

## **Joint Waste Mobilisation Costs and Garden Waste Collection Services**

### **Summary**

The mobilisation of a joint waste contract across four authorities will result in additional one off expenditure. This mainly relates to marketing and communication but also include some Contract Management Office set up cost.

A major issue regarding mobilisation relates to garden waste collections. The household waste and street cleansing contractor, Biffa Municipal, operates a subscription based garden waste service on behalf of the Council. The service is branded as the Green Waste Club. There are currently 11,000 subscribers to the service who have their garden waste collected fortnightly from the kerbside from either 140 litre or 240 litre wheeled bins. The bins are owned by Biffa municipal.

The contract expires on 5<sup>th</sup> February 2018 and at that time a subscription garden waste service will be delivered by the new service supplier, Amey Municipal. As part of the exit strategy Biffa have agreed to sell the bins used by the current subscribers to the Council at a cost of £10 plus VAT.

### **Portfolio: Community**

**Date Portfolio Holder signed off report: 16<sup>th</sup> November 2017**

**Wards Affected: All**

### **Recommendation**

The Executive is advised to RESOLVE to

- (i) approve expenditure from the Recycling/Refuse Equalisation Fund of up to £90,000 as a contribution towards the mobilisation costs for the joint waste contract; and
- (ii) amend the 2017/2018 fees and charges to introduce a charge of £40 for a fortnightly garden waste collection service from a 240 litre wheeled bin from the kerbside. The fee to include the provision and delivery of a 240 litre wheeled bin.

The Executive is advised to RECOMMEND to Council an amendment to the capital programme for the purchase of garden waste bins at an estimated cost of £110,000. The increased expenditure to be funded from subscription fees charged to the customers.

## **1. Resource Implications**

- 1.1 The 2018/2019 mobilisation costs across the partnership are estimated to amount to £349,000 or £87,250 per authority. It is proposed that Surrey Heath's proportion of the mobilisation costs will be funded from

the Recycling /Refuse Equalisation Fund which has a current balance of £180,000.

- 1.2 The garden waste bins will be purchased from the outgoing contractor, Biffa Municipal at an agreed price of £10/bin plus VAT. With an estimated 11,000 customers a budget of £110,000 will be required. It is proposed that the cost of the bins will be offset by the subscription fees charged to the customers
- 1.3 The proposed charge for a fortnightly garden waste service from a 240 litre wheeled bin collected from the kerbside of the property has been set at £40/ bin/year. The fee to include provision and delivery of the bin.
- 1.4 As the service will commence on 5<sup>th</sup> February 2018 with fees collected before that date the 2017/2018 fees and charges will require amendment.

## **2. Key Issues**

- 2.1 The mobilisation of a joint contract across four authorities will result in additional one off expenditure. The majority of this relates to marketing and communication costs although it also includes set up costs for the Contract Management Office of which Surrey Heath is the administering authority. Efforts are being made to reduce costs and it is expected that the 2017/2018 and 2018/2019 mobilisation costs will come in under budget.
- 2.2 The Recycling/Refuse Equalisation Fund was set up to mitigate the effect of any fall in prices for recycled material in future years. As from 5<sup>th</sup> February 2018 the Waste Disposal Authority will be taking over ownership of the recycling collected and there will be less need for a fund to mitigate these effects.
- 2.3 The household waste and street cleansing contractor, Biffa Municipal, operates a subscription based garden waste service on behalf of the Council. The service is branded as the Green Waste Club. The service is operated at no cost to the Council but all income is retained by the contractor. The current fee charged by Biffa is £57/bin/year plus VAT.
- 2.4 There are currently 11,000 subscribers to the service who have their garden waste collected fortnightly from the kerbside from either 140 litre or 240 litre wheeled bins. The bins are owned by Biffa municipal and as from 5<sup>th</sup> February 2018 they need to be returned to them at a potential cost to the customer of £10 plus VAT. As part of the exit strategy Biffa have agreed to sell the bins used by the current subscribers to the Council at a cost of £10 plus VAT.
- 2.5 As an alternative the Council could procure and deliver new bins. However, to do this at the same time as mobilising the core service will be a major logistical challenge. It would cause less confusion and

disruption to the residents if garden waste subscribers were able to retain their bins.

- 2.6 The contract expires on 5th February 2018 and at that time a subscription garden waste service will be delivered by the new service supplier, Amey Municipal. The costs of garden waste administration and collection is included in the contract price. The fees charged to offset these costs will be paid to the Council.
- 2.7 Any new customers would be provided with a wheeled bin directly from Amey Municipal as they subscribe to the service.

### **3. Options**

- 3.1 The Executive has the option of agreeing, rejecting or proposing an alternative resolution.
- 3.2 Officers are of the opinion that it would be prudent to set aside funds for mobilisation costs. Officers also feel that purchasing the bins currently used by customers will cause less disruption and help with the seamless transition to the new service provider.

### **4. Proposals**

- 4.1 The proposal is:
  - a. To allocate a sum of up to £90,000 from the Recycling/Refuse Equalisation fund as a contribution to the **2018/2019** mobilisation costs.
  - b. To amend the 2017/2018 fees and charges to introduce a charge of £40 for a fortnightly garden waste collection service from a 240 litre wheeled bin from the kerbside. The fee to include the provision and delivery of a 240 litre wheeled bin.
  - c. To purchase the garden waste bins currently used by residents at an agreed cost of £10/bin. The costs to be offset by subscriptions charged to customers.

### **5. Corporate Objectives And Key Priorities**

- 5.1 The Executive approved a new Five Strategy in August 2016 which sets out the Council's vision and objectives for the next five years. It also includes a number of longer term key priorities in addition to the Council's ongoing service delivery. The Five Year Strategy is a rolling document and a refreshed version was approved earlier this year.
- 5.2 The Annual Plan includes an overview of the vision and objectives from the Five Strategy but states the outputs and success measures that will be delivered in 2017/18 for each of the Council's key priorities. These

priorities are presented under the headings of Place, Prosperity, People, and Performance.

5.3 The Performance milestones in the annual plan includes:

“To commence the joint waste contract with our partners”

5.4 The specification for the joint waste contract includes the provision of a subscription based garden waste collection service.

## **6. Legal Issues**

6.1 Contract Standing Orders requires competitive tenders to be obtained where the total value of the “works” or “services” exceed £50,000. However, in this case the proposal is to purchase the bins currently used by subscribers to the Green Waste Club. There is therefore only one provider.

6.2 As part of the negotiations officers compared the offer with the price of a bin purchased in bulk and delivery. This amounts to £26/bin which is £16 more expensive per bin than the offer price.

## **7. Sustainability**

7.1 The kerbside garden waste collection service diverts between 4-5000 tonnes of garden waste from landfill and contributes 22% to the Councils’ overall composting/recycling rate of 63%. This makes Surrey Heath one of the best performing authorities in the country.

## **8. Risk Management**

8.1 There is a risk of reputational damage to the Council if the mobilisation of the joint waste contract results in service failures. The risk can be mitigated against by:

- a. Having a robust mobilisation and communication strategy.
- b. Avoiding the need to purchase and distribute 11,000 garden waste bins at the same time as mobilising the main contract.

## **9. PR And Marketing**

9.1 The change of garden waste provider together with the reduced fee will be communicated to residents.

<b>Annexes</b>	<b>Nil</b>
<b>Background Papers</b>	<b>Nil</b>
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**Consultations, Implications and Issues Addressed**

<b>Resources</b>	<b>Required</b>	<b>Consulted</b>
Revenue	✓	✓
Capital	✓	✓
Human Resources		
Asset Management		
IT		
<b>Other Issues</b>	<b>Required</b>	<b>Consulted</b>
Corporate Objectives & Key Priorities	✓	✓
Policy Framework		
Legal	✓	✓
Governance		
Sustainability	✓	✓
Risk Management		
Equalities Impact Assessment		
Community Safety		
Human Rights		
Consultation		
P R & Marketing	✓	✓

**Review Date:**

**Version:** TP/1