



Decision Report

ISLE OF WIGHT COUNCIL

DECISION UNDER DELEGATED POWERS

DECISION CANNOT BE TAKEN BEFORE 22 DECEMBER 2023

Title **Green Garden Waste Annual Subscription**
Report of **Strategic Director of Community Services**

Executive Summary

1. The council is required to find savings or generate additional income in 2024/25. To enable the ongoing delivery of non-statutory paid for services it is commercially prudent to review fees and charges to ensure that the delivery of these services is paid for by the charge made. This means that inflation and its impact of delivery costs must be considered.
2. This report sets out an increase in the annual subscription costs for the Garden Waste collection service by an inflationary uplift of 6.25% to cover the additional costs of operating the service by Thalia the council's waste service provider.
3. The monthly cost of the service will rise from £8 to £8.50.
4. Due to the need to prepare for Garden Waste subscription renewals from January this decision is being taken in December to enable subscriptions and renewals to open to residents early in the new year.

Recommendation

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| <ol style="list-style-type: none">5. To increase the annual subscription cost to residents for green garden waste to £102 per annum. |
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Background

6. The green garden waste subscription service is a non-statutory commercial service offered by the IWC on a payment basis. In 2017, the council entered into a Deed of Variation with the Service Provider to deliver a change to the collection of green garden waste whereby the council receives and accepts 100 per cent of the upside and downside on the subscription service, net of operational and capital costs.

7. Performance of the service is built into the Performance Management Framework of the Waste Contract in line with the Household Waste Collection service.
8. The service is extremely popular and currently has 10351 subscriptions at £96 per subscription (£8 per month). The 2023/24 subscription year was made up of:

Current total subscriptions – 10,351

New / renew data

- Renewals from previous year – 9426
- New sales – 917
- Multi years subscriptions from previous – 8

Payment Methodology

- Rolling Direct Debt (from bank account) - 7046
- One off payment debt or credit card – 3305

Digital buy in

- Purchased online – 8314
- Purchased offline – 2037#

9. The subscription service operates from April 1st to March 31st each year. Pricing needs to be agreed before January to be able to Market the service and ensure that the timelines for notices of direct debit changes are met and customers are renewed, or new ones subscribed by mid-March. Routing software is then run and bins delivered prior to the 1 April start date.
10. The team will need to contact customers to remind them to renew their services in mid-January, a substantial number of whom will require notice of the price change for their direct debit. From mid-February, subscriptions are then opened to new customers.
11. The service supports the council's vision to sustain our economy, environment and people, where everyone can enjoy the benefit of a green and thriving economy.
12. The opportunity created by the delivery of green garden waste kerbside collection subscriptions reduces the need for residents to drive to Recycling Centres or have garden bonfires which supports a reduction on greenhouse gas emissions on the island.

Corporate Priorities and Strategic Context

Responding to climate change and enhancing the biosphere

13. The opportunity created by the delivery of green garden waste kerbside collection subscriptions has positive benefits for sustainable development and the reduction of carbon emissions. This is achieved through reduces the need for residents to drive to Recycling Centres or have garden bonfires which supports a reduction on greenhouse gas emissions on the island.
14. Operating the service provides employment for the collection staff and support the local business operating the composting facility at Standen Heath. All garden waste is composted to a PAS100 quality and sold back into the community by the local business operating the site.



Socio-economic Outer Ring	Scores
No Poverty	3
Zero Hunger	3
Good health and wellbeing	3
Quality Education	3
Gender Equality	3
Clean Water and Sanitation	3
Affordable and clean energy	3
Decent work and economic growth	4
Industry, Innovation and Infrastructure	3
Reduced inequalities	3
Sustainable cities and communities	3
Responsible consumption and production	5
Climate Action	4
Life below water	3
Life on land	3
Peace, justice and strong institutions	3
Partnerships for the Goals	3

Environment Inner Ring	Scores
Transport	4
Energy	3
Housing	3
Environment	5
Offset	3
Adaptation	3

Economic Recovery and Reducing Poverty

15. Operating this service in a competitive commercial market allows the revenue and capital costs of operating collections, employment maintained and fuel as well as capital costs of vehicles and bins/reusable sacks to be funded by the cost of subscriptions rather than by the council's core budget.

16. Further by since developing the subscription service two market competitors on the island have started similar services demonstrating that the council has helped grow new economic markets with fair competition for customers to choose from.

Corporate Aims

17. The number of Garden waste service subscribers is included in the Council Corporate Plan and is reported quarterly to Council's Cabinet as part of the Quarterly Performance Management Report.

Consultation and Engagement

18. The fees and charges increase for services in line with inflation are normally a decision made internally by the Director of the Service in consultation with Service Managers and Councillors.

Financial / Budget Implications

19. Due to reduced budgets and significant rises in inflation the council is required to find savings and additional income to meet budget requirements in 2024/25.

20. The separate collection of green garden waste is a discretionary commercial service that is not required to be delivered by the council.

21. The cost of replacement bins and reusable sacks, staff pay and overtime, uniforms, fuels, vehicle maintenance, and operating welfare facilities has increased by a basket of indices linked to the financial markets. The council pay the service provider to operate this service based on actual in year costs including annual indexation.

22. The calculation of the basket on indices is deemed commercially sensitive information under Schedule 23 Commercially Sensitive Information, Part 2 Commercially Sensitive Material:

The following financial information relating to Service Provider's price: any build-up or breakdown of total cost, profit margins, contract sum analysis, overheads, overhead and profit element, and any numbers, figures, percentages or formulae and/or financial information contained within the Financing Documents.

23. The proposed price uplift for Green Garden Waste Subscriptions from £8.00 to £8.50 a month will ensure the income for the council takes account of significant inflationary cost rises (6.25%).

24. Any price increases proposed by market competitors are currently not known. Other waste service contractors have capacity limited by vehicles, staff and HGV driver availability.

Legal Implications

25. Green Garden waste is classified as a household waste but does not have to be collected by the Waste Collection Authority. The Controlled Waste regulations allow Collection Authorities to charge for the collection but not the treatment of green garden waste. The council pays per tonne of waste treated at the Biffa open

windrow composting pad on top of the cost of operating a collection service and the cost of operating the green waste collection at Household Waste Recycling centres.

Equality and Diversity

26. This report does not introduce a new or revised Policy or Procedure and is not a significant decision for which an equality impact assessment must be undertaken.

Property Implications

27. There are no property implications associated with this report as it relates to a non-statutory service to residents provided by the council's waste service provider.

Options

28. The inflationary costs rises mean that the service is more expensive to operate. The proposal is to increase in costs by a set inflation rate of 6.25 per cent is consistent with the increase of fees and charges for council services.

29. This increase will result in a new monthly cost for the service of £8.50 from a previous cost of £8.00.

30. The alternative approach would be to pay the inflationary uplift in costs to the service provider without recovering this from subscribers. This would decrease the income to the council and risk the council's ability to balance the overall budget for 2024/25.

Risk Management

31. The key risks associated with the recommendations are:

- a. a loss of income associated with a loss of market share.
- b. Non-compliance with financial regulations through failing to notify customers on rolling direct debit of payment changes
- c. Insufficient gross income achieved through inflation rising higher than anticipated

32. The key mitigation to these risks is the effective and timely marketing of the Green garden Waste Service, accompanied with direct correspondence to all existing customers to advise of price change and renewal options. To be effective this marketing must start in January and provide strong confidence in the service as the premium service available in the market.

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