

Wednesday, 7<sup>th</sup> August 2024

**Report of the Portfolio Holder for Environmental Sustainability, Recycling and Waste**

**Annual Garden Waste Subscription Charge**

**Exempt Information**

Not applicable

**Purpose**

This report seeks ISAG consideration and support of the approval to Cabinet to increase the garden waste subscription fees for 2024/25.

**Recommendations**

It is recommended that Scrutiny endorse the following recommendations to be made to Cabinet on 8<sup>th</sup> August 2024:

1. Approve the increase of the annual subscription fee to £41 effective 1<sup>st</sup> October 2024.
2. Agree that each year, under delegated powers, the Cabinet Member responsible for waste services will approve the price increase in consultation with the Executive Director Organisation and the council's Section 151 officer. Furthermore, that variations in pricing can be agreed through the same delegation to support promotions (for example to encourage take-up of direct debits), provided these can be funded from within the service without placing additional pressure on the MTFs.
3. Approve the amendments set out in the report which include basing the coming year's annual price increase on June's CPI figures that are released by the Office for National Statistics in July, and that the final subscription price will be rounded up or down to the nearest 50 pence.

**1. Executive Summary**

Lichfield District Council (LDC) is the lead authority for delivery of the Joint Waste service. This report is presented for consideration and uses the Annual Garden Waste Subscriptions Charge Amendment report presented to LDC's Cabinet on 30<sup>th</sup> July 2024 as its basis, thus ensuring consistency of approach but allowing full transparency and independent decision-making.

For information, Members are advised that previously this service was led and directly managed by the previous Chief Executive. Since Mr Barratt's retirement and with new leadership this service has since June transferred under the executive scope of the Executive Director Organisation.

To further support the information contained within this report, an 'all members' briefing was held on 5<sup>th</sup> August and this report (in draft) is presented with the aim of providing members with as much information, transparency of decision making as well as the opportunity to understand and challenge recommendations contained herein.

This report also details the need to increase the annual charge for the garden waste subscription (effective 1 October 2024) and recommends that due to the need to build systems to support the annual subscription process (including the direct debit process which requires an eight-week lead in to allow banking set-up and testing to take place), that from 2024, the annual price increase for the coming year's subscriptions will be based on June's CPI figures, which are released in July annually by the [Office for National Statistics](#). The final subscription price will also be rounded up or down to the nearest 50 pence.

Garden waste subscriptions were launched in October 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 TBC to review this fee. LDC have however, continued to increase their subscription rates (currently at £40) which has now resulted in a £4 differential across the Joint Waste Service. This variance places a significant administrative burden on the service.

The service is 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.

Cost pressures in the service include the increase in staffing costs following the 2023 Pay Settlement, fuel cost, fleet maintenance and replacements; measures to reduce the carbon footprint of the service; recycling credit reductions and gate fee price increases.

In addition, the Approved Medium Term Financial Strategy assumed that a number of fees and charges across the council would be increased in 2024/25 to ensure that prices reflect higher operating costs and ensure the principal for non-statutory services to ensure full cost recovery. It was agreed however, that the annual subscriptions for green waste would not be increased. Instead, it was agreed that this shortfall would be met by use of reserves.

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.

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).

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 £41 is recommended. This figure would also bring TBC in line with Lichfield District Council.

## **2. Options Considered**

By not increasing the annual garden waste subscription charge the Council could continue to fund the increase in costs from reserves for a two years 2024/25 and 2025/26 which would limit the other projects the Council could deliver and is not sustainable over the longer term. Furthermore, it is worth noting that through charging only those who use the garden waste service for its costs, it ensures that only those residents who benefit from the scheme pay for the cost of its delivery.

## **3. Resource/Financial Implications**

During 2023/24 the Council utilised reserves in respect of the Joint Waste Service to meet the shortfall in income by not increasing the annual charge in line with Lichfield, estimated to

be approx. £60k pa, and will need to do so again in 2024/25. The current balance of reserves is £153k.

The Council’s budgetary provision for the Joint Waste Service for the current year is insufficient to meet the costs due, with an annual contribution of £1.98m payable to Lichfield, against a budget of £1.79m. The reserves will be applied to meet this shortfall.

It is now vital that the price increase recommended is supported and income maximised in order to maximise and meet the council’s anticipated budget gap. The increase will be built into the budget setting process for 2025/26.

**4. Legal/Risk Implications Background**

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.

The constitution of the Joint Waste Board does not require both councils to agree the charge, but each council must provide sufficient funding to cover the cost of collections in their respective areas.

	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 because of the increase	<b>Yellow (material)</b> Likelihood (Yellow) Impact (Yellow)	Increase by the minimum viable amount (CPI) to make the service sustainable, provide clear messaging on reasons for the increase, make it easy to pay via direct debit.	<b>Green (tolerable)</b> Likelihood (Green) Impact (Yellow)
B	Recycling rates drop and fly tipping increases because of the increase	<b>Yellow (material)</b> Likelihood (Yellow) Impact (Yellow)	Increase communication messaging regarding the importance of recycling. Investigate, deploy deterrents and enforce all fly tipping incidents.	<b>Green (tolerable)</b> Likelihood (Green) Impact (Yellow)
C	Failure to balance the MTFS	<b>Yellow (material)</b> Likelihood (Yellow) Impact (Yellow)	The annual increase in fees ensures the income covers the cost of delivering the service and removes the need for subsidy.	<b>Green (tolerable)</b> Likelihood (Green) Impact (Yellow)

**5. Equalities Implications**

A Community Impact Assessment has been compiled at **Appendix 1** for the changes to the green waste service.

**6. Environment and Sustainability Implications (including climate change)**

The collection and composting of garden waste contribute to the council’s recycling rates. The annual increase in fees helps to ensure the council’s budgets are not negatively impacted through the provision of the service, and as such are able to focus available resources on initiatives that target the council’s ambition of achieving net zero by 2030.

**7. Background Information**

Approximately 44,000 residents are signed up to the garden waste service across Lichfield District and Tamworth Borough and this number increases every year. The council receives very few complaints about the premise of charging for garden waste which is well understood by the respective communities.

Tamworth Borough Council currently charges £36 per annum for garden waste subscriptions whilst Lichfield District Council Charge £40. This differential costs TBC approximately £60k to £65k per year based on current rate of subscriptions for Tamworth residents of over 15,000.

Whilst the garden waste service helps to increase recycling rates and reduce waste sent to landfill, it is not a statutory service, and the council is not required to deliver it. As such, like councils across the country, a charge is levied to those residents who wish to benefit from the garden waste service.

The income generated from the sale of garden waste subscriptions funds the cost of the garden waste service, which each year increases due to annual pay settlements, increases in cost of fuel and other changes to costs of delivering the service (gate fees, recycling credits, overhead costs etc).

Any annual increase in subscription prices helps to offset the increase in these associated costs. The current annual cost of the subscription of £36 per year has been in place since 2018 and as such, the Council has had to make up the shortfall (as part of the shared service) from reserves.

Councils across the country charge differing amounts for a garden waste subscription, and the current fee (£40) charged by Lichfield District Council is favourably comparable, as shown below:

Council	2024 fee
Cannock Chase District Council	£38.50
Newcastle-under-Lyme Council	£39.95
Stafford Borough Council	£42
North Warwickshire Borough Council	£43
Birmingham City Council	£60
Oxford City Council	£85

As an illustration, an increase by CPI based on June 2024’s CPI figure (for the 2025 subscription fee) would see the costs of a subscription rising to £41 per annum for 2024/2025.

Subject to approval by Lichfield District Council’s Cabinet on 31<sup>st</sup> July, Lichfield will also be increasing their annual subscription fee to £41, thus making both local authorities exactly the same in terms of pricing.

**8. Report Authors**

- Anica Goodwin – Executive Director Organisation
- Becky Smeather – Executive Director Finance
- Hannah Peate – Assistant Director (Environment, Culture and Wellbeing)
- Jo Goodfellow – Assistant Director (Finance)

Credit and thanks to L Barton (Director) and S Gee (Ops Manager) of Lichfield District Council for support

**Appendices**

- Appendix 1** - Community Impact Assessment for Annual Garden Waste Subscription Charge 2024
- Appendix 2** – 2014 Shared Services Memorandum of Understanding
- Appendix 3** – Committee Report 2009 household Waste & Recycling Service
- Appendix 4** – A guide to Staffordshire Waste Partnership