

FEES AND CHARGES REVIEW – Garden Waste

Report of Councillor Mike Wilcox, Cabinet Member for Waste, Recycling, Ecology and Climate Change

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Agenda Item:

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Key Decision? No

Local Ward Members All



**CABINET
MEMBER DECISION**

1. Executive Summary

- 1.1 This report sets out proposals for member consideration in respect of charges for Garden Waste Collections. These amended charges will apply in the current financial year to achieve the income levels anticipated within the approved Medium Term Financial Strategy (MTFS) and rebalance the cost of collections within the waste service.
- 1.2 Garden waste subscriptions were launched in 2017 at a cost of £36 per bin for 23 collections from the kerbside each year. The price of collections has been held since its introduction, but increasing cost pressures in delivering this service require us to review this fee. This paper brings forward a revised set of fees* to ensure the chargeable waste service is self-sustaining going forward.
- 1.3 It is worth noting that if a CPI link had been established it increased by 24% (RPI by 41%) since 2017, if the price for Garden waste subscriptions had kept pace it would be £45 (or £51) now.

*the fees proposed in this report are applicable to Lichfield district subscribers – Tamworth have yet to determine if they wish to increase their fee or continue to charge the current levels with review of income split to cover the deficit.

2. Recommendations

- 2.1 That the Cabinet Member for Waste, Recycling, Ecology and Climate Change approve the recommended increase in the Garden Waste collection charges, effective for the collection year 2024, due to launch in October 2023. This includes the £40 fee via direct debit and £42 fee via other payment methods.
- 2.2 That the Cabinet Member for Waste, Recycling, Ecology and Climate Change in consultation with the Assistant Director Operations Regulation and Enforcement will review the charge for Garden Waste on an annual basis and adjust the fee accordingly in line with CPI (the immediate preceding September for the forthcoming subscription year) and the corporate charging policy, subject to consultation with the Joint Waste Board.

3. Background

- 3.1 Garden Waste charging began in October 2017 with the launch of a fully automated process to allow residents for both Lichfield and Tamworth, served by the Joint Waste Service, to sign up for the scheme. This year around almost 44,000 Lichfield and Tamworth households have subscribed for the service.
- 3.2 Cost pressures in the service include the increase in staffing costs following the 2022 Pay Settlement (of c5.6%) and the anticipated increase due to the 2023 pay settlement (at least a further 4%); fuel costs; fleet maintenance and replacements; measures to reduce the carbon footprint of the service; recycling credit reductions and gate fee price increases.
- 3.3 The Approved Medium Term Financial Strategy assumed that a number of fees and charges would be increased in 2023/24 to ensure that prices reflect higher operating costs and ensure the principal for non-statutory services to ensure full cost recovery. The increase to £40 was discussed at Overview and Scrutiny as part of the MTFs report on 20 January 2022.
- 3.4 The additional charges levied ensure the charging principals discussed at this meeting will be met in the proposed £40 fee for customers who sign up for direct debit.
- 3.5 It is important to highlight that Section 93 of the Local Government Act 2003, limits non statutory or discretionary prices to a full cost recovery pricing policy. As such customers who do not sign up for direct debit, and therefore renew their garden waste subscription each year, must also pay the additional costs associated with the annual renewal process.
- 3.6 The corporate charging policy approved by Council on 22 February 2022 included a set of principles that should be applied when setting charges:
 - Contribute to the achievement of corporate and service objectives
 - Maximise potential income, to achieve financial objectives, unless there is an explicit policy decision to subsidise the service
 - Be capable of being justified, in comparison with other similar providers
 - Take account of the ability of different users to pay, through the use of discounts and concessions, where appropriate
 - Differentiate between differing levels of a service being provided
 - Take account of the views of and minimise the impact upon users, where new or significantly higher charges are proposed, and where this is possible
 - Optimise the ease of collection of charges and minimise the costs of collection
 - Be regularly reviewed, using the latest available market information, and revised/updated, based upon such new information
- 3.7 The garden waste subscription service is a discretionary service and has a pricing policy of full cost recovery. The pricing objective is that the Council wishes to make the service generally available, but does not wish to subsidise the service. Therefore, prices are based on the direct cost and overheads related to the activity whilst also taking account the market (what the market or customers will allow us to charge).
- 3.8 The service is currently priced at £36 per bin, however recent cost pressures identified above have been absorbed by the service and therefore an increased charge of £40 is recommended for Direct Debit subscribers, and a fee of £42 is charged for one off subscribers. The higher cost for a one-off purchase is due to the additional work which must be done each year by staff in customer services or the Joint Waste team to re-enrol subscribers each time. This is in line with charges levied in other neighbouring authorities (the Market). Due to the subscription window for the Garden Waste service, these new fees would apply from October 2023 for collections beginning in January 2024.

3.9 Nationally 65% of authorities charge for Garden Waste. Benchmarking neighbouring authorities shows the updated fees are in line with other fees levied:

Authority	Price per Bin £	No of collection weeks	Price per Collection
Lichfield /Tamworth	36	23	£1.57
Stafford BC	36	23	£1.57
Newcastle-under-Lyme	38.50 – 44 proposed 24/25	23	£1.67 - £1.91
South Staffs	43.60	23	£1.90
North Warks	40	23	£1.74
Nuneaton	40	23	£1.74
Birmingham	50	20	£2.50
Sandwell	35	20	£1.75
Cannock	Free*		
Stoke	**£15	10	£1.50
East Staffs	Currently Free		

*consulting on charging for next year 2024/25 **Free in summer months, charged for over winter

3.10 In addition, the charging policy requires that the level of inflation should be considered when setting fees and charges for the year ahead in order to maintain the level of income in real terms. Therefore, to ensure that the service continues to fully recover costs each year an annual review is to be undertaken against CPI to (the immediately preceding September for the forthcoming subscription year) increase the fee in consultation with the Joint Waste Board.

3.11 Direct debits are now available to allow residents to subscribe on an ongoing basis, rather than needing to renew their subscription each year. This was introduced in 2022 to support the current year payments but has had limited take up. To make this process more accessible to residents and increase take up a one-off investment of £18,000 is required to fund development of the necessary technology to support this process.

Alternative Options	<ol style="list-style-type: none"> 1. Similarly alternative options to the increase in Garden Waste Collection fees include no increase, which places additional pressure on the MTFs and would not achieve the objectives agreed in our charging policy. The loss of income already built into the MTFs would require a reduction in funding elsewhere within the council in-year and potential reductions in the Joint Waste Service to reduce the reliance on reserves. 2. Linking garden waste charges to property bandings under the Council Tax scheme has also been explored. Due to the automated nature of the subscription process significant investment (estimates being sourced) and time would be required in developing a system integration to enable this link.
Consultation	<ol style="list-style-type: none"> 1. The increases in garden waste charges were discussed with members of the Overview and Scrutiny Committee during the development of the current approved MTFs, but were not implemented as the October 2023 subscription window is the first opportunity to update the fees following the discussion at committee in December 2022. 2. Issues raised during the scrutiny discussions have been incorporated into the considerations in this report including learning from other councils, consideration of a banded scheme and potential impact on fees for tipping of black bins.
Financial Implications	<ol style="list-style-type: none"> 1. The recommended increase in the Garden Waste price will ensure the service achieves its pricing policy of full cost recovery. 2. Last year this pricing policy was not achieved with the service having a full

	<p>cost recovery shortfall of £91,000.</p> <ol style="list-style-type: none"> 3. The Approved MTFS assumes a price increase to generate additional income of (£122,000) based on current take up rates. The price increase is intended to offset the increasing cost of the service which is currently being funded by earmarked reserves. 4. In the event the price is not increased, and earmarked reserves are not available, this will mean that the service will be subsidised by Council Taxpayers who may not be users of the service. 5. Council, on 15 October 2019, approved the budget principles and it is important to highlight two that are relevant to this decision: <ul style="list-style-type: none"> • Council will consider the medium-term outlook when setting the level of Council Tax to ensure that a sustainable budget position is maintained • Council will prioritise funding for statutory and regulatory responsibilities to ensure these are delivered in a way that meets our legal requirements and customer needs 6. Around £6,500 in fees will need to be spent each year to amend of fees and vary of the automated processes for Garden Waste subscriptions (this may be higher if Tamworth elect to charge a different rate). In addition, a one-off fee of approx. £18,000 will be required to provide continuous payment/direct debits via the automated Garden Waste subscription. These will be funded from existing budgets and reserves and offset by the additional income. An annual charge of 56p per direct debit subscriber will also be payable as an ongoing annual charge. Additional costs for annual one of subscriptions are already built into customer service and Joint Waste staffing resources, which will be freed up to focus on other priority (and statutory) areas. 7. If Tamworth Borough Council choose not to increase the fee they charge their residents then there will be an approximate £65,000 of additional funding required from them to fund the Joint Waste Service effectively or a rebalance of the current payment split.
Approved by Section 151 Officer	Yes
Legal Implications	<ol style="list-style-type: none"> 1. The collection of garden waste is not a statutory service and under the Controlled Waste Regulations 2012 the council has discretion to charge for this service. 2. The Constitution of the Joint Waste Board does not require both Councils to respectively agree the charge, but each Council must provide sufficient funding to cover the cost of collections in their respective areas. 3. The introduction of electronic Direct Debit subscriptions to this service will ensure compliance with the direct debit guarantee
Approved by Monitoring Officer	Yes
Contribution to the Delivery of the Strategic Plan	The report ensures organic waste is managed effectively within the district. Not providing these options will undermine delivery of the agreed MTFS and breach our obligation to be a well-run Council.

Equality, Diversity and Human Rights Implications	Garden waste charges are levied on those wishing to use the service. Assisted collections are available to those residents who cannot manoeuvre the bin to the kerbside on their own due to age or infirmity. The introduction of a differentiated rate for direct debit subscribers has been the subject to an Equality Impact Assessment. Any equality impacts will be addressed in the roll out and communications plan for this non-statutory service.
EIA logged by Equalities Officer	Yes
Crime & Safety Issues	None
Environmental Impact (including Climate Change and Biodiversity).	The collection and composting of garden waste ensures a good recycling rate is achieved by the district. The increase in fees will ensure the service can continue to invest in greener and less ecologically damaging technologies to collect and process the garden waste in contribution of our net zero targets by 2035.
GDPR / Privacy Impact Assessment	There are no GDPR implications arising specifically from this report. Garden waste subscriptions operate under a published privacy notice and a full Privacy impact assessment has been undertaken and audited in respect of this process to ensure compliance with GDPR.

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
A	Garden waste subscription take up reduces and income levels decline	Yellow (material) the Likelihood (Yellow) and Impact Assessment (Yellow)	Increase by the minimum viable amount to make the service sustainable, provide clear messaging on reasons for the increase, make it easier to pay via direct debit and continue to subscribe to the service. Pass on the additional costs for annual subscription sign ups to the customers of this non-statutory service.	Green (tolerable) as determined by the Likelihood (Green) and Impact Assessment (Yellow) .
B	Recycling rates drop and fly tipping increases	Yellow (material) the Likelihood (Yellow) and Impact Assessment (Yellow)	Increase communication messaging regarding the importance of recycling. Investigate, deploy deterrents and enforce all fly tipping incidents	Green (tolerable) as determined by the Likelihood (Green) and Impact Assessment (Yellow) .
C	Failure to balance the MTFS	Yellow (material) the Likelihood (Yellow) and Impact Assessment (Yellow)	Reserves are maintained and used sparingly – all fees are reviewed on a regular basis to ensure they cover the cost of delivering services to remove the need for subsidy.	Green (tolerable) as determined by the Likelihood (Green) and Impact Assessment (Yellow) .
D	Lichfield Residents inadvertently subsidise Tamworth users of the service	Yellow (material) the Likelihood (Yellow) and Impact Assessment (Yellow)	The price should be set to fully recover the costs of the service. Any decision by Tamworth BC to not increase the price in line with the principal of full cost recovery will mean Tamworth BC will need to make an additional financial contribution.	Green (tolerable) as determined by the Likelihood (Green) and Impact Assessment (Yellow) .

Background documents

[Approved MTFS](#)

Over view & Scrutiny [Agenda item - Medium Term Financial Strategy \(MTFS\) \(lichfielddc.gov.uk\)](#)

Relevant web links