

Decision under Delegated Powers
Increase in Garden Waste Collection Charges

Officer Making the Decision

Matthew Bradford – Head of Cleansing and Open Spaces.

Recommendation

That the charge levied on residents for the fortnightly collection of Garden Waste is increased for the next three financial years in line with the table below:

Payment Method	Current Charge 15/16	Revised Charge 16/17	Revised Charge 17/18	Revised Charge 18/19
Direct Debit	£17.00	£22.00	£25.00	£27.00
Other	£26.00	£31.00	£34.00	£36.00

Reason

The increases in charges are required due to:

1. The withdrawal of Green Waste Recycling Credits has resulted in a reduction of income of £300,000 per annum from 1st April 2015.
2. Proposed changes to the Recycling Credits for Dry Recycling could lead to an additional loss of income of £590,000 per annum from April 2018.
3. The cost of providing the collections increases by RPIX each year.
4. Price increases are necessary in order to mitigate the lost income from Recycling Credits and increasing contractual costs

Authority for Decision

Section 8.3 of the Constitution gives delegated authority to Heads of Service to undertake the periodic review of fees and charges raised within their service area and falling within the scope of the Council's Income and Charging Policy Framework.

Decision and Date

Background

1. This decision will increase the charges for the Garden Waste Collection Service over the next 3 years by the following amounts:

2016/17 - £5 per year increase
2017/18 - £3 per year increase
2018/19 - £2 per year increase
2. The main driver for this change is the need to offset the loss of Recycling Credit incentive payments previously made by Leicestershire County Council. These payments related to the collection and treatment of garden waste which ceased with effect from 1st April 2015. The loss in income as a result of this change is £300,000 per annum. The amount of income that is hoped will be raised from the result in increased charges (over the whole 3 year period) will be £300,000 per annum. It is not anticipated that the service will make a surplus throughout this period. In calculating this the whole service cost has been used. This includes contractors costs, administration and other back office costs.
3. The total increase needed over the period, £10 per annum, has been staggered, rather than implemented in one year. It is hoped that this will enable residents to plan for the increase over the 3 year period, rather than having to accommodate a larger increase all in one go.
4. The collection of Garden Waste is a discretionary service provided by CBC as an enhancement to the statutory residual waste and recycling collections. The service was introduced in 2006 and has always been chargeable. There is a difference in charge between Direct Debit payers and those paying by other methods. This reflects the cheaper transaction costs for Direct Debit payers.

The proposed charges are provided in the table below:

Payment Method	Current Charge 15/16	Revised Charge 16/17	Revised Charge 17/18	Revised Charge 18/19
Direct Debit	£17.00	£22.00	£25.00	£27.00
Other	£26.00	£31.00	£34.00	£36.00

5. The annual payment is due prior to service commencement and there are no options to spread the cost over the year. This is due to the additional transaction costs of taking payment in instalments. Providing this option would put additional pressures on the budget and make the need for further price increases highly likely.
6. The impact of the changes will be experienced by those residents with gardens. Residents who live in flats, apartments or houses without gardens are not considered to be significantly affected by the proposed change.

7. Alternatives to subscription to the service are:
- Home composting. Subsidised composters are available from Leicestershire County Council for £11
 - Taking the garden waste to a Household Waste and Recycling Centre. This is not a viable option for households without the use of a car.
 - Reducing Garden Waste e.g. Removing the grass collection box from the mower and leaving the grass to mulch down.
8. Many authorities charge for the collection of Garden Waste with the average cost nationally estimated to be in the £40 per annum region. Across Leicestershire there is a mixed picture with some authorities charging and other providing the service for free. As a result of the withdrawal of Recycling Credits, it is understood that other district/borough councils in the county will be reviewing their charges, or implementing charges where free collections have been made previously. At the time of writing each Council had not ratified their proposals for 16/17 onwards. A summary of existing charges is provided below.

Authority	Current Charge 15/16	Notes
Blaby DC	£27.00	
Harborough District Council	£0.00	£40 per annum charge being introduced from 16/17 (9 month service)
Hinckley and Bosworth BC	£0.00	
Leicester City Council	£30 (March to October)	
Melton BC	£45.96	Due to increase from April 2016. Amount not yet confirmed
North West Leicestershire BC	£0.00	
Oadby and Wigston BC	£0.00	

9. Alternatives increasing the charges are as follows:
1. Stop providing the service altogether. This is not considered to be a viable option as many residents value the service that is provided. There are currently 29,000 subscribers.
 2. Absorb the additional cost of providing the service. This is not viable due to general cost pressures on the Council.
 3. Make savings in other areas of the service. This is not viable due to other cost pressures on the service and the need to make

additional savings/income other than those proposed within this report.

10. An Equality Impact Assessment has been completed to inform this decision.
11. Consultation has taken place for the first year of the increase as part of the consultation process for the main budget proposals for 16/17. This process has included Scrutiny, consultation with the Rate Payers Association and with the general public via the website. No responses were received regarding this proposal.

Financial Implications

The increase in charges will result in additional income to CBC in line with the table below:

Year	2016/17	2017/18	2018/19
Income above current Baseline	£138,000	£240,000	£300,000

Risk Management

Please see the table below:

Risk Identified	Likelihood	Impact	Risk Management Actions Planned
Price increase leads to loss of subscribers	Possible	Moderate	Communications plan to include background on reasons for increases. Marketing exercise to be conducted during 2016/17 to maximise take up of the service
Increase lead to some negative local press coverage	Possible	Moderate	Press Release to include value for money information. e.g 52p per week for DD payers after increase.

Key Decision: Yes

Background Papers: Equality Impact Assessment