NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

POLICY DEVELOPMENT GROUP – 8 JANUARY 2014

Title of report	**CALL-IN OF CABINET DECISION OF 19 NOVEMBER 2013 ENTITLED 'WASTE MANAGEMENT SOFTWARE PROCUREMENT'**
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Purpose of report	To provide more information to Policy Development Group on the matters which have been raised through the call-in process.
Council Priorities	Green Footprints Challenge Value for Money
Implications: Financial/Staff Link to relevant CAT Risk Management Equalities Impact Assessment Human Rights Transformational Government	 The implications of the decision are covered in the report Green Footprints The risks associated with the decision are covered in the report The implications of the decision are covered in the report Not applicable This relates to the new ways in which councils are being asked to deliver their services.
Comments of Head of Paid Service	The report is satisfactory.
Comments of Section 151 Officer	The report is satisfactory.

Comments of Monitoring Officer	The report is satisfactory.
Consultees	None
Background papers	Cabinet report of 19 November 2013 entitled 'Waste Management Software Procurement' – attached as Appendix 1 Minutes from Cabinet meeting of 19 November 2013 – attached as Appendix 2 Background paper to the original 14/15 Budget proposals from Cabinet meeting of 22 October 2013 - attached as Appendix 3
Recommendations	**POLICY DEVELOPMENT GROUP CONSIDERS THE REPORT AND AGREES ONE OF THE FOLLOWING OPTIONS:** **A) NO FURTHER ACTION BE TAKEN;** **B) CABINET SHOULD BE ASKED TO RECONSIDER ITS DECISION IN THE LIGHT OF COMMENTS FROM POLICY DEVELOPMENT GROUP; OR** **C) THE REPORT AND COMMENTS OF POLICY DEVELOPMENT GROUP ARE CONSIDERED BY FULL COUNCIL BEFORE REFERRAL BACK TO CABINET.**

1.0 BACKGROUND

1.1 Members will be aware that Cabinet considered a report on 19 November 2013 entitled "Waste Management Software Procurement". A copy of the report which was considered by Cabinet is attached as Appendix 1 to this report.

1.2 Cabinet resolved at that meeting to approve the recommendations in the report. A copy of the draft minutes is attached as Appendix 2. However, on 3 December 2013, the Monitoring Officer received notice from a number of Councillors that they wished to call-in the decision of Cabinet for scrutiny.

1.3 The Monitoring Officer confirms that the constitutional requirements for call-in of a decision have been met.

1.4 The grounds for calling-in the decision are as follows:

1 - The report does not sufficiently demonstrate that savings and service improvements are proportionate to the expenditure, which is necessary to achieving value for money.

2 - Lack of clarity that income from green waste charging would offset expenditure, including ongoing administrative and other potential costs.

3 - Inadequate consideration of other options, for example, a comparative analysis with the status quo.

This report therefore seeks to address these grounds and also explains the process of call-in to members.

1.5   The Head of Community Services and Waste Services Team Manager will attend the meeting of Policy Development Group to respond to questions from members in relation to the call-in.

2.0   CALL – IN GROUND 1

2.1   In addressing the question of 'The report does not sufficiently demonstrate that savings and service improvements are proportionate to the expenditure', this report will seek to address this by detailing the rationale behind the proposed procurement. There are 8 key reasons:

- Waste Management Service Back Office Efficiency
- Missed Bin Collections
- Kerb Side Recycling Service
- Improving Customer Experience (ICE) Programme
- Future Web Self-Service / Channel Shift Initiatives
- Direct Charging for Services
- Customer Services Efficiency Improvements
- Management Efficiencies

2.2   Waste Management Service Back Office Efficiency - Waste collection operations are currently managed using a number of spreadsheets to control activities. The spreadsheet functions include:

- Bulky waste collection request lists
- Requests for replacement recycling containers
- Requests for replacement black wheeled bins
- Stock control of waste and recycling containers
- Clinical waste collection round management
- Waste collection round lists
- Sack collection lists
- Additional refuse container collection list
- Assisted collection list
- Commercial waste round list

2.3   The Waste Services Team Manager has identified opportunities for improving the efficiency of the back-office operation through the introduction of an integrated waste management system to replace these spreadsheets.

2.4   It is anticipated that more efficient administrative processes supported by real time data will free up time approximately relating to 0.5 FTE equating to £9,000 across the back office waste collection administration team. This will not be realised as a cashable saving, since the intention is to reorganise and redeploy this resource in support of more value added activities. Specifically, the back office staff will be freed up and able to engage with

customers in response to complaints and enquiries and more pro-actively promote improved use of the kerb side recycling service (see 2.11).

2.5 <u>Missed Bin Collections -</u> Although the Council is generally effective at managing missed bin collections (1,200 collections out of 5,000,000 were missed in 2012-13, representing 0.024%), the high cost of fuel means that the Council spends a disproportionate amount of upto £30,000 per annum on collecting missed bins (this figure refers to the cost of the fuel alone – there are of course other costs associated with collecting missed bins such as driver and loader time returning to pick up, and back office time for staff to resolve the query and re-arrange collection).

2.6 Introducing an integrated waste management system supported by in cab technology would allow the Council to make significant savings in fuel costs by reducing the number of missed bin collections. The Council's experience, which is consistent with that of other Councils contacted, is that in the majority of cases reports of missed bin collections are falsely made. Anecdotal evidence suggests that the issue is normally that the customer had not put the bin out in time for the collection.

2.7 When customers call in to report missed bin collections, the Council has little choice but to accept the report and dispatch a kerbside refuse collection vehicle to collect the bin. It is necessary to send out this type of vehicle since it has the equipment needed to lift and empty wheeled bins. These vehicles average 2.9 miles per gallon, and given the rising cost of diesel a significant cost is incurred by the Council.

2.8 In cab technology providing real time data to the back office waste management system provides Customer Services Officers with the information they need to check and where appropriate challenge missed bin reports. The Customer Services Officer is able to check the time that the vehicle was at the address where the missed collection was reported, and records the number of bins that were present and collected. Armed with this data, the Customer Services Officer can then challenge the caller and give the caller advice on how to deal with their waste.

2.9 Data from at least three other Councils suggests that where Councils have adopted this approach, the number of missed bin collections reduces considerably. Harrow Council claim that reports of missed bin collections has been reduced by 25% which would save an estimated £10,000 per annum in fuel costs alone. Rushcliffe Borough Council's system of real time reporting of waste issues has resulted in a 72% reduction in missed bins; and Tamworth Borough Council and Lichfield District Council both claim they have eliminated the vast majority of missed bin claims.

2.10 <u>Kerb Side Recycling Service</u> - In addition to the associated environmental benefits, the Waste Collection Service generated a revenue of £1.04m in 2012-13 through the sale of dry materials collected by the Council at the kerb side.

2.11 Experience shows that there are wide variations in the quantities of materials collected in different localities. The proposed Waste Management Software System will allow accurate records of collected volumes per area to be easily kept, which will allow the Council to conduct focused recycling campaigns to encourage extended use of the kerb side collection service. This will lead to increased volumes of materials being recycled by targeted campaigns and awareness raising. (The resource needed to manage this will be freed up as part of the general back office efficiencies identified earlier in this report.)

2.12   ICE Programme - In addition to any issues concerning operational efficiency, running a key frontline Council operation, such as Waste Services, using a series of spreadsheets presents a number of challenges in relation to the aims and objectives of the ICE Programme. For example, the system in place at Tamworth BC and Lichfield DC claims that 95% of waste enquiries are now dealt with at first point of contact. This means the customer is getting the right information straight away rather than being passed through various teams and staff at the Council having to trawl through several spreadsheets and systems to resolve. The outcome of which is the customer is kept waiting on the phone for no longer than necessary, nor do they require a call back while the problem is investigated. A similar waste management software system in place at Harrow Council has resulted in the number of follow up calls being reduced by 95% and call duration has been reduced by 45 seconds which has improved the the customer experience.

2.13   The immediate aim of the ICE Channels and Infrastructure Team is to ensure that back office ICT systems, including those used by Waste Services, are sufficiently secure, robust and scalable to support the following:

2.14   Future Web Self-Service / Channel Shift Initiatives - The ICE Programme aims include improving the customer experience and reducing costs through the use of technology to support web self-service and other Channel Shift initiatives. For example, it is anticipated that requests of replacement containers or bulky waste collections could be made and, where appropriate, paid for, online without the need for 'phone calls to the corporate Customer Services team. It will not be practical to offer reliable self-service offerings for waste collection services where these are underpinned by a series of spreadsheets. The requirement here is for a robust waste management software system that can be interfaced with the Council's website.

2.15   Direct Charging for Services - The ICE Programme is also discussing options for charging for services, with a view to identifying income opportunitiesto offset reduced funding from central government. In common with a number of other Authorities, customers could be charged for garden waste collections. This is currently being considered by Cabinet and is covered in more detail in Section 3. However, should the Council decide to adopt a policy for charging for green waste or any other waste collection related services, it would be inefficient to manage this using a system based on a series of spreadsheets.

2.16   Customer Services Efficiency Improvements - Using multiple spreadsheets instead of a single integrated waste collection system introduces inefficiency, un-necessary complexity and additional training requirements into the Customer Services Team. Customer Services Officers currently have to open and close multiple spreadsheets and access various back office systems to process what should be routine and straightforward requests, such as a request for a bulky waste collection.

2.17   It is the view of the Channel Infrastructure Team that the spreadsheets and associated ad-hoc processes currently in use by Waste Services will not adequately support the aims of the ICE Programme. There is an urgent requirement to replace them with a robust Waste Collection System that will support future integration with the Council's website, payment and invoicing systems, as well as providing a system to efficiently support Customer Services Officers working in the customer contact centre.

2.18   Management Efficiencies - In additional to operational efficiencies, it is expected that management time will be saved due to the timely availability of data and reports, allowing greater focus on value added activities, such as exploring opportunities for a more commercial style of working and income generation.

2.19   Financial Implications - Initial cost estimates have been provided by two vendors. On the basis of these estimates, a budgetary cost of £95,000 has been established. This cost includes in cab devices for each of the Council's waste collection vehicles, the back office software and all installation, configuration and project management charges. These costs would be incurred in the 2013-14 budget year and funded from the Value For Money reserve managed through the ICE programme board.

2.20   Based on a 35% reduction in the number of missed bin collections, an annual fuel saving of £10,000 is expected.

2.21   The current estimated cost of servicing waste related calls by the corporate Customer Services Team is £39,579 per annum. Although servicing these calls is not inherently complex, the use of spreadsheets and access to multiple back office systems results in average call durations that are typically in excess of twice as long as similarly complex enquiries. Halving the time taken to service these calls will generate a saving of £19,790 in Customer Services which is proposed to be recovered through a reduction in the use of agency staff.

2.22   Re-focusing back office waste collection service staff on to value added activities such as encouraging extended use of the kerbside recycling service has the potential to generate additional revenue through the sale of dry recyclable materials. Assuming collections are increased by 1%, additional revenue of £10,400 is projected.

2.23   The proposed waste collection system would include in cab GPS technology, so the existing GPS contract would not be needed saving £4,545 per annum at current costs.

2.24   The waste management software will however incur annual revenue costs of between £10,000 and £12,000, as detailed within Appendix 2.

2.25   Financial Summary

The cost of the waste management software system is expected to be recovered within a 3 year period through generating significant back office efficiencies, reducing missed bin rates to improve operational efficiency and at the same time improving the customer experience by getting the right information first time. The opportunity to improve the customer's knowledge of what can be recycled and why through a more targeted approach to communcations will help to increase recycling rates and generate more income. Improved channels of communication online will also give the customer a better experience of the Council and the waste service.

As one of the Council's key frontline services a dedicated waste management software system will not only enable the Council to manage its service in the most efficient way but also generate improved data for future benchmarking and customer satisfaction purposes. This builds on the recent efficiency initiatives including route optimisation, the move to zonal working and the reduction of green waste rounds from 4 to 3 in winter months.

In summary, the projected savings generated in proportion to the expenditure represent value for money for the authority on existing activities alone and could also offer significant benefits to the authority in the future. The projected savings are summarised in the table below;

Per annum savings		
Fuel Saved on Missed Bin Collections	£10,000	
Customer Services	£19,790	
Increased Recyclable Waste Sales	£10,400	
GPS Contract Savings	£4,545	
Annual revenue costs	- £12,000	
Total per annum savings		£32,735
Project cost - capital		£95,000
Project capital payback period	2.9 years	

3.0   CALL – IN GROUND 2

3.1   The call in request states that there is a 'lack of clarity that income from green waste charging would offset expenditure, including ongoing administrative and other potential costs'.

3.2   The decision to progress the procurement of a Waste Management Software system has been based on a business case to improve operational service efficiencies. The business case realises revenue savings from year 1 and a financial capital payback period of 3 years as described in the financial summary in 2.24. The business case was not directly linked to or reliant on a decision to progress with charging for green waste collections. Indeed, this procurement was initially presented to the Councils Corporate Leadership Team in May 2013 before Cabinet had made any decision on whether to progress charging for green waste collections.

3.3   However, if any future charges are levied for waste services then this system will facilitate the charging process and will give added value for money to the procurement.

3.4   Also, as stated in the background papers to the budget proposals for green waste collections, a Waste Management software system would be required to facilitate maximum efficiencies from any green waste charges. This software system would facilitate maximum efficiencies from any decision to progress any future charging proposals.

3.5   Through the procurement of a software system and the proposed pricing policy to offer discounts for direct debit and e-payments it is hoped to automate the majority of service requests. It is envisaged that the majority of transactions will therefore be made electronically or via email. As such, invoicing and administration costs will be kept to a minimum and the time saving from not managing waste services through spreadsheets as highlighted in Section 2 will enable these costs to bet from within existing finance and waste team resources. It should be noted that best practice currently suggests that residents should be sent a bin sticker annually to identify their payment and involvement in the scheme.

3.6   All enquiries will be dealt with by the customer contact centre and a comprehensive Frequently Asked Questions web page will be developed.

3.7 On-going benchmarking and discussions with other local authorities continue to lead to ideas for potential implementation and reduced efficiencies if Cabinet agree to the proposals.

3.8 The income and expenditure for green waste charging as proposed through the budget proposals can be seen at Appendix 2 as detailed in the Background papers

3.9 However, further financial details relating to the Waste Service are as follows;

- Currently the cost of waste collection is spread between all 40,627 households in the district.

- The total net cost of waste collection in 2012/13 was £1,519,335 equating to £37.40 per household per year.

- The garden waste element of this net cost is £12.50 per household per year. So the total annual cost of the current garden waste service is £507,837.50 and is borne by every household in the district regardless of whether they use the service or not.

- The garden waste proposal recommends a charge for collection from those who choose to subscribe and are willing to pay. To fully off set the existing cost of the garden waste collection service would require 16,928 subscribers each paying a £30 charge. This equates to a take up of 41.6% of all district householdes.

3.10 For clarification the business case for the procurement of a waste management software system is not dependant on garden waste and is based on the efficiencies set out in 2.24. However, to maximise the savings and efficiencies from any future decision on garden waste a suitable waste management software system will be required (as described in Appendix 2).

4.0   CALL – IN GROUND 3

4.1 The call in states that inadequate consideration of other options, for example, a comparative analysis with the status quo has not been considered. The information provided at 2.0 demonstrates the business case for not retaining the status quo.

4.2 An evaluation of the staus quo was undertaken as part of the ICE programme and a number of limitations identified. As detailed earlier in the report the service is run on a series of excel spreadsheets in tandem with the Council's current software system for recording and managing service requests. It was deemed that the current solution was inadequate for the Council to achieve the aims of the ICE programme and would not lead to any future revenue savings.

4.3 Waste officers considered the option to upgrade the spreadsheets with the supplier of the service request software system but through discussion with the supplier this was discounted as it was identified early on that the system could not meet the Council's business requirements specifically around in cab technology and improving the communication in real time.

4.4 Following a period of soft market testing for a new dedicated waste management software system it was clear that there were providers that could meet the Council's business objectives as outlined in Section 2. It was identified that the Government Procurement Service framework included 12 companies that specialised in providing a waste management software solution. In response to the Council's tender only one provider could meet the Council's requirements in full, no submission was received from the Council's incumbent service request supplier a tender evaluation panel has been planned to evaluate tender returns.

5.0 THE PROCESS

5.1 The process for dealing with a call-in by members is set out in the constitution, Scrutiny Procedure Rules (page 140-146). In summary, these provide for the following process.

    i. Call-in should be used in exceptional circumstances where the Policy Development Group has evidence which suggests that Cabinet did not take its decision in accordance with the principles of decision making (in Article 13 of the constitution – page 26). These are:

        a. proportionality (i.e. the action must be proportionate to the desired outcome).
        b. due consultation and the taking of professional advice from officers.
        c. respect for human rights.
        d. a presumption in favour of openness.
        e. clarity of aims and desired outcomes.
        f. explaining what options were considered and giving the reasons for the decision.

    ii. The call-in was received by the Head of Legal and Support Services in time, in writing and duly signed by those members wishing to call it in. There were no grounds to reject the call in.

    iii. If, having considered the decision, Policy Development Group are concerned about it, they may refer it back to Cabinet for reconsideration, with reasons and the nature of their concerns in writing.

    iv. Cabinet will then reconsider the decision and amend it or not before adopting a final decision.

    v. Policy Development Group may also, if concerned about the decision, decide to refer the matter to Council. Again, they would need to provide reasons and the nature of their concerns in writing. If the matter is referred to Council and they do not object then no further action is necessary and the decision will be effective from the date of that Council meeting.

    vi. If Council do object to the decision they can refer it back to the next scheduled Cabinet for reconsideration with reasons and the nature of their concerns. The process is then as set out at (iv) above.

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – 19 NOVEMBER 2013

Title of report	**WASTE MANAGEMENT SOFTWARE PROCUREMENT**
Key Decision	a) Financial Yes b) Community No
Contacts	Councillor Alison Smith MBE 01530 835668 alison.smith@nwleicestershire.gov.uk Director of Services 01530 454555 Steve.bambrick@nwleicestershire.gov.uk Head of Community Services 01530 454832 john.richardson@nwleicestershire.gov.uk
Purpose of report	To inform Cabinet of the procurement of waste management software. The report requests that Cabinet delegate authority to the Director of Services to award the software contract.
Reason for Decision	The level of potential expenditure exceeds the authority threshold in the Scheme of Delegation
Council Priorities	Value for Money
Implications:	
Financial/Staff	A robust evaluation of the procurement process will allow the most economically advantageous submission from the framework to be selected.
Link to relevant CAT	Not applicable
Risk Management	Not applicable
Equalities Impact Assessment	Not applicable
Human Rights	None discernible
Transformational	Not applicable

Government	
Comments of Head of Paid Service	The report is satisfactory.
Comments of Section 151 Officer	The report is satisfactory.
Comments of Monitoring Officer	The report is satisfactory.
Consultees	Procurement Legal Services
Background papers	Cabinet Report 11 June 2013 (MTFS Report) http://minutes-1.nwleics.gov.uk/aksnwleicester/images/att5694.pdf Cabinet Report 24 September 2013 (ICE Programme Update) http://minutes-1.nwleics.gov.uk/aksnwleicester/images/att5753.pdf
Recommendations	**THAT CABINET:** **1. NOTES THE PROCUREMENT PROCESS SELECTED FOR THE PROCUREMENT OF WASTE MANAGEMENT SOFTWARE AS PART OF THE ICE PROGRAMME; AND** **2. DELEGATES AUTHORITY TO THE DIRECTOR OF SERVICES TO AWARD THE WASTE MANAGEMENT SOFTWARE CONTRACT, IN ACCORDANCE WITH EVALUATION CRITERIA AS SET OUT IN THE FRAMEWORK**

1.0 BACKGROUND

1.1 As part of the Council's Improving Customer Experience (ICE) programme the need for a waste management software and in cab communications solution was identified for the reasons outlined at 3.1.

1.2 The Council has sought proposals from suitable suppliers to gain a better understanding as to what the market can offer. In line with Contract Procedure Rules, the Council will be undertaking the procurement process for the software using a framework agreement.

1.3 The Government Procurement Service framework has been selected as this is the framework where the software suppliers' specialisms are most able to meet the authorities requirements.

1.4   The following timetable is proposed:

	DATE
Invite submission of bids	**1 November 2013**
Deadline for submissions returned	**15 November 2013**
Evaluate submissions	**18 November 2013**
Contract award	**Following expiry of call in period if report approved by Cabinet**
Contract commencement	**To be agreed with supplier**

2.   RESOURCE IMPLICATIONS

2.1   The waste management software will be funded through the Value for Money reserve as part of funding set aside for the ICE programme which was agreed by Cabinet on 11 June and 24 September 2013.

2.2   As the likely cost of the contract exceeds the delegated financial authority levels in the Constitution, Cabinet are requested to delegate authority to the Director of Services to award the contracts.

3.   BENEFITS TO RESIDENTS

3.1   The procurement of the waste management software will contribute significantly to improving efficiencies in service delivery, to saving money and to build on the current high level of customer satisfaction with the waste collection service. It will also provide the following;

-   Real time reporting of issues from vehicles to customer services, i.e. crews will log when bins are not presented on time allowing customer services to enforce our non return policy for this issue

-   Accurate in cab data detailing customers who are exempt from bringing out their bins for health reasons reducing missed exempt bins by crews

-   To provide residents with the opportunity to arrange and pay for transactions on line such as bulky waste collections.

Cabinet Minute – 19th November 2013

RESOLVED THAT:

a) The procurement process selected for the procurement of waste management software as part of the ICE programme be noted; and

b) Authority be delegated to the Director of Services in consultation with the Community Services Portfolio Holder to award the waste management software contract, in accordance with evaluation criteria as set out in the framework.

Reason for decision: The level of potential expenditure exceeds the authority threshold in the Scheme of Delegation.

Budget Efficiency Savings Proposals Pro Forma - 2014/15 (OUTWARD FACING SERVICES)

1.   **Waste Services:**

   - **Cllr Alison Smith MBE**

   - **John Richardson - Head of Community Services**

2.   **Savings Proposal – Green Waste Collection – Appx 1B – item 1:**

   - Green Waste Collection – Introduce charging for fortnightly Green Waste collection with effect from the 2015 season (March-October 2015)

3.   **Background:**

   CHARGING FOR GARDEN WASTE COLLECTIONS – Introducing an Annual Subscription for Garden Waste Collection Service

   <u>Rationale</u>

   The garden waste collection is currently provided free of charge to residents. The Controlled Waste Regulations 2012 gives waste collection authorities the powers to charge for the collection of garden waste. Currently three of the seven districts in Leicestershire charge for garden waste collections; Blaby, Charnwood, and most recently, Melton Borough Council have implemented a charging scheme which was previously free of charge.

   Melton Borough Council have advised that there has been no discernible increase in refuse tonnage through garden waste being placed in the black refuse bin and it appears that the garden waste is being diverted to home composting or to the Recycling and Household Waste Sites to be recycled. There is a risk of an increase in fly tipping of garden waste which would be monitored as per current practice.

   The average charge for a 240 litre garden bin from the current Leicestershire authorities that charge for the collection of garden waste is £28.13 per bin; and the average number of participating households is 40%.

Authority	Price	Frequency and Duration
Melton Borough Council	£38.00 per 240l bin	Fortnightly (except for two weeks over Xmas)
Blaby District Council	£14.40 per 140l garden bin £20.40 per 240l garden bin	Fortnightly Mar-Nov Monthly between Dec-Feb

Charnwood Borough Council	£17.00 if paying by DD £26.00 if paying by other means	Fortnightly (except for two weeks after Xmas)

The proposed annual subscription for North West Leicestershire would be £30 per annum (reviewed annually) for the collection of garden waste in a 240 litre wheeled bin with a £5 discount if paid via direct debit.

The service would operate for approximately 34 weeks (ie 17 fortnightly collections) from the beginning of March until the end of October. The service would not operate between November and February. This will help accommodate weeks over the Christmas period where the authority reverts temporarily to weekly refuse collections, it will accommodate the scheduled maintenance of dedicated vehicles, container repairs and deliveries, and provide resilience in case of rearranging collections due to adverse winter weather.

For all new households coming on stream post implementation and joining the scheme, a green bin will be provided free of charge.

No concessions will apply to this service. All prices will be reviewed annually during the budget setting process but set two years in advance in order to notify residents prior to 1 February annually.

Financial Implications

Percentage Take Up of Scheme	Approximate Projected Net Additional income (annual)	Approximate Projected impact on recycling rate
40%	£200,000	From 45% to 36%
35%	£150,000	From 45% to 35%
30%	£100,000	From 45% to 33%
21%	£0 (Break even point)	From 45% to 31%

The projected net additional income is calculated by adding the total subscription income plus the recycling credit income from the projected tonnes collected; subtracted by the amount of recycling credit income that would have been made had the scheme continued to be provided at no charge. This assumes recycling credits remain the same as at present.

Income collected from charging for green waste is zero rated for VAT.

To maximise the savings and efficiencies, a robust and dedicated IT solution is required. The IT solution will allow customers to access the service 24/7; will encompass the secure storage of customer details, integration and compatibility with a range of waste functions, and additionally be compatible with a separate direct debit payment solution to reduce the administration of the scheme to a minimum. This would be in place ahead of any scheme implementation. The costs of the waste management IT solution are estimated to be £95,000 for set up costs in year 1 and then £10-12,000 per year thereafter and would enable the Council to meet the needs of a wider range of chargeable services. There would be additional costs of £15,000 associated with operational set up and promotion.

Implementation Plan

It is proposed that the chargeable garden waste scheme be promoted and available for sign up from 1 October 2014, therefore the summer season of 2014 will continue to be provided free of charge.

The first annual garden waste subscription will cover the period March – October 2015. If a householder joins the scheme with less than 4 collections (8 weeks) remaining in any year then a 50% discount will be applied to the annual subscription charge. A £2.50 discount will apply if paid by DD).

Direct debits will be set up to be taken on 1 February annually with any price increase notifications made by email, Christmas Vision magazine, calendar deliveries and press releases. It is anticipated price increases will therefore be made two years in advance as indicated below;

2014/15	£30 (£25 if by DD)
2015/16	£31 (£26 if by DD)
2016/17	£32 (£27 if by DD)

NB Above prices are indicative only and will be set through the annual budget process

The benefits of this proposal include:

- Reducing the total amount of waste collected
- Promotion of alternative treatment such as home composting
- Residents who do not use the service will not have to subsidise those that do

4. Equalities Impact:

An Equalities Impact Assessment has been completed.