

[Portfolio Holder for Environment and Public Spaces]

[17.01.2023]

REPORT OF THE [Assistant Director Building and Public Realm]

A.1 [Operations and Delivery/ Refuse Collection: Recycling containers] - 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/ Refuse collection: Recycling containers]

EXECUTIVE SUMMARY

- This report sets out the proposed fees and charges for 2023/24 for Operations and Delivery/ Refuse collection: Recycling containers. 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 / Refuse collection: Recycling containers 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:**

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 therefore, it is essential that documentation is in place and robust. However, if the service is to operate on only providing containers once the fee is paid just the requirement to charge needs to be clear.

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.

The introduction of a new charging regime for recycling containers will require a specific budget code to be set up.

Being a new charge the uptake on purchase of containers cannot be accurately quantified. New build properties will continue to receive containers at no cost along with households who exchange containers damaged by the waste contractor.

Recycling containers

Item	2022/23	2023/24
Cost of service	£65,248.04 budget	£65,248.04 forecast
Total fee Income	£0	£32624.02 forecast
Difference	£65,248.04	£32624.02

☐ **The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:**

USE OF RESOURCES AND VALUE FOR MONEY

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.	
MILESTONES AND DELIVERY	
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.	
ASSOCIATED RISKS AND MITIGATION	
Increase in fees and charges may impact participation rate to the kerbside recycling service. This can be mitigated by that households can present their recycling in any suitable container and does not need to be a council specific container. The authority has supplied containers free of charge since 2012 and it is widely acknowledged that containers are used for various other reasons other than recycling.	
EQUALITY IMPLICATIONS	
The authority will continue to provide containers at no charge for new build properties and where the householder exchanges a damaged container for a new one.	
SOCIAL VALUE CONSIDERATIONS	
IMPLICATIONS FOR THE COUNCIL’S AIM TO BE NET ZERO BY 2030	
Charging for recycling containers may result in increased materials sent to Landfill.	
OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS	
Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.	
Crime and Disorder	Not relevant.
Health Inequalities	
Area or Ward affected	

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 / Refuse collection: recycling containers - 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.

For 2021: 9240 red boxes, 9240 green boxes, 13860 lids, 6720 twenty three litre food caddies and 8424 seven litre food caddies and 1871 180 litre grey wheeled bins were purchased by the authority. Supply chain issues and cost of recycled polymer used in the manufacturing process has seen dramatic increases in costs for these items.

Additional demand for container and wheeled bin deliveries comes from householders who move into an existing property to find that the previous owner/tenant has taken all recycling containers and wheeled bin. On top of this demand are the “walk in customers” to the recycling container collection points to pick up boxes.

It is commonly accepted that as the containers are free of charge with no proof of address or personal details recorded that the boxes and lids are used by householders and organisations for other storage uses.

With ongoing inflation and supply chain pressures for recycled polymers used to manufacture the recycling containers it is expected that the costs for these products will continue to increase

PREVIOUS RELEVANT DECISIONS

Concurrence letter: Recycling container costs notice letter template V1

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

APPENDICES

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

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