

[Portfolio Holder for Environment and Public Spaces]

[17.01.2023]

REPORT OF THE [Assistant Director Building and Public Realm]

A.1 **[Operations and Delivery/ Garden Waste service] - Proposed Fees and Charges for 2023/24**

(Report prepared by Jonathan Hamlet)

**PART 1 – KEY INFORMATION**

**PURPOSE OF THE REPORT**

To seek the Portfolio Holder's concurrence to the proposed schedule of fees and charges 2023/24 for Operations and Delivery/ Garden waste service

**EXECUTIVE SUMMARY**

- This report sets out the proposed fees and charges for 2023/24 for [Operations and Delivery/ Garden Waste service]. They continue to be considered against a number of key principles that form part of the long term financial forecast approach which are summarised later on in this report.
- Any amendments to income budgets that are required to reflect changes to fees and charges will be included in the detailed budget proposals for 2023/24 that will be considered by Cabinet / Full Council next year.
- In respect of Full Council next year, the individual decisions agreeing fees and charges will be collated and presented as part of the overall budget setting process for 2023/24.

**RECOMMENDATION(S)**

**That the Schedule of Fees and Charges 2023/24 for [Operations and Delivery / Garden Waste service] set out in Appendix A be agreed.**

**REASON(S) FOR THE RECOMMENDATION(S)**

To enable the implementation of a revised fees and charges schedule for 2023/24.

**ALTERNATIVE OPTIONS CONSIDERED**

Please see the considerations / reasons behind the proposed fees and charges later on in this report.

**PART 2 – IMPLICATIONS OF THE DECISION**

**DELIVERING PRIORITIES**

The forecasting and budget setting process, including fees and charges, will have direct implications for the Council's ability to deliver on its objectives and priorities. At its heart, the 10-

year approach to the forecast seeks to establish a sound and sustainable budget year on year through maximising income, including income raised from fees and charges, whilst limiting reductions in services provided to residents, businesses and visitors.

**OUTCOME OF CONSULTATION AND ENGAGEMENT**

None taken

**LEGAL REQUIREMENTS (including legislation & constitutional powers)**

Is the recommendation a Key Decision (see the criteria stated here)	No	If Yes, indicate which by which criteria it is a Key Decision	<input type="checkbox"/> Significant effect on two or more wards <input type="checkbox"/> Involves £100,000 expenditure/income <input type="checkbox"/> Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	

The arrangements for setting and agreeing a budget and for the setting and collection of council tax are defined in the Local Government Finance Act 1992. The previous legislation defining the arrangements for charging, collecting and pooling of Business Rates was contained within the Local Government Finance Act 1988. These have both been amended as appropriate to reflect the introduction of the Local Government Finance Act 2012.

The power to charge are set out in the Local Authorities (Goods and Services) Act 1970 and the Local Government Act 2003 – Section 93 respectively. The latter also requires that charges for discretionary services should be on a cost recovery basis.

Under Para 4.4.1 (8) Part 3.4 of the Council's Constitution, all Assistant Directors, in consultation with the relevant Portfolio Holder, Management Team Member and the Assistant Director (Finance & IT), are authorised to decide the level of the annual discretionary fees and charges for their service (including any in-year changes that may be required) for inclusion within the Council's corporate schedule of fees and charges. Following the above consultation, an Officer decision must be published.

**The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:**

The Council is not under a statutory obligation to collect garden waste and therefore, is able to charge a fee for this discretionary service.

It is important that these fees and charges are on a recovery only basis if relying on Section 93 of the Local Government Act 2003, trading for a profit is prohibited unless the Council does so through a separate company.

The Section 93 power works on the basis that, if it wishes, a local authority can charge for a discretionary service but individuals cannot be required to pay for a service they do not wish to receive or use. Anyone who requires the service agrees to take it up on those terms. To ensure fees can be recovered evidence of such an agreement is required and it is essential that the documentation is in place and robust. I am not aware of the sign up process for this service, but I would assume the payment is made upfront agreeing the Council's terms and conditions.

The Council cannot include the cost of dealing with FOI requests within the relevant service area, as the legislation for access to information is specific on charging. This admin cost should be removed from the calculation.

## **FINANCE AND OTHER RESOURCE IMPLICATIONS**

### **Finance and other resources**

Fees and Charges have been reviewed against the key principles that underpin the long-term forecast, which includes the generation of income whilst balancing strategic and external market conditions.

Given the significant Financial challenges faced by the Council in 2022/23 and 2023/24, a key underlying principle is to consider inflationary increases wherever possible to support corresponding increases in the Council's own costs in delivering the associated service(s). The current rate of inflation (RPI) is 14%, with predictions of further increases going into 2023. With such a high rate of inflation it may not necessarily be practical / possible to 'translate' such an increase into the actual fee increase proposed. Therefore, set against this inflationary context, any proposed increases in fees and charges must be balanced against other considerations / market conditions, whilst also recognising the restrictions placed on local authorities in terms of setting fees and charges on a cost recovery basis. Further details relating to any proposed increases to fees and charges is set out below.

Any changes to income budgets resulting from any changes in the level of fees and charges agreed, will form part of the detailed budget setting process for 2023/24.

Corresponding estimate for income budget for garden waste collection fees to be increased from £910,000 to £1,005,770 to reflect proposed increase to fees and charges.

### Garden Waste

Item	2022/23	2023/24
Cost of service	£883,850 budget	£992,361 forecast
Total fee Income	£910,000 budget	£1,05,770 forecast
Difference	£26, 150	£13,409

The 2023/24 cost of service forecast reflects the anticipated increase in contract costs, which are index linked to RPI combined with the increasing costs associated with the purchase of garden waste bins.

Whilst both budget years indicates an income surplus. The budget figures do not include Officers time associated with the service which can include but not exclusive to customer enquiries, complaints, FOI, finance/admin duties, stock level monitoring, ordering of materials

and consumables and leading on associated project work to support and enhance the service (in-cab technology and on line reporting via MyTendring).	
<input type="checkbox"/>	<b>The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:</b>
<b>USE OF RESOURCES AND VALUE FOR MONEY</b>	
The following are submitted in respect of the indicated use of resources and value for money indicators:	
A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services.	Please see relevant comments elsewhere in this report.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks.	
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	
<b>MILESTONES AND DELIVERY</b>	
Fees and Charges for 2023/24 form part of the wider budget setting process, which culminates in the detailed estimates being presented to Full Council in February 2023. Fees and Charges must therefore be approved in advance of this date.	
<b>ASSOCIATED RISKS AND MITIGATION</b>	
Increase in fees and charges may impact participation rate to new customers and existing customers to renew to the service. Mitigated by that the service has not increased fees and charges since the service commenced in 2014.	
<b>EQUALITY IMPLICATIONS</b>	
Garden waste service is a subscription service and households continue to have the option to home compost or dispose of their garden waste at the Recycling Centres for Household Waste	
<b>SOCIAL VALUE CONSIDERATIONS</b>	
The subscription garden waste service employs drivers and loaders from the local community	
<b>IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030</b>	
<b>OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS</b>	
Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.	
<b>Crime and Disorder</b>	Not relevant.
<b>Health Inequalities</b>	
<b>Area or Ward affected</b>	

## PART 3 – SUPPORTING INFORMATION

## BACKGROUND

Income from fees and charges form an important element of the budget and the financial sustainability of the Council as set out in the long term forecast.

Similarly to previous years, Departments have been asked to review their fees and charges on an individual basis as changes may need to be made to meet specific aims or strategic objectives or in some cases in response to external factors such as market forces.

The review of fees and charges has been set against the following key principles:

- general inflationary increases where possible or lower where appropriate / justified
- amounts rounded for ease of application, which may result in a slightly above inflation increase.
- on a cost recovery basis as necessary
- reflect statutory requirements.
- increases where market conditions allow
- to meet specific priorities or service delivery aims / objectives

As highlighted earlier in this report, the Council faces a number of significant financial challenges in 2023/24 and beyond. It is therefore important that fees and charges are considered against this context and to maximise income opportunities where possible, albeit whilst balancing the various issues highlighted above.

Income budgets included in the detailed estimates will reflect any required changes from the proposed fees and charges set out in this report.

## Operations and Delivery / Garden waste service - PROPOSED FEES AND CHARGES 2023/24

Set against the current fees and charges for 2022/23, **Appendix A** includes the schedule of fees and charges proposed for 2023/24, which have been developed by applying the key principles highlighted above.

Since the introduction of the service in 2014, the cost of wheeled bins has increased year on year and with recent demands on the polymer market, covid and inflation pressures the current £25 for the admin, purchase and delivery of the wheeled bin is no longer adequate. The latest delivery of wheeled bins had a unit price of £19.25 per bin. With the resultant compounded affect of 6 years of inflationary uplift to the service this now equates to £26.89 per bin delivered to a customer and with the next uplift expected to be in the region 13% will result in an unavoidable cost of £30 per bin. The increase in charges for the supply and delivery of a garden waste bin to £35 will address the true costs.

Similarly the collection costs charged by Veolia have been subject to uplift for the last 6 years and with the next uplift expected to be in the region of 13% the collection costs are impacting the associated £50 subscription charge to customers. Increasing the charges to £55 will address the 8 years of the service where no increase in fees have been applied whilst operating costs have increased year on year.

**PREVIOUS RELEVANT DECISIONS**

Concurrence letter: Garden waste subscription costs notice letter template V2

**BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL**

Briefing note: Garden waste cost pressure 2022 v3

**APPENDICES**

Attached – Detailed fees and charges 2023/24 for Operations and Delivery / Garden waste service.

**REPORT CONTACT OFFICER(S)****Name****Jonathan Hamlet****Job Title****Street Scene Manager****Email/Telephone****jhamlet@tendringdc.gov.uk/ 01255  
686770**