

BROMSGROVE DISTRICT COUNCIL

COUNCIL

22nd November 2017

ADDENDUM ON PROVISION 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, Head of Environment Services
Wards Affected	All
Ward Councillor Consulted	None specific

1. SUMMARY OF PROPOSALS

- 1.1 At Council on 20th September 2017 a report on a proposed garden waste service by Bromsgrove District Council to Redditch Borough Council was considered. Three areas were raised for further clarification and this report addresses the issues.

2. RECOMMENDATIONS

- 2.1 **That Cabinet recommend to Council that Bromsgrove District Council provide a Garden Waste Service to Redditch Borough Council as outlined in the report to Council dated 20th September 2017.**

3. KEY ISSUES

- 3.1 The three issues raised by Council on 20th September were:-
- Concerns in respect of how the report would be perceived, as it would appear the Council were providing the service to Redditch at “cost” yet the charge made to residents brought the Council a profit.
 - The potential for Redditch Borough Council to make a profit from the service and the extent to which this was provided by this Council.
 - The current investigation into shared services and the need for this work to be completed before any further shared service work be undertaken.
- 3.2 Attached as Appendix 1 is a breakdown of the costs and income of the Green Waste Service at Bromsgrove District Council. The same template has been applied to the proposed Green Waste service at Redditch Borough Council and this is attached as Appendix 2.

- 3.3 Appendix1 shows that the direct costs of operating the green waste service is £445k. Borrowing costs for vehicles and bins of £196k results in operating costs of £641k. This compared with income of £760k and provides £119k contribution to overheads. Overheads recovered on direct costs are calculated at £191k resulting in an under recovery of £72k.
- 3.4 Appendix 2 uses the same template for Redditch Borough Council. The agreement with Bromsgrove District Council would cover the collection of the green waste but would not cover the procurement and delivery of the bins, promotion of the service, completing customers contracts, invoicing, bad debts and associated overheads. Based on 3,000 bins it is estimated that there would be an overall under recovery of £12k but as with Bromsgrove the service would contribute towards the Council overheads (£18k).
- 3.5 The important factor for Bromsgrove District Council is that if the agreement is agreed there is £11 per bin recovery of overheads in the charge. Based on 3,000 bins this would provide a £33,000 additional recovery. This would grow as Redditch Borough Council grows the service. Opportunity to maintain existing £45 charge rather than increase in 2019/20.
- 3.6 The agreement would be an extension of the current shared service with Redditch Borough Council rather than a new shared service.

Legal Implications

- 3.7 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

- 3.8 Bromsgrove District Council would continue to enjoy the existing service provision with the potential of avoiding some future fees and charges increases in 2019/20 through the contribution towards overheads from Redditch Borough Council. Bromsgrove has 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.

Customer / Equalities and Diversity Implications

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

4. RISK MANAGEMENT

4.1 If it is necessary to hire any additional agency staff to operate this service, BDC will be fully responsible for 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

Appendix 1 – Bromsgrove District Council Green Waste financial breakdown

Appendix 2 – Redditch Borough Council Green Waste financial breakdown

AUTHOR OF REPORT

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