

BROMSGROVE DISTRICT COUNCIL

CABINET

6th September 2017

The Operation by Bromsgrove District Council of a Garden Waste Service on behalf of Redditch Borough Council

Relevant Portfolio Holder	Cllr Peter Whittaker
Portfolio Holder Consulted	Yes
Relevant Head of Service	Guy Revans
Ward(s) Affected	All
Ward Councillor(s) Consulted	NA
Key Decision / Non-Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 The proposal is for Bromsgrove District Council (BDC) to administer and operate a garden waste service on behalf of Redditch Borough Council (RBC) under the existing shared services arrangement. The service will fully mirror the existing BDC garden waste service in all aspects.
- 1.2 RBC will cover all operating and overhead costs in return for a fully managed service from marketing the service through to collection of garden waste. These changes will ensure Redditch Borough Council (RBC) residents can choose to dispose of green garden waste in a way that is both environmentally sustainable and convenient. A full business case has been undertaken to identify the preferred option for a garden waste collection service for Redditch.

2. RECOMMENDATIONS

- 2.1 The Executive is asked to RECOMMEND to the Council that:
- i. From March 2018 Bromsgrove DC will operate a seasonal (March to November inclusive) garden waste service on behalf on Redditch BC as part of the existing shared service agreement.
 - ii. Bromsgrove DC will recoup operating and overhead costs from Redditch BC at an agreed amount per subscription.

3. KEY ISSUES

Financial Implications

- 3.1 Budgeted Net Present Value (NPV) ¹income in the medium term financial strategy for 2018/19 is £9,000 and 2019/20 is £18,000 after operating costs have

¹ NPV is the projected income minus spend.

been taken into account. In table 1 a cost benefit analysis shows these incomes are exceeded by BDC operating a garden waste service on behalf of RBC.

Income from RBC is the total amount payable to BDC in each year of service assuming growth of 1,000 customers per year. This will cover the vehicles and crews and enabling and operational support costs. Actual BDC Operational costs will consist of the additional vehicle and crews required marketing and administration. Due to an existing support team already involved in this work a reduction in overhead costs will therefore be realised and this will be the true income for BDC

Costs have been calculated to cover all operational costs assuming 1,000 customers in year one with a further increase of 1,000 each year.

Once operating costs are deducted from the income, BDC will benefit from a reduction in existing overhead costs.

Table 1: Four Year Forecast Cost Benefit Analysis

Item	Year 1	Year 2	Year 3	Year 4
Income from RBC	£27,524	£49,555	£71,246	£92,936
Operational Costs	£15,566	£26,706	£37,559	£48,411
BDC reduction in overhead costs	£11,959	£22,850	£33,687	£44,525

- 3.2 An agreed amount will be paid to BDC per subscription to cover operational activities undertaken on behalf of RBC. This amount will cover vehicles, fuel, crews, administration and overhead costs of the service.

Table 2 identified the operating cost per subscription according to the number of subscriptions being managed by BDC. The figures are derived from a full cost benefit analysis detailing all income and spend based on a four year period with customer growth at 1,000 per year. The total running cost for year each has been divided by the projected number of customers to establish a charge per customer. A single rate for all subscriptions will be applied in line with the relevant charging band of total subscriptions.

Table 2: Cost of Service per Subscription for RBC to pay BDC

Item	Charging Band ²			
	<1,000	>1,000	> 2,000	> 3,000
Number of Subscriptions				
Charge per subscription	£27.52	£24.78	£23.75	£23.23

Legal Implications

- 3.3 Under the Environmental Protection Act 1990, the Council has a duty to collect household waste. Garden waste is household waste for which a charge can be applied for collection under schedule 2.

Service / Operational Implications

- 3.4 The service will form part of the current shared service arrangement currently in place between RBC and BDC. As such there will be an amendment to the current financial charging arrangements between RBC and BDC to reflect the number of customers the service is provided to in line with the .
- 3.5 BDC will administer and operate the garden waste collections to RBC residents as an extension of the current garden waste service already provided in Bromsgrove. Mirroring the BDC service, allows RBC to take opportunity of the spare capacity in the BDC service which has been created via optimisation of the routes.
- 3.6 BDC have the capacity within their current service to accommodate between 4,000-4,800 additional customers Tuesday to Friday on alternate weekly basis, without adversely affecting current service provision.
- 3.7 The operational workforce engaged in the service is managed by the Environmental Service shared service management team which covers both RBC and BDC operational services.

Customer / Equalities and Diversity Implications

- 3.8 Due regard has been paid to the Equality Act 2010 and as such full equalities impact assessment has been carried out.

² The charge applied will be for the overall quantity of subscriptions at the end of the service

4. RISK MANAGEMENT

- 4.1 If it is necessary to hire any additional agency staff to operate this service, BDC will be fully responsible these costs. Mitigation of this risk is through effective staff supervision particularly good management of annual and sick leave.
- 4.2 Any additional vehicle hire costs will also be the responsibility of BDC, therefore to mitigate this vehicle maintenance and repairs must be well planned to prevent hire costs.

5. APPENDICES

None

6. BACKGROUND PAPERS

None

7. KEY

None

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