

Subject: Garden Waste Collection Service – Annual Renewal of Subscriptions

Report to: Environment Committee 12th September 2016

Report by: Glenn Buck – Group Manager Environmental Services

SUBJECT MATTER/RECOMMENDATIONS

This report seeks to advise Committee of the proposed arrangements to improve the system of collection of the annual renewal of resident's subscriptions to the Council's garden waste collection service.

The report requests Committee to endorse EMT's recommendation for the release of £17,400 from the Council's Spend to Save budget to enable the purchase of a software system to handle the proposed arrangements.

1. INTRODUCTION/BACKGROUND

As part of its operation to collect domestic solid waste the Council has operated a garden waste collection service for a number of years. The garden waste collection service is an opt in, paid for service. The service has grown over recent years which have made the management of the existing annual process for renewal of subscriptions staff and resource intensive and lead to a process that is overly cumbersome.

This report and appendix highlights those difficulties and recommends the purchase of software which will provide a solution. There is no budget provision for the purchase of the software. An earlier report was considered by EMT who has recommended the initial upfront costs be met from the Council's Spend to Save budget.

2. THE GARDEN WASTE COLLECTION SERVICE

The Council has offered an opt in charged for service to collect garden waste since the mid 2000's. With the reduction in landfill space and the fact that garden waste is readily compostable, it is desirable for as much of this to be diverted away from the residual waste stream as possible. For every tonne of material diverted the Council receives recycling credit payment of £56.89 from Norfolk County Council. In 2014, the Borough Council banned garden waste from the residual waste stream and this led to a rapid expansion in the number of customers from less than 4000 to today's position where the number is approaching 8000. The Council also introduced a garden waste bag system for those people with a small garden which has also

proved popular.

The methodology for ensuring that the subscriptions are renewed for the 1st April each year is essentially a manual process. This is now very labour and resource intensive, tying up staff in Environmental Services, Finance, Printing, and GYB Services. The situation is not sustainable. Therefore a small working group of Officers was convened to look at the options for introducing a more streamlined and less resource intensive payment methodology.

The appendix attached to this report details the options available and makes a business case for the recommended option.

3. FINANCIAL IMPLICATIONS

The recommended option to go with the product produced by Bartec carries an upfront financial cost for which there is no budgetary provision. This report seeks to request those year one upfront costs are funded via the Spend to Save budget. Year two (and beyond) costs will be incorporated in future base budgets.

By utilising the recommended option, it is estimated the Council will make annual savings year on year from year 2 onwards of at least £10,484 on associated printing, postage, and full year subscription income (based on 2016 renewal figures). Therefore, taking out the annual maintenance charge for the system, the Council can still expect to make around £5,000 savings overall per year.

4. RISK IMPLICATIONS

The income received from the garden waste collection service (subscription, bin sales and recycling credits) was in total worth £415,000 to the Council in 2015/16 and is a significant income. Removing garden waste from the residual waste stream and into recycling also has benefits for the whole of the Norfolk waste system by reducing landfill and final waste disposal costs that Norfolk County Council pay.

5. CONCLUSIONS

There are significant environmental and financial benefits from expanding the garden waste collection service. To properly manage this at minimal cost to the Council and its operational partner, the purchase of the Bartec system is seen as an essential step.

6. RECOMMENDATIONS

Committee is recommended to note the appended report and to endorse the decision made by EMT that £17,400 be used from the Spend to Save budget for the initial upfront costs to purchase the Bartec system.

7. BACKGROUND PAPERS

Appended report

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?

Area for consideration	Comment
Monitoring Officer Consultation:	None
Section 151 Officer Consultation:	None
Existing Council Policies:	Current ban on garden waste in the residual waste stream
Financial Implications:	Yes, upfront costs required for future savings
Legal Implications (including human rights):	None
Risk Implications:	Significant income via subscription fees and recycling credits that need to be maximised
Equality Issues/EQIA assessment:	None
Crime & Disorder:	None
Every Child Matters:	None

Garden Waste Collection Service (Brown Bins)

Options for the Future – A Business Case

Introduction

The Council's garden waste collection service currently has in excess of 7000 customers utilising a brown wheeled bin or degradable sacks. The target for this financial year is to increase the take up of the service to 8000 customers and if possible even higher numbers.

The service provides much needed income to the Council via a number of financial streams;

- Recycling credits paid by the County Council for every tonne of garden waste diverted from the residual waste stream at a rate of £56.89 per tonne.
- One off income from bin sales at a rate of £12.34 per bin. These then remain the property of the resident. Residents can purchase more than one bin.
- Annual subscription to the collection service. Currently a full year costs £40.56. This figure reduces as the year advances to reflect the reduced number of collections being paid for. There are also reduced collection fees for properties with more than one bin

In 2015/16 the garden waste service brought in approximately £275,000 in respect of bin sales and subscriptions and £140,000 in respect of recycling credits on a collection tonnage of nearly 2,500 tonnes. This also had a knock on effect on the overall waste disposal costs for the County by not having to pay landfill charges to dispose of this material.

Issues have arisen over the procedure around the collection of the annual subscriptions which have become more acute as the number of customers has grown. Whilst the Council and its operational partner GYB Services have introduced systems to collect the fees, these have been very resource intensive involving officers from a number of Council service departments to become involved and necessitated the hiring of temporary staff to cope with demand.

Background to the Payments Collection Systems

Prior to 2016

Customer invoicing (using the Civica system) has proved to be challenging throughout the operation of the garden waste service being both labour intensive and time dependant as invoicing is completed for commencement in April each year.

As the numbers of subscribers has risen the task became even more resource intensive and is no longer sustainable. In addition it was made clear that fees and charges would only be set at Budget Council in February thus not allowing sufficient time to set up the system for an April 1st start date. As a consequence it was agreed to look at commercial software options to improve the back office system.

Payment Collection System 2016/17

The payment system chosen for this current year was the use of a reminder letter requesting payment rather than any account based system. It was thought this could be set up and run fairly quickly after Budget Council set the fees and charges at its February meeting provided certain steps were taken prior to that date. These steps included;

1. Removal of periodic invoice records from the Council's sundry debts system. This involved additional work for the invoices section in December 2015.
2. Obtaining all customer addresses from GYBS Garden Waste spreadsheet to provide data for a mail merge to send a reminder letter to each customer to pay their subscription. This creation of the mail merge was undertaken by Lester Goffin and his team – December 2015 and January 2016.
3. Printing Services printed the addressed letters – March 2016
4. Significant time spent by the web team January – March trying to get the payment connector to work with the payment form and then when this was done picking up a lot of the queries with payments
5. The addressed letters were manually placed in envelopes by GYBS and Environmental Services staff over two days and sent through the post – March 2016

The renewal letter offered a number of payment streams for customers;

- Online via My Account
- Councils normal on line payment portal
- By telephone
- By cheque

This was long winded and resource intensive in both the preparatory work for the option to work and in staff to take telephone payment calls (two additional temporary posts were created within customer services to take the telephone calls). It appears there were two methods of making on line payments which led to confusion for the public with difficulties if the wrong method was chosen. There were further issues in payments being made but no record of them being recorded or passed to GYBS for scheduling resulting in confusion for the collection rounds. The many disgruntled members of the public often being the only way to trace who has and who has not paid.

This method did however see a significant increase in the number of customers paying on line and enabled email details to be taken for large numbers of customers.

This process also will not cater for an annual renewal (anniversary) date and the advantages that will bring in the avoidance of confusion for residents as the current pricing structure reduces during the year together with the increase in income for the Council by ensuring that the full year's subscription is taken every time.

The Process at GYB Services

This process has been mapped and whilst thought of as being very good it takes extra resource at peak times and is managed by way of 15 separate spreadsheets covering each round, new bins and an overview. These will increase as bin take up increases. Each spreadsheet has to be updated and at peak times this year there has been over 1000

requests in the 'waste' in box waiting to be dealt with manually. It is important for GYBS to receive payment information from GYBC in a readily usable format so that payments can be reconciled. There have been issues around the report format not allowing this to happen easily.

At the time of writing (early August) there remains around 300 customers whom it is not certain have paid (the bins have not been collected from these) which does seem a significant number. These have been subject to a reminder letter.

A decision therefore has to be made around the payments collection system for 2017/18.

Payment Options for 2017/18 and Beyond

Option 1: Return to Using Civica

The reasons for the abandonment of this system are still present. The time constraints around using the system have been covered above. This is also compounded by the need to manually re-enter all 7000+ addresses onto the database so that an invoice can be raised to be set against the direct debit (DD). To use a rolling renewal date would also create significant resource issues for the invoicing team in terms of maintenance for unpaid /cancelled DDs and the need to create and maintain product codes. Furthermore, from a digital perspective, Civica Open Revenues does not currently have an automated solution for direct debits within Sundry Debts, for customers to set up payments by DD and then the back office being automatically updated (which it has for Council tax and Business Rates).

For all the above reasons this option has been discounted.

Option 2: Using/ Adapting another Existing Council System

The Capita system can handle DD as a managed service but at a high cost against (relatively) low take up. Otherwise capita will still need a back office system to be able to use Capita DD self-serve module. A recurring payments system will not save on bank transaction charges and there is a cost in purchasing and implementing the module.

None of the Councils other systems are thought to be appropriate or adaptable for this work.

Therefore this option has been discounted.

Option 3: Use the Same System as for 2016/17 Renewals

Although bulky and long winded, much of the preparatory work carried out last year does not have to be repeated for next year. The additional costs that might be incurred by utilising the same methodology for an assumed 8000 customers are set out as follows;

Environmental Services;

8000 envelopes	£260
8000 second class postage	£4400
8000 two page renewal letters printed	£384
Calendar printing costs (15/16 figures)	£1,118

Inserting 8000 letters into envelopes manually estimated at 16 hours work (£20 p/h) £320

From 2016, 1650 customers renewing late – loss to Council for the first month alone was calculated to be. £5,570

Total Cost: £12,058

These costs will increase proportionally as the numbers subscribing to the service increases.

The total cost above relates to specific budget costs which could be utilised as savings should an alternative method be identified.

Option 4: Using a Bespoke System

There is a number of software systems on the market designed to assist waste authorities on the management of the domestic solid waste collection. Perhaps the best known is BARTEC but others include Whitespace / AllOnMobile. The BARTEC system was demonstrated last year to the officer group who were impressed by its capabilities and that it can be an asset to the overall management of the Council's waste functions not just around payments and the garden waste collection service.

The software systems were further reviewed in June 2016 by Terence Gray of the Officer group who found that;

- *Having reviewed both BARTEC (BARTEC-systems.com/index.html) and Whitespace/AllOnMobile (www.allonmobile.com/#videos) waste management solutions, BARTEC's system clearly offers more comprehensive waste management facilities, particularly around in-cab solutions. However, Whitespace/AllOnMobile is closely tied to Civica (see [here](#)).*
- *BARTEC / Goss Self-Service platform would offer better, end-to-end solution (compared to Whitespace), particularly as GYB Services do not utilise Civica back-end systems for waste management.*

Having attended a recent meeting with other local authorities' client waste officers, BARTEC does seem to be the market leader and system of choice of many. A number of Councils have integrated BARTEC with the Capita payments systems which we have at Great Yarmouth and which would be necessary to make the system work.

The Council is due to change its form provider to GOSS this year and they would need to ensure the payment connector is in place for February. GOSS has wide experience of integrating both with BARTEC and Capita. With residents self-serving there will be no need to create a database of accounts or invoicing upfront.

The BARTEC system would enable payments to move to an anniversary system which would reduce administration for reducing payments throughout the year and offer the potential to increase income through no loss of revenue to late renewals.

BARTEC Costs

Using 2015 figures;

Appendix

Implementation – one off cost	£7,600
Training – one off cost	£1,300
System Hosting (per year)	£3,000
System Support and Maintenance (per year)	£2,500
Capita Costs (work to payment files) – one off	£3,000
GOSS costs absorbed	
Therefore, Year 1 costs	£17,400
Year 2 (and beyond) per year	£5,500

Recommendation

BARTEC has a number of advantages over what the Council currently does. It is not solely a back office payment facilitator but is a complete tool to manage the whole of the Councils solid waste collection service now and in the future. It can be an in cab tool if required and allows for quick assimilation of new properties, changes to routes and can send advisory emails to customers resulting in substantial postage savings.

Year 1 start-up costs are significant and there is currently no budget provision for such. Savings can be identified from within the existing delivery to reduce ongoing annual costs however it is requested that the initial 1st year costs be taken from the Spend to Save reserve with £10,484 (approximately 30% of current outgoing letter and postage costs to allow for those residents that will still require a mailing) identified as ongoing annual savings from this change. Taking out the annual maintenance fee for the system, the Council will still save around £5,000 per year from year two.

It is recommended that approval be given for the purchase of the BARTEC system and Year 1 costs are provided from the Council's Spend to Save budget.

Report Author: Glenn Buck Group Manager Environmental Services

Date: 17th August 2016.

Appendix