

## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	9 FEBRUARY 2022	11

### GREEN WASTE COLLECTION – SUBSCRIPTION SERVICE CHARGE

#### PUBLIC ITEM

This item is for consideration in the public part of the meeting

#### SUMMARY

The report outlines a proposal and the rationale to increase the green waste subscription service charge from the 2022/2023 operational year beginning 1<sup>st</sup> April 2022 by £5 per bin per annum. The rationale for the proposed subscription service charge increase is included in the report demonstrating that the increase contributes significantly to the cost of delivering the optional service.

#### RECOMMENDATION

To approve a £5 (per bin) increase to the annual charge for the green waste subscription service to contribute towards the increased cost of delivering the service.

#### SUMMARY OF PREVIOUS DECISIONS

At a special meeting of the Operational Management Committee in March 2016 it was RESOLVED that a subscription service for green waste be considered as part of future budget proposals and the intervening time is used to research other options for the service, to be reported to a future meeting of the Operational Management committee.

The Operational Management Committee on 13 September 2016 RESOLVED to recommend to full Council: the introduction of a year-round green waste subscription service, at a charge of £30 per waste bin per annum, in order that the service may be ready for implementation from April 2017; and that the income arising from the introduction of the charge, if approved, be reflected within the Councils budget for 2017/18 onwards.

At a meeting of Full Council on 5 December 2016 it was RESOLVED to approve the introduction of a year-round green waste subscription service, at a charge of £30 per waste bin per annum, for implementation in 2017; and that income arising from the introduction of the charge, be reflected within the Council’s budget for 2017/18 onwards and that the Operational Management Committee agree the operational detail of the scheme prior to implementation.

At a meeting of the Operational Management Committee on 17 January 2017 it was RESOLVED to approve the following:

- Implementation date of subscription service 1<sup>st</sup> June 2017
- Annual subscription of £25 per bin in year 1 (reduced year service to March 31<sup>st</sup>, 2018)
- Collection of additional wheeled bins at annual subscription of £25 per bin in year 1
- Subscription increases to £30 from year 2 (full year service April 1<sup>st</sup> to March 31<sup>st</sup>)
- Collection of additional wheeled bins at annual subscription of £30 per bin from year 2
- Fortnightly collections with a Christmas period suspension

- No reduction for part year subscription
- No refunds or transfer of subscription
- No reductions or concessions applied until the scheme has been proven
- Expenditure of £38,500 on communications, finance, and back-office support in Year 1
- To delay deciding on the collection of non-scheme green bins until after the scheme matures

At a meeting of the Operational Management Committee on 11<sup>th</sup> January 2022, it was RESOLVED to support a recommendation to Full Council to approve a £5 (per bin) increase to the annual charge for the green waste subscription service to contribute towards the increased cost of delivering the service.

### CORPORATE PRIORITIES

Economy – To create a vibrant and healthy economy	
Environment – To deliver services customers expect	√
Efficiency – By spending money in the most efficient way	√
Tourism – To create a great place to live and visit	√

### REPORT

1. The green waste subscription service was introduced in 2017 in response to the Lancashire County Council (LCC) decision to end the Cost Sharing Agreement recycling credit payments which contributed significantly to the cost for collecting all domestic property recycling activity in the Borough. The decision to end the cost sharing agreement was made by LCC, who are the disposal authority, in response to the legal requirement for collection authorities to collect and separate recyclable material which removed the need for an incentive to collect recyclables.
2. Local authorities have the option to levy a charge for the collection of green waste which is not one of the recyclable materials authorities are legally required to collect, a charge cannot be made for the collection of recyclable materials that have to be collected under legislation i.e. plastic, cans, glass etc. Charges for a green waste subscription service have been introduced across most of Lancashire (and further afield) to mitigate the cost of introducing a green waste collection service previously funded through the LCC cost sharing agreement. The current charges for green waste collection services at Lancashire authorities are listed below with analysis by total cost, number of collections and per collection charge:

Council	Charge per bin per annum	No of collections	Amount per collection
Blackburn with Darwen	£30	20	£1.50
Blackpool	£40	22	£1.80
Burnley	£35	20	£1.75
Chorley	£30	25	£1.20
Fylde	£30	25	£1.20
Hyndburn	£30	20	£1.50
Lancaster	£40	20	£2.00
Pendle	£35	20	£1.75
Preston	£35	24	£1.46
Rosendale	£40	20	£2.00
South Ribble	£25	22	£1.14
West Lancashire	£30	25	£1.20
Wyre	£35	22	£1.60

3. Fylde currently has the second lowest charge at £30 per bin per annum and the maximum number of collections offered (25 per year) the per collection charge is £1.20. An increase of £5 per bin would result in a per collection

charge of £1.40, offering fair and reasonable value even compared with the current charges across the region.

4. The charge for the green waste service was introduced to mitigate the cost of continuing to provide a service to collect garden waste previously all recycling collections had been funded through the LCC cost sharing agreement. The council was receiving £763,000 per annum from the cost sharing agreement towards funding the collection of recyclables, in 2021 the 19,760 subscriptions to the green waste service generated an income of £592,800 towards the cost of the green waste collection service, the cost of collecting other recyclable materials is funded through the council's general fund.
5. The Council does not account separately for the green waste collection service because it would require the apportionment of all joint costs for staff, vehicles, overheads, supplies, etc. at source because they are shared across the range of waste services provided. Almost all the cost centres include every aspect of the waste collection service, for example vehicles, premises, utilities, supplies, and employees, they are all transferable across grey, green, plastics, paper and glass collections making specific apportionment of the green waste element across every invoice transaction almost impossible and not required under local authority accounting regulations. To strip out and set up dedicated resources for the green waste service only would require significant duplication and waste adding unnecessary cost to the service through inefficiencies.
6. However, it has been possible to prepare a reasonably accurate best estimate based on an analysis of how much each element of the total waste service cost relates to the collection of green waste given the number of collections, the level of subscription and the vehicle use etc. The analysis has been prepared by apportioning the annual costs for the whole service between the constituent elements according to the most appropriate apportionment method available. Where costs are more easily identifiable as relating to a particular element of the service (for example printing costs for the green bin stickers and the purchase of new replacement bins) these costs have been allocated directly to that element of the service. Appendix 1 includes the full estimate for the green waste collection service for the current financial year at £734,774.
7. There has been no increase in the green waste subscription service charge since it was introduced almost five years ago. During that same period inflation has increased at an average of 2.5% per annum ([Bank of England](#)) however, post COVID inflation has climbed to 3.8% (October 2021), diesel prices are at a record high (147.9p at the pump) and the average labour costs 9.4% above the pre-pandemic level with one of the greatest increases amongst HGV drivers. Over the last 18 months there has been a reliance on agency labour because of absences and recruitment issues further increasing the cost of the service. The council has struggled to recruit to key posts required to operate the waste and recycling service including HGV drivers and mechanics at the same time the cost of parts, repairs, replacement, and maintenance of the vehicles, lifting equipment and bins have all increased over the five years since the service was introduced with sharp increases post COVID that show no signs of slowing.
8. The number of subscribers to the service at Fylde has always been significant increasing year on year with many premises having multiple bins with the service well used and very successful based on good customer feedback and satisfaction rates. The high level of subscription has resulted in a significant contribution to the operating cost of the optional green waste service and allowed the council to retain the charge at £30 for the first five years.
9. If the council was to retain the same number of subscribers in 2022 at 19,760 charging £35 per annum for the service there would be a contribution of £691,600 towards the cost of recycling services, this is comparable to the estimated cost of the service at £734,774 demonstrating that the subscriptions largely cover the cost of the service. Based on the latest estimated cost of the subscriptions service the proposed charge of £35 per bin would make a significant contribution towards the costs of running the service for the residents who choose to subscribe.
10. Green waste service collections take place on a fortnightly basis apart from over the Christmas period when the service is suspended, resulting in 25 collections per year equating to £1.40 per collection for a full calendar year (20p per collection increase on the current price) with a charge of £35 per bin per annum. The Environmental Protection Act 45 (3) states "the authority may recover a reasonable charge for the collection of the waste from the person who made the request", the charge is considered reasonable, appropriate, and fair offering value for money for the service received and consistent with charges levied by neighbouring authorities for a fortnightly green waste subscription service.

11. The charge contributes towards the cost of delivering the collection service, it is less than the payment previously received under the cost sharing agreement, and a proportionate increase based on the rationale outlined in this report.

IMPLICATIONS	
Finance	The proposed increase of £5 per bin will generate an estimated £98,800 additional income per annum towards the cost of delivering the service, based upon the current number of subscriptions. If approved, the financial implications of an increase in the fee for the chargeable green waste scheme will be reflected in the next update of the Council's Financial Forecast.
Legal	The Controlled Waste Regulations 1992 classifies garden waste as a household waste for which a charge for collection may be made. The Environmental Protection Act 45 (3) states "the authority may recover a reasonable charge for the collection of the waste from the person who made the request". In proposing revised arrangements for the collection of garden waste the Council is required to have regard to the provisions of the Equalities Act 2010 and s.17 of the Crime & Disorder Act 1998. Nothing within the proposals to charge for the collection of waste contravenes the provisions of these Acts.
Community Safety	No implications arising from this report.
Human Rights and Equalities	No implications arising from this report.
Sustainability and Environmental Impact	No implications arising from this report.
Health & Safety and Risk Management	No implications arising from this report.

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BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Operational Management Committee Report	31 March 2016	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>
Operational Management Committee Report	13 September 2016	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>
Full Council Report	5 December 2016	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>
Operational Management Committee Report	17 January 2017	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>

Attached documents

Appendix 1 - Estimated Costs - Green Waste Collection Service 2021/22