confidential data this form of payment would not be available for 2016. However Compass Point will continue putting in the necessary plans and work to ensure this can be an option to explore in the future. Customer Service Advisors need to be trained and the scripting put in place for all aspects of the scheme with frequently asked questions. This would need to be in place prior to any publicity starting about the scheme.

7.6 Bartec In-Cab Technology Providers – For the recycling and refuse collection routes, all vehicles are now fitted with in cab technology so that collection team members are able to receive real time information regarding collections and also send real time information to the Customer Services and Environmental Services Teams. As such, knowledge and a found relationship have been built between SHDC and the Bartec providers. Bartec have confirmed that a system for the garden waste collections can be in place within the scope of this business case.

7.7 South Holland District Council Communications Team- Marketing materials will be commenced on approval in order to ensure resources are available to promote a garden waste collection through all media methods. Social media and all other forms of media will be utilised to market this service affectively.

7.8 Operations - The operational elements of this project will be performed by Environmental Services Operations.

In order to release a vehicle for the pilot garden waste collection scheme it will be necessary to extend the current working days of all other refuse and recycling collection vehicles. This released vehicle will then be converted with bin lifting equipment.

The Waste Operations Team will be required to recruit and train staff and provide vehicles suitable for garden waste collection. They will be required to deliver, collect bins and provide assessment of properties where suitability for a wheeled bin may be in question.

8. Benefits Profiling

Important benefits identified and analysed for this case include the following:

Increase in revenue generation of the service

8.1 The introduction of a garden waste collection service will be to the benefit of the council's budget by introducing an additional income stream. The detail of this benefit will be detailed within section 9 of this business case.

Decrease of BMW to EfW

8.2 In a recent Residual Waste Compositional Analysis (October 2013), the report highlighted that 7.18% of waste collected was garden waste within black sacks.

8.3 For example, with each 1,000 subscribers, assuming that each presented an average of 0.8 tonnes of residual waste per year, 7.18% of this was garden waste and that on subscription this garden waste is moved to the garden waste collection service, Lincolnshire County Council would see a reduction in 57 tonnes per year at a saving of approximately £5130 from EfW and haulage charges.

Increase in recycling and composting rate

8.4 It is assumed that each subscribing property will compost approximately an average 0.5 tonnes per year (based on nearest neighbour data). Although seasonality influences tonnages collected (wet summers have higher than average tonnage collected, dry summers lower than average), it may be presumed that the composting rate will increase by up to 3%.

This would give South Holland District Council an overall recycling and composting rate of up to 34%.

Improved customer insight using ACORN data

8.5 In order to predict the number of potential customers to the garden waste scheme a combination of benchmarking with other authorities that have introduced a similar collection service and with similar demographics, utilising the results of the Customer Post Card Survey and Household Waste Recycling Centre Survey, historical feedback from Customers and the numbers of visitors to the Household Waste Recycling Centres/Saturday Morning Waste Services disposing of garden waste. Acorn data has been applied to returning surveys to also help determine which category(s) make up the customer base (target market). Households outside the main garden waste customer Acorn categories do not need to be targeted initially as they are unlikely to be a 'potential subscriber'.

Improved Council image and Customer Satisfaction

8.6 A need has been identified for a garden waste collection in South Holland. By introducing an easy to use 'fit for purpose' service that households have requested and indicated they would use, the Council image will be improved and customer satisfaction will increase.

BUSINESS CASE

Summary of the benefits (Benefits Card)

Benefits	This covers	Initial Investment (Invest to Save)	Identified Benefits (Non cashable savings)	Outcomes	Savings (Cashable Savings)	Timeframes	Dependencies	Risks
Service Improvement & Quality	<i>Improvements to service delivery/quality, streamlined processes, development of new online payment system, Value for Money, additional resources - including people, equipment</i>		<i>Increase in Recycling and Composting rate</i> <i>Increase in staffing</i>	A reduction in the amount of garden waste sent to the EfW facility and an increase in materials sent for composting will increase the overall diversion rate for the Council. Not only will this increase in performance reduce the EfW gate fee it will also assist in meeting the County target of 50% recycling and composting performance by 2020, reducing the risk of fines.	<i>Decrease in garden waste to EfW facility</i> <i>System development for online payments</i>	2017/18 From January 2016	1) CPBS commence the online payments system commences in January 2016 2) That the operational team provide a good level of service. 3) That the project management team remains affective.	1) That ICT and the customer management system meet deadlines and actions defined. 2) Subscribers are as predicted. 3) That the marketing plan is adhered to. 4) That all staffing and wheeled bin/sack procurement is complete d 5)
Customer satisfaction	<i>Customer and member satisfaction improvements, easy interaction with services/organisation</i>	Capital costs: Year 1 £72,500 Year 2 (should the 5000 subscriber trigger point be met) £148,350.	<i>Improved customer insight using ACORN data that can be applied to other projects.</i> <i>Reduction in traffic to the HWRC in Spalding.</i> <i>Improved Council image and Customer Satisfaction</i>	It has already been identified that 65% of households would be interested in a garden waste collection service. Introducing an opt in collection service will provide an increase in customer satisfaction. In parallel, subscribing to the scheme will allow customers to have more time with less need to use the HWRC in Spalding and use of their car/fuel for these journeys.		From April 2016	1) Appropriate advertising through the communication Team. 2) Lincolnshire County Council keeping the opening hours of the HWRC in Spalding the same or reduce further. 3) That the Environmental Services Operational Team provide a good level of collection service.	1) That households subscribe to the scheme as defined by the initial investigations. 2) That the ICT online payment system provides a clear and consistent process.
Cost Avoidance	<i>Income generation, fee setting</i>			As defined within the Environmental Protection Act 1990, a waste collection authority is able to charge for the collections of garden waste. As such a subscription based service where residents opt into the scheme can be made available to those households wishing to use such a service. This means that those residents that do not have a garden, that are not in the initial pilot area or that do not wish to use such a service do not also have to pay for the collections.	That the subscription based service provides an income to the benefit of the Council's budget of a minimum of £30K per year	From April 2016	1) That households subscribe to the scheme. 2) That the Communications Team undertake appropriate marketing and advertising of the scheme.	1) That the marketing and communications plan is not followed. 2) That online payments are not up and running in January to start taking payments.

Key Performance Metrics

8.7 The following measures will be undertaken in order to evaluate the success of the business case:

- Annual Subscriptions increases in comparison to targets defined
- Recycling and Composting performance
- Additional income received through subscriptions in comparison to the financial model (weekly monitoring)
- Coverage metric – how many customers have subscribed in comparison to the potential number of customers (weekly monitoring)
- Annual Customer satisfaction survey
- Annual residual waste analysis

Adverse effects

8.8 Reduction in the opening hours of the household Waste Recycling Centre and terminating the Saturday Morning Collection Service

Lincolnshire County Council have conversed that should a garden waste collection scheme become operational in South Holland, they would look to cease Saturday Morning collection payments and reduce the current opening hours of the Household Waste Recycling Centre in Spalding. As stated above, residents outside the pilot areas will still be able to purchase grey waste sacks for disposal of garden waste and home composting will continue to be promoted.

9. Options

9.1 The value of the expected benefits and costs of this business case were developed from a comparison of the current situation, benchmarking, and understanding customer wants and needs. As previously detailed in section 2, an options appraisal for the collection of garden waste was previously debated by Members of the Council with the outcome that the below option (wheeled bin service with optional paper sack) was taken forward in a pilot (phased approach) in order to test the business case. As such no other options are detailed within this section.

A do nothing option would provide no additional revenue to the benefit of the Council's budget or provide increased levels of customer satisfaction.

This option estimates operational performance and other factors, assuming that analysis of the customer research, current costs and expected costs remain consistent and as projected.

Collection Method and Operational Rules

9.2 It is the proposed that from April 2016, the Council will introduce a charged collection service for garden waste in a pilot area of South Holland. This will help the Council to provide a revenue income from 2016/17.

9.3 This will be an opt-in fortnightly collection service for those households within the target area. The service will operate all year except a four week break over the Christmas and New Year period.

9.4 To support the pilot collection service, the following will need to be in place:

- The current waste and recycling fleet will extend the hours worked per day (in order to release a vehicle to the garden waste service).
- The IT system 'Collective', will be implemented and link to the customer services management system to provide a digital subscription process.
- A transit cage van to be released from the special collections service for 2 hours per day.

Primary Collection Service – 240 litre Brown Wheeled Bin

9.5 Based on the results of the Options Appraisal Report and customer feedback undertaken summer 2014 it is proposed that the Council provides a chargeable fortnightly brown wheeled bin garden waste collection service from April 2016.

9.6 This will be an opt-in service which is available to all suitable domestic properties within a pilot area of South Holland (capturing 5000 subscribers). Suitability within that pilot area will be defined on a case by case basis.

9.7 The service is not available to commercial properties with the exception of churches and other places of worship.

Pricing Strategy

9.8 As detailed previously, the Environmental Protection Act (1990) gives power to Waste Collection Authorities to make a charge (section 45 (3)) in order to recover reasonable costs from the person requesting the service. It is important to note that an emerging position from the Coalition Government has 'reminded local Councils not to exceed their legal powers by imposing 'back door' bin taxes'.

In the postcard survey, 65% of respondents confirmed that they would be happy to pay for a collection service (£2 per collection).

Further analysis of garden waste collection services in authorities similar demographically to South Holland and/or comparable services highlighted that a charge around £45-£55 is value for money to customers using a wheeled bin garden waste collection service. This is based on:

- Convenience
- Availability of other disposal methods e.g. numbers of HWRC
- Garden size
- Cost of operating the service
- Standard of collection service
- A collection through Autumn and Winter rather than just Summer
- Disposal income versus time available of customer
- Other comparable goods and services

The table below shows a selection of comparable authorities and charges for garden waste collections.

Council	County	Charge	Households	Number subscribed	% subscribed
South Kesteven	Lincolnshire	£35 new customer, £26/bin and £25/year after first year	61,250	27,000	44%
North Kesteven	Lincolnshire	£25 (to be reviewed next year)	48,670	28,800	59%
Boston	Lincolnshire	£25	28,760	14,000	49%
West Lindsey	Lincolnshire	Free, £24 per extra bin	41,580	3,372 (extra bins)	100% (free) / 8% with extra bin
East Lindsey	Lincolnshire	£25 plus £27 for bin	66,590	32,000	48%
Lincoln	Lincolnshire	£25/year for first bin, £10/bin for additional bins	44,260	16,352	37%
Peterborough	Unitary authority (Cams)	£39	79,970	19,808	25%
South Norfolk Council	Norfolk	£44.50			
Broadland Council	Norfolk	£47.00	54,996	25,000	45%
Kings Lynn and Council	Norfolk	£41.00	46,920		
Norwich City Council	Norfolk	£42.00	64,580	8,400	13%
Yarmouth Borough Council	Norfolk	£48.00	46,920	5,500	12%
Breckland District	Norfolk	£40	58,390	18,000	31%
North Norfolk Council	Norfolk	£42.12	53,110		
East Northamptonshire	Northampton	£51.50/year 10 sacks for £15	10,000	4,998	50%
Tendering Council	Essex	£50/year plus £25 joining fee			
Harlow Council	Essex	£94.92/year or £16/20 bags			
Wiltshire Partnership	Wiltshire	£40/year plus £25 admin fee			
Braintree	Essex	£48/year plus £21 per bin			
Dorset Partnership	Dorset	£45 per year			
Mid Suffolk and Babergh	Suffolk	£50/year plus a £5 delivery charge			
Wyre Forest	Worcestershire	£43 for 20 collections plus £21 joining fee			

Malvern	Worcestershire	£65/year			
Sevenoaks	Kent	£44 per bin / £13.50 per 25 paper sacks	49,910	8,000	37%

In addition, Biffa also offer a garden waste collection service to a number of local authorities (excluding Lincolnshire) for £42 per year.

Subscription details

Materials collected

9.9 What can go in: lawn cuttings, flowers, weeds, twigs, shrubs, branches (under 1metre long and 50mm in diameter), leaves, hedge clippings. What cannot go in: stones, rubble, soil, food waste, plastic (including carrier bags), fencing, pet litter or animal waste of any kind, branches (over 1 metre long and over 50mm in diameter).

9.10 Garden waste materials will not be collected in any other container than a SHDC wheeled bin or pre-paid paper sack within the pilot area.

9.11 Wheeled bins must be neatly presented on the subscribing properties boundary on collection day (not on the highway) with lids closed properly. Over flowing bins, overweight bins or bins containing materials not suitable for collection will be yellow/red tagged. It will be the responsibility of the subscribing household to make the bin acceptable for collection again. If a property receives a red card the subscription service (and bin) can be withdrawn without refund.

9.12 Discounted subscriptions prior to Implementation – The subscription for 24 collections is proposed to be at a cost of £49. This subscription cost has been benchmarked across a number of other Local Authorities in England (see pricing strategy above), cost of the service, average disposal income and investigation into the strategy’s for a number of commercial product charges (alarm installation and subscriptions, amazon delivery charges, Sky Television subscription charges). In order to gain the maximum number of new subscribers before the commencement of the scheme, a reduced ‘one off’ fee of £15 will be offered if households register and pay between, 1st February – 31st March 2016. This one off fee is for the rental of the bin, delivery, collection calendar, 4 newsletters an year on how to get the best out of your subscription, offers and prize draw entry.

9.13 Post Implementation subscription - For households subscribing after the start of the service (post 1st April) the delivery charge will increase to £20. This is in line with the cost of delivering a wheeled bin from internet companies. However it is proposed that the subscription cost will remain at £49 per 24 collections. The start date of the subscription is defined as the first collection 10 days after payment has been received.

9.14 Number of wheeled bins per household - Households within the pilot area may sign up for a maximum of two wheeled bins per property. If households ask for more than two bins, a Garden Waste Supervisor will undertake a visit and assess against a set of criteria. In these instances, payment will not be taken until this assessment takes place. Once assessed, households that do qualify for further bins may have a

total of 4 bins. Each subsequent bin after the initial first bin will be at a cost of £30 per additional bin. This charge again is benchmarked across a number of other authorities in England. Households may sign up for an additional bin throughout the year; however, these additional bins will end at the same date as the initial sign up bin. E.g. A householder takes out one bin in April. They decide to take a further 2 bins out in June. All bins will cease subscription in March (24 collections after the start of collections from that household). Additional bins do not incur a delivery charge.

9.16 Payment - Payment will be accepted by debit or credit card either on the Council's website, face to face at Priory Road Offices, or by calling Customer Services. The service request to action bin delivery/collection will not be provided until payment has been received. For credit card payment charges, these will be added to the customer's final payment total with clear scripting prior to the payment page.

9.17 Subscription renewals - The collection fee is renewable after 24 collections have been made, with no concessions. Households will be sent a reminder letter/e-mail the month before their subscription period ends. Subscriptions will not be automatically renewed. Households must ensure that renewals are paid within 5 working days after the last collection has been made. The renewal letter will clearly set out that if renewal is not made the bin will be recollected and this should be made available for us to do so.

9.18 Should a renewal payment not be made within 5 working days an action will be sent through to the supervisor to retrieve the bin(s) at the property. Should the supervisor be unable to get access to the bins he will leave a card to say he will call back and the bin must be made available otherwise an invoice will be sent to the household to pay £25 for each of the bins on loan to them. These bins will then not be able to be used thereafter for collections made by the Council.

9.19 If a household wishes to re-subscribe within 12 months after a subscription has ceased, a £10 admin charge will be added to the new subscription cost.

9.20 Sharing subscriptions - Neighbouring properties can share bins but this will be by local agreement between the two parties. Once the subscription fee has been paid, a bin will be delivered to the subscribing property up to 10 working days prior to the first collection.

9.21 Transfer of subscriptions – On subscription sign up it will be made clear that when a householder moves to a different property either within or outside the District they must inform the Council of this. If the household is moving within the district then their subscription can be transferred to their new property. They will be allowed to take their brown garden waste bin(s) with them. If they are unable to transport the bin(s) themselves, a delivery can be arranged at a charge of £10 per household (not number of bins).

9.22 On subscription sign up it will be made clear that if a householder moves out of the District, the service will be cancelled and the bin is made available to us to collect. No refunds will be given if a householder moves from a property or cancels the service. If the bin is unavailable for us to collect a £25 invoice will be sent to their new address or lodged against their name. It will not be the responsibility of the new occupiers to pay this charge.

9.23 If a £25 bin retrieval fee is not paid within 10 working days this fee will be lodged against the subscribing household name and as such this householder will be unable to use the service in the future unless the retrieval fee is paid first.

9.24 Unsuitable properties for bins – Before the commencement of the collection scheme, households unsuitable for a bin will be flagged. Therefore at point of subscription, a householder with a flag will be unable to subscribe to the wheeled bin collection method. To be suitable, properties must have an area where the bin can be stored safely, securely and out of the public view from the highway. On delivery of bin(s), should a household be assessed (against criteria) as being unsuitable for a collection via a wheeled bin a card will be left at the property advising of this. As the fee is non-refundable (clear in scripting) the subscription payment will be transferred to the proportionate number of paper sacks.

9.25 It will be the Council's final decision of which households are suitable for wheeled bins and unless a situation has changed those properties will remain unsuitable.

9.26 Missed collections – should a household log a missed collection and the crew have not recorded as 'not out' this will generate a work order for the next working day to be collected.

9.27 Lost/stolen/damaged bins – scripting will dictate the corresponding rules for a household to generate this request.

Secondary Collection Service – Non reusable paper sack

9.28 For those households who do not generate enough garden waste to warrant a collection every two weeks or for households that do not have space for a wheeled bin, a paper sack collection can be used.

9.29 Details of service - Paper sacks will be available to purchase in packs of 10 for £15. The address of the household that will be presenting sacks will need to be taken so that this can be flagged on the In Cab Technology system so that crews can be aware sacks may be presented. These sacks are delivered to properties within 10 working days of payment received. A delivery charge of £5 for any number of paper sacks will be payable. This has not been factored into the income stream at this stage.

9.30 The sacks can then be filled and presented for the same garden waste collection crew that collects the wheeled bin service in that participating household's road. A collection calendar will be provided with each bundle of sacks to ensure the householder has all the information needed to participate correctly in the scheme.

9.31 The sacks (three or four full sacks are about equivalent to a full 240-litre bin full) are for the collection of garden waste only - they are not storage sacks due to the paper becoming wet and tearing.

9.32 Historical grey sack garden waste service – In order to support customers within the pilot area on the change from the purchase of singular grey sacks (sent for residual) to the purchase of bundles of 10 paper sacks it is intended to phase this service out as from April 2016. Information leaflets detailing the collection changes will be given out to any customers continuing to use this method.

9.33 Summary Financial Position

Garden Waste	Year 1	Year 2	Cumulative year 2 Total £
	2016-17 £	2017-18 £	
Employees	66,940	169,140	236,080
Transport	42,670	85,330	128,000
Supplies and Services	6,470	76,340	82,810
Gross Expenditure	116,080	330,810	446,890
Income	(160,700)	(395,000)	(555,700)
Net Expenditure	(44,620)	(64,190)	(108,810)

Garden Waste	Year 1	Year 2	Cumulative year 2 Total £
	2016-17 £	2017-18 £	
Revenue			
Gross Expenditure	116,080	330,810	446,890
Income	(160,700)	(395,000)	-555,700
Total	(44,620)	(64,190)	(108,810)

Capital costs	Year 1	Year 2	Cumulative year 2 £ Green Waste
	£ Green Waste	£ Green Waste	
1RCV (6x2) service vehicle	0	146,850	146,850
Lift conversion	50,000	0	50,000
Bartec	15,000	1,500	15,000
	7,500		9,000
Total	72,500	148,350	220,850

Revenue and Capital costs

	Garden Waste
	Year 2 £ 2019-20
Revenue	
Gross Expenditure	446,890
Income	(555,700)
Bins 2015/16	44,200
Capital	220,850
funded by reserve	(265,050)
Total Net Income	(108,810)

9.34 Financial Estimates Detail

Garden Waste - Estimates	Year 1 2016/17	Year 2 2017/18	2 Year Total
Expenditure	Full year		
Employee Related Costs			
Supervisor 10 hours year 1, full time year 2	8,383	31,481	39,863
Administration Staffing	4,000	26,918	30,918
1 x Drivers (2 drivers year 2)	22,017	44,700	66,717
1 x Loaders (2 loaders year 2)	20,203	41,013	61,216
1 x Loaders (Summer) -(2 loaders year 2)	10,134	20,571	30,705
Holiday/Sickness Cover	1,467	2,977	4,444
Other Employee Costs	100	200	300
PPE	640	1,280	1,920
Transport Related Costs			
1 vehicle- (2 vehicles year 2)			
Maintenance (in-house)-service	9,480	18,960	28,440
Transport Insurance	400	800	1,200
Tyres	3,185	6,370	9,555
Fuel-existing + service	28,600	57,200	85,800
Road Tax-service vehicle	1,000	2,000	3,000
Supplies and Services			
Bins at £17	0	68,000	68,000
Materials and consumables	100	100	200
Sacks (replacement)	1,620	3,240	4,860
Stationary	1,000	1,000	2,000
Insurance	750	1,000	1,750
Communication/ promotion marketing	3,000	3,000	6,000
Total Expenditure	116,080	330,810	446,890
Income			
10 paper sacks £15 (ad-hoc customers)	(4,500)	(9,000)	(13,500)
2nd bin subscription £30	(9,000)	(18,000)	(27,000)
Bin delivery -new customers £15	(34,500)	(74,000)	(108,500)
Subscriptions £49	(112,700)	(294,000)	(406,700)
	(160,700)	(395,000)	(555,700)
Total Estimated (Surplus)/Deficit	(44,620)	(64,190)	(108,810)

9.35 Impact assessment for each option

Type of impact	Implications
Carbon Footprint/ environmental	<p>Although an increase in service and associated vehicle movements will increase the carbon footprint to the Council, the carbon footprint of households travelling to the Household Waste Recycling Centre in Spalding to dispose of garden waste will reduce significantly.</p> <p>In addition the diversion of garden waste from EfW to composting will assist in off setting some of the additional carbon emissions generated from collections.</p>
Constitutional & Legal	<p>This report will be determined at a meeting of South Holland District Council 18th November 2015.</p> <p>All legal implications are detailed within the Business Case subsection 'Key Waste Legislation' (paragraph 4.4 of the business case).</p>
Contracts	<p>This business case will commence new contracts for vehicles and containers. Should the recommendations be approved by Members these additional assets will be obtained through the appropriate procurement process.</p>
Corporate Priorities	<p>The approval of this business case would allow a garden waste collection scheme to contribute to the following corporate objective:</p> <p>To provide the right services, at the right time and in the right way</p> <ul style="list-style-type: none"> • Ensure that Council services are accessible, customer friendly and responsive to residents and business needs • Develop and implement a commercial approach to ensure a secure financial position

	<ul style="list-style-type: none"> Develop the council's transformation programme and work with partners to drive through efficiencies and achieve resilience.
Crime & Disorder	There are no crime and disorder implications associated with this report.
Equalities & Human Rights	<p>This business case and subsequent recommendations would be available to a subscription base of 5000 households in year 1 and an additional 5000 households in year 2. This phased approach is to be undertaken in order to test the business case and subscriber demand whilst minimising the capital asset purchase.</p> <p>Those 5000 households will be within a target area which will be based on a postcode .</p> <p>Should the business case prove successful (measured against KPIs) a further report will be presented to Members to consider extending the scheme to further properties.</p> <p>Some residents may not be able to afford the proposed pricing scheme. A reduced offer is to be introduced prior to the implementation of the scheme and an ad hoc scheme in the form of a paper sack. Residents will still be able to utilise the Household Waste Recycling Centre free of charge for the disposal of garden waste.</p> <p>A customer survey from both households and users of the Household Waste Recycling Centre in Spalding identified that the service would be utilised by all segments of the population of South Holland.</p> <p>The Council will continue to offer an assisted</p>

	<p>collection for any person that is unable to position their bin or bag at the edge of their property where they are the only occupant of the household.</p>
<p>Financial</p>	<p>As detailed previously, the Environmental Protection Act (1990) gives power to Waste Collection Authorities to make a charge (section 45 (3)) in order to recover reasonable costs from the person requesting the service.</p> <p>In the recent postcard survey, 65% of respondents confirmed that they would be happy to pay for a collection service (£2 per collection).</p> <p>Further analysis of garden waste collection services in authorities similar demographically to South Holland and/or comparable services highlighted that a charge around £45-£55 is value for money to customers using a wheeled bin garden waste collection service.</p> <p>After considering the comparative market, reviewing responses to the postcard survey and evaluating the costs for collection it is believed that introducing a charge of £49 for a wheeled bin garden waste collection (plus one off charge) and £15 for 10 paper sacks (plus delivery charge) would be acceptable to both residents and Council.</p> <p>All other financial implications are detailed within the attached business case.</p>
<p>Management of Risk</p>	<p>All sensitivities, risks, contingencies and management of these are detailed in the attached business case under section 12.</p> <p>In summary the key risks are:</p> <ul style="list-style-type: none"> • IT Implementation and online payment capability • Time management of marketing plan • Subscriber increases are as predicted

<p>Staffing</p>	<p><i>Existing Staff within Environmental Services</i></p> <p>The following posts, currently held within the Environmental Services Team at South Holland District Council, will provide support to the scheme.</p> <p>Environmental Services Manager Environmental Services Operational Manager (and assistant) Senior Environmental Services Manager</p> <p>Administrator (currently part time but to be extended to full time)</p> <p>Amongst those roles they are responsible for the day to day management of Environmental Services (strategic and operational), support and promotion of service, provide key campaigns to target issues such as high levels of contamination in the materials collected for recycling and provide valuable customer insight and data to support their roles.</p> <p>The existing staff will support, enable and assist in the mobilisation of the implemented pilot Garden Waste Service.</p> <p>The additional Supervisor hours will commence from January 2016 in order to prepare routes, identify properties where bins may not be accessible and ensure an efficient and effective service implementation. The delivery of bins and sacks will commence from February 2016.</p>
<p>Stakeholders/ Consultation/ Timescales</p>	<p>All organisations and key suppliers have been engaged with during the development of this business case.</p> <p>A mobilisation plan is detailed within section 11 to identify key timescales and milestones.</p>

Wards/ Communities affected	This proposal is to implement a garden waste collection service available to a pilot area of South Holland. Each collection day will cover a different village or town within South Holland therefore all wards and the majority of communities will be affected.
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9.36 Recommended Option

Based on the analysis presented within this business case, it is recommended that the following is approved:

- 1) That the Council introduces a pilot garden waste collection service in targeted areas of South Holland commencing April 2016 available for 5,000 households (500 collections per day).
- 2) That the daily hours operated by the existing waste and recycling fleet be extended (6am collections start), in order to release a collection vehicle that can be converted for the purposes of this pilot.
- 3) That, depending on the outcomes and evaluation of the pilot year 1 (including financial implications, the effect on performance, publicity requirements, administration and environmental and operational impacts) which will be the subject of a separate report to cabinet the service be rolled out to a further pilot area in 2017/18.
- 4) That the coverage of the pilot in year 1 is split between Spalding households one week and Holbeach, Crowland, Long Sutton, Sutton Bridge, Donington, Gosberton and Surfleet second week; and that decisions on any additions or amendments to these areas be delegated to the Environmental Services Manager in consultation with the Executive Manager of Place, the Place Manager and the Portfolio Holder for Place.
- 5) That the service standards and methods for the collection of garden waste be adopted as detailed within the attached business case.
- 6) That an initial customer annual charge of £49 for 24 collections and a one off charge initially offered at £15 (for delivery, repairs, loan of bin, newsletters and offers) be agreed for the primary collection method.
- 7) That paper sacks are provided at a charge of £15 for 10 (plus £5 delivery) to be made available for ad hoc users or household not suitable for a bin within the pilot area.
- 8) That the Council's current collection policy relating to garden waste using grey pre-paid sacks be amended to coincide with the start of the pilot service to discourage garden waste being disposed of in this way in target areas.
- 9) That the Council's current collection policy relating to the sale of grey sacks continue unaffected in the pilot areas for a transition period but that residents

purchasing grey sacks who live in the pilot areas will be provided with information about the new service, home composting and what happens to waste disposed of in grey sacks.

- 10) That the grey sack policy be further considered as part of the evaluation of the pilot and the update report to Members.
- 11) That £72,500 is released from the Organisation Development Reserve in order to finance the year 1 capital requirements of this pilot.
- 12) That £44,200 is released from the Organisational Development Reserve to finance the initial order of 2600 bins for the pilot.

10. Dependencies

10.1 ICT - The introduction of this scheme will require stakeholder involvement within the Council. Finance and ICT will be required to ensure a payment scheme is fit for purpose, easy and accessible to our residents and that captures those households that cannot participate within the pilot but can be called upon in an extended scheme. These issues need to be addresses thoroughly as part of set up to ensure a successful launch.

The Communications Team will play a key role in providing positive messages to both residents within the pilot area and outside.

10.2 Approval – Commencing a chargeable scheme in April 2016 is feasible if project work commences from mid-November. This work is primarily on the ICT/payment interface as this has the longest lead time. A facility to take payment will be needed from the start of February 2016. However, progressing with communications materials and arranging the delivery methods of these will need to be in addressed and put in place. These cannot wait past the potential Cabinet approval deadline in November. Ideally communications to residents of the proposals need to commence as soon as possible so they are aware of their options.

10.3 Procurement framework and delivery – Due to the quantity of wheeled bins required, a framework agreement will be entered into to order stock. Lead times are currently at 6-8 weeks. In order to mitigate against longer leads times impacting on the commencement of collection date, bin stock should be ordered no later than November 2015.

10.4 Environmental Services Team – Without the support and delivery from the team the project will not commence within the timescales as defined in the implementation plan.

11. Timescales

11.1 Approval dates

6th October 2015 - Transformation Board
10th November 2015 – Cabinet
18th November 2015 - Council

11.2 Mobilisation

Year 1

November 2015 - IT and online payment methods developed.
November 2015 – Consultation with existing collection crews for extended working hours.
December 2015 – Procurement of bin lift, second hand vehicle, wheeled bins and paper sacks and Bartec hardware and software.
December 2015 – Communications Strategy finalised.
December 2015 – Promotional material designed and produced
January 2016 – Staff with appropriate skills interviewed, roles offered and accepted, induction to service with appropriate training.
January 2016 – Customer scripting approved
January 2016 – Hardware and software programming and training
January-July 2016 – Promotional events, leaflet deliveries and advertising
11th January 2016 – Subscriptions service opened
March 2016 – Vehicles arrival and hardware fitted.
February-April 2016 – bin and sack deliveries by crews.
4th April 2016 – Collection Service Commences
31st March 2016 – Review of discounted rate to end.
April 2016 – Supervisor to deliver further bins, sacks, undertake household assessments for suitability, monitoring of crews, repairs.
September 2016 – autumn offer (half price until March 2017)
Monthly updates – performance monitored against indicators and stakeholders updated; current subscribers mapped and non-subscribers in target areas contacted.

Year 2

November 2016 – Procurement of vehicle, wheeled bins and paper sacks and Bartec hardware and software.
November 2016 – Communications Strategy finalised.
November 2016 – Promotional material designed and produced for extension.
January-March 2017 – Staff with appropriate skills interviewed, roles offered and accepted, induction to service with appropriate training.
January 2017 – Customer scripting revised and approved as appropriate
January-July 2017 – Promotional events, leaflet deliveries and advertising
January 2017 – Subscriptions service opened for second phase.
March 2017 – Vehicles arrival and hardware fitted.
February-April 2017 – bin and sack deliveries.
April 2017 – Collection Service Commences
April 2017 (onwards) – re subscription emails and letters sent to current phase.
31st March 2017 – Discounted rate reviewed on delivery charges
April 2017 – Supervisor to deliver further bins, sacks, undertake household assessments for suitability, monitoring of crews, repairs.
Monthly updates – performance monitored against indicators and stakeholders updated; current subscribers mapped and non-subscribers in target areas contacted.

12. Risks

A risk matrix has been completed for the business case (appendix 3). However in summary the risks of the project are:

Capacity at West Marsh Road Depot

12.1 The current West Marsh Road depot has limited capacity for vehicles. It is therefore proposed that extending the working hours of the existing fleet and implementing a pilot garden waste collection service will minimise additional space needed. However, should the expansion of the garden waste collection service be further pursued further provision will be needed in terms of space for additional vehicles and containers.

Timescales

12.2 It is important to approve this decision so that the conversion of the collection vehicle can take place to accommodate bin lifts, procurement of containers is commenced, efficient marketing can be undertaken, resources are invested and then utilised in the most efficient manner while generating maximum income to the benefit of the council's budget.

Subscriber increases

12.3 The results of the business case assume that the marketing campaign will capture up to 6,000 subscribers within the 2 year pilot. These subscription predictions are based on a review of a number of other Local Authorities or commenced garden waste collections in a similar format. This subscription projection will still enable a balance budget with a small net income.

12.4 However, a minimum of 1800 subscribers are needed in year 1 in order to balance the budget. However, due to the flexibility of the collection rounds, further properties can be added to the pilot in order to capture further subscriptions.

Communications to residents

12.5 Residents will need to be advised why a pilot chargeable subscription scheme has been approved. Within the communications strategy it will be very important to state that the collection of garden waste is not a statutory function and the council may apply a reasonable charge to provide such a collection. A key message to all residents in South Holland will need to be that each household only pays through their council tax for waste related services which apply to them. It is intended to use social media, the Council's website, and utilisation of the distribution of the Council tax bills, leaflet dropping in targeted postcodes, advertising boards, newspaper coverage and targeted door knocking.

Pricing

12.6 Pricing needs to be transparent and clear. As long as residents perceive the price to be reasonable and can see the benefit to them it has been proved through other authorities that residents will pay.

Waste tonnages

12.7 A further risk will be managing a 'no garden waste' policy within the current black sack (residual) collections. It is important that residents that are able to subscribe to a garden waste collection due so rather than disposing of garden waste by residual collection. In addition, promotion of home composting will continue.

Designated Project Team

12.8 To achieve the April 2016 implementation date, a Project Team needs to be engaged immediately with all key stakeholders.

Payment Infrastructure

12.9 The service will require a payment system that is quick and easy for the resident to use, that links to out route systems.

ICT Infrastructure

12.10 We will require an ICT infrastructure so the payment, routing and customer service system will all 'talk to one another'. Advice has been given by ICT that this is a possibility and the current actions to commence this work have taken place in readiness for approval.

Assumptions of the business case

12.11 Overall, the favourable result of the proposal is based on the following assumptions:

- a) All new Staff employed will have adequate skills to undertake all duties as necessary and that existing Environmental Services staff will provide the necessary support.
- b) That the implementation of the garden waste collection scheme will be effected smoothly, that is, the Environmental Services Team will continue to provide the current service in addition to any additional service.
- c) That potential customers take note of marketing and advertising materials of the Service and sign up to the scheme.
- d) The garden waste collection service business case will adhere to current plans and predictions. This means, essentially, that there are no significant, unplanned cost increases or extraordinary financial events that interfere with the full realisation of expected benefits.
- e) If the decision is taken to approve the recommendations within the business case a special responsibility is placed on Environmental Services to ensure that the implementation, mobilisation and marketing plan is effectively implemented and that the transition between business as usual and implementation runs smoothly.

f) It will be necessary that adequate resources can be put into place for the demand to additional subscribers and that new ways of administration are pursued throughout the life of the business case, for example direct debit enabling, to continue to increase efficiency and customer satisfaction of the total service.

g) Tasks and responsibilities for each stage of the mobilisation and implementation will be produced on approval.

h) Assumption d) refers to events largely beyond the control of Environmental Services and South Holland District Council, but which must be monitored and risk managed appropriately should the need arise.

Exit Strategy:

12.12 Subscription numbers and tonnages collected to be reviewed weekly in comparison to the proposed income in order to manage risk.

12.13 Should subscriptions meet 5000 households earlier than predicted a review of resources and capacity will be needed. As such a capped decision may be reviewed once trigger point is reached if subscriptions are continuing at a higher than expected rate.

12.14 Resources reviewed and appropriate asset management undertaken if subscriptions are not or higher than predicted.

13. Issues

13.1 Payment

It is essential that residents are able to opt in and pay for the scheme quickly and easily. It is therefore essential that any online method can easily identify those households that are eligible for the pilot scheme, the collection method that is available to them and that payment can be taken.

13.2 Scheme design

Investigation into the different schemes offered by waste collection authorities has highlighted the need to design a very straightforward scheme. The majority of Councils do not offer Concessions or part payment unless special autumn reduced payment schemes are specifically offered.

13.3 Wheeled Bin stock

Ordering wheeled bin stock in sufficient time will be essential to receive a competitive price for bins but to also manage storage. The capital outlay for bins is outline in the financials of this business case.

13.4 Collection round design

As rounds are already in place for refuse and recycling collections, the specifics of collection areas such as issues with narrow access or rural nature is known. These will need to be built into identifying the most effective pilot areas in order to capture the maximum amount of subscribers. As this will be an opt-in service, the carbon footprint of collection rounds will need to be considered carefully.

13.5 New type of collection method for South Holland

The use of wheeled bins for the collection of garden waste will be the first time this method has been used in South Holland. Careful consideration must be taken to ensure that residents and collection operatives are aware of their responsibilities for presentation, collection and use of wheeled bins.

13.6 Historical grey sack garden waste service

In order to support customers within the pilot area on the change to garden waste collections, the purchase of singular grey sacks (sent for residual) will be phased out as from April 2016. Information leaflets detailing the collection changes will be given out to all households within the pilot area covering this change. Residents outside of the pilot area will still be able to purchase grey sacks for the purposes of garden waste disposal until their household is on a garden waste collection route.

Summary of recommendations

- 1) That the Council introduces a pilot garden waste collection service in targeted areas of South Holland commencing April 2016 available for 5,000 households (500 collections per day).
- 2) That the daily hours operated by the existing waste and recycling fleet be extended (6am collections start), in order to release a collection vehicle that can be converted for the purposes of this pilot.
- 3) That depending on the outcomes and evaluation of the pilot year 1, including financial implications, the effect on performance, publicity requirements, administration and environmental and operational impacts, the service be rolled out to a further pilot area in 2017/18.
- 4) That the coverage of the pilot in year 1 is split between Spalding households one week and Holbeach, Crowland, Long Sutton, Sutton Bridge, Donington, Gosberton and Surfleet second week; and that decisions on any additions or amendments to these areas be delegated to the Environmental Services Manager in consultation with the Executive Manager of Place, the Place Manager and the Portfolio Holder for Place.
- 5) That the service standards and methods for the collection of garden waste be adopted as detailed within the attached business case.
- 6) That an initial customer annual charge of £49 for 24 collections and a one off charge initially offered at £15 (for delivery, repairs, loan of bin, newsletters and offers) be agreed for the primary collection method.

- 7) That paper sacks are provided at a charge of £15 for 10 (plus £5 delivery charge) to be made available for ad hoc users or household not suitable for a bin within the pilot area.
- 8) That the Council's current collection policy relating to garden waste using grey pre-paid sacks be amended to coincide with the start of the pilot service to discourage garden waste being disposed of in this way in target areas.
- 9) That the Council's current collection policy relating to the sale of grey sacks continue unaffected in the pilot areas for a transition period but that residents purchasing grey sacks who live in the pilot areas will be provided with information about the new service, home composting and what happens to waste disposed of in grey sacks.
- 10) That the grey sack policy be further considered as part of the evaluation of the pilot and the update report to Members.
- 11) That £220,850 is released from the Organisation Development Reserves in order to finance the capital requirements of this pilot.

APPENDIX 3: RISK MATRIX

PROJECT RISK MATRIX:								
<p>Net Risk Score 1 – 6 Low Risk – Acceptable</p> <p>7 – 10 Moderate Risk - Acceptable</p> <p>11 – 16 High Risk – Unacceptable</p> <p>17 – 25 Very High Risk – Unacceptable</p>	LIKELIHOOD OF RISK OCCURRING	5	HIGHLY PROBABLE	5	10	15	20	25
		4	PROBABLE	4	8	12	16	20
		3	POSSIBLE	3	6	9	12	15
		2	UNLIKELY	2	4	6	8	10
		1	REMOTE	1	2	3	4	5
				1	2	3	4	5
				INSIGNIFICANT	MINOR	MODERATE	MAJOR	CRITICAL
IMPACT ON PROGRAMME, WORKSTREAM, SERVICE OR PROJECT								

APPENDIX 3: RISK MATRIX

Ref	Details of Risk	Potential Impact of Risk	Initial Risk Score			Controls / Mitigation	Risk Owner	Status / Timescale for further action	Date when risk last reviewed	Final Risk Score		
			Impact	Likelihood	Net Risk Score					Impact	Likelihood	Net Risk Score
A	Capacity at West Marsh Road Depot for additional vehicles (RCVs and staff vehicles)	The West Marsh Road Depot transport licence cannot hold any further vehicles.	5	3	15	In order to provide a collection vehicle for the garden waste scheme, it is proposed that the current refuse and recycling fleet extends its working day. This enables a vehicle to be released. In this case there will be no additional collection vehicles added to the fleet. In order for the service vehicle to be stored at West Marsh Road, one of the existing fleet vehicles will be temporarily stored at Holbeach Depot site which is possible under the current licence.	Jim Harvey	Amber (quarterly monitored)		5	2	10
B	Time scales of mobilisation and implementation	Commencement date missed; poor level of communications; subscriptions take up low.	5	3	15	The designated project team lead will monitor the project on a day by day basis with team meetings initially set at daily and weekly. Performance will be monitored using set key performance indicators.	Emily Spicer	Amber Review on a weekly basis once business case is approved		5	2	10
C	Subscriber Increases	Collection rounds inefficient, budget predictions not met.	5	3	15	Prior to the commencement of collections in both year 1 and year 2 a reduced delivery fee will be offered. In addition review of subscription numbers will be taken on a weekly basis and the target household area expanded should subscription numbers be less than expected.	Emily Spicer	Amber Review on a weekly basis from February 2016.		5	2	10

APPENDIX 3: RISK MATRIX

Ref	Details of Risk	Potential Impact of Risk	Initial Risk Score			Controls / Mitigation	Risk Owner	Status / Timescale for further action	Date when risk last reviewed	Final Risk Score		
			Impact	Likelihood	Net Risk Score					Impact	Likelihood	Net Risk Score
D	Communications to residents	Subscriptions take up low; low satisfaction and understanding with those residents not incorporated within the pilot scheme.	5	4	20	Discussions have commenced with the Communications Manager and a Communications Strategy is being developed. This Communications Strategy will include a variety of advertising means for both residents able to participate and those outside of the pilot area. Communications will continue on a weekly basis to provide maximum impact.	David Ogden and Emily Spicer	Amber Review on a weekly basis from November 2015.		5	2	10
E	Pricing Schedule and Delivery Charges	Subscriptions take up low; low satisfaction with scheme; negative press.	5	3	15	The pricing schedule has been benchmarked against a number of authorities offering a comparable service. The pricing strategy has also been developed utilising the results from two customer surveys, average disposable income, cost of the service to be offered and the services that are currently offered to dispose of garden waste in South Holland. The pricing strategy will be transparent and delivery charges offer a flexible approach should subscription increases not meet projected figures	Emily Spicer			5	2	10
F	Increase in waste arisings (residual waste tonnages)	Reduced waste and recycling performance with increased amount of garden waste going to EfW.	3	3	9	Communications messages will be specific to ensure residents of clear of what is expected of them in terms of waste disposal. Residual waste arising will be monitored on a weekly basis to identify any impact and implement any targeted actions.	Jim Harvey	Green Monitored on a weekly basis		3	1	3

APPENDIX 3: RISK MATRIX

Ref	Details of Risk	Potential Impact of Risk	Initial Risk Score			Controls / Mitigation	Risk Owner	Status / Timescale for further action	Date when risk last reviewed	Final Risk Score		
			Impact	Likelihood	Net Risk Score					Impact	Likelihood	Net Risk Score
G	Effectiveness of designated project team	Mobilisation and implementation is not undertaken effectively.	4	3	12	The designated project team have worked towards this approval for the last 12 months. The Project Lead will monitor the project with the Operations Manager on a day to day basis and flex resource as required. All staff involved with the project will possess the correct skills to ensure the delivery of the project.	Emily Spicer	Amber. Monitored on a daily basis		4	2	8
H	Payment and IT infrastructure	Households unable to subscribe online. Low subscriptions take up. Service launched that is not easy and effective.	4	4	16	Work is underway with CPBS to deliver the on line payment system in readiness for a January start. CPBS and the customer management system for waste providers have confirmed that the commencement dates are achievable and realistic with timely approval.	Emily Spicer	Review on a weekly basis until launch is successful.		4	3	12
I	Reputational damage	Subscriptions lower than expected, pilot unsuccessful and agreement to collections.	4	4	16	All communications materials will be clear at the start of the pilot that the Council is trialling the collections of garden waste. Collections will be guaranteed for 12 months. A minimum of 2015 subscriptions are needed in year 1 to break even.	Emily Spicer	Review on a weekly basis throughout year 1 and prepare dynamic communications strategy.		4	2	8