

TITLE OF REPORT: Charging Structure for garden waste collections 2017

REPORT OF: Paul Dowling, Strategic Director, Development and Enterprise

Purpose of the Report

1. To seek Cabinet approval of the charging structure for garden waste collections 2017.

Background

2. In November 2015 Cabinet approved the increase in charging for the collection of garden waste, the cost for the service was £25 for those signing up by 31 January 2016 and £27 for those signing up after this date. The charge was for 15 fortnightly collections between April and October 2016.
3. Over 28,000 residents opted into the scheme via 3 alternative payment methods - online, by telephone or by face to face contact.
4. The service achieved its additional budgeted saving of £140,000 from garden waste charging for 2016/17.

Proposal

5. It is proposed that the Council implements an increase in the charge for garden waste collections that will take place from April to October 2017.
6. This proposal has been included on the savings proposals for 2017/18 for Waste Services and Grounds Maintenance. The proposed minimum charge for 15 collections of a garden waste bin during 2017 is £31.
7. Residents will receive a letter in November 2016 confirming the details of the service and confirmation of the charge for the service. Those wishing to participate will be asked to sign up by 31 January 2017 in order that routes can be designed to ensure collections take place from beginning of April 2016.
8. Residents will also be advised that those signing up after the deadline will pay a fee of £33.
9. Appendix 1 provides information on the charging structure and the reasons for incentivising early sign up.

Recommendations

10. Cabinet is asked to recommend Council to:

- (i) Approve the charging structure for garden waste collections for 2017 as set out in the report.
- (ii) Approve the inclusion of the £31 and £33 charges on the fees and charges schedule for 2016/17 so that payments can be taken from November 2016.

For the following reasons:

- To achieve an estimated further £168,000 savings which will assist the Council in achieving the overall savings required to deliver its budget for 2017/18.

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Policy Context

1. The proposal in this report is consistent with the Council's vision and medium term objectives as set out in Vision 2030 and the Council Plan, in particular 'Ensuring a Sustainable Gateshead' by ensuring best use of resources to deliver value for money services and long-term financial sustainability.

Background

2. The incentivised charging for garden waste was implemented in 2016 with payments being taken from November 2015. 63,000 properties were contacted via a letter in November 2015 advising of the increased charge and were requested to sign up before 1 February 2016 otherwise the charge would be £27.
3. Approximately 22,500 bins were signed up by the deadline which made it easier to plan routes, and send data for the printing of stickers and calendars. It also reduced disruption to residents during the first few weeks of collections.
4. Residents have continued to sign up throughout the collection period although at reduced numbers compared with 2015 when there was no incentive to sign up early.
5. Of those bins currently signed up 60.5% were done so on line which is the most cost effective way for the Council, approximately 29% by phone and 10.5% via face to face contact.
6. The proposal aims to continue with the incentivised early sign up to enable effective route planning and ensure residents can receive their full 15 collections, whilst reducing administration costs. Residents will be asked to sign up by 31 January 2017 and pay £31. Those signing up after this date will have to pay an increased fee of £33.
7. This charging structure treats all residents equally, no matter how they choose to sign-up (whether before or after the deadline), but provides a financial incentive to those that chose to do so within the agreed deadline.
8. Letters will be sent to residents in early November requesting them to sign up for 2017 garden waste collections.
9. The charges of £31 and £33 apply to all residents with no concessions.
10. Residents will still be able to pay via the internet, over the telephone or in person at the Civic Centre; however, the letter will not refer to face to face payments being taken at the Civic Centre, to encourage the use of more cost effective payment methods. This links to the channel shift work programme. Face to face payment is the least cost effective way to take payments.
11. Residents can join at any point after the deadline however the price will remain at £33.

Consultation

12. Consultation has taken place with the Leader of the Council and Cabinet Members for Environment and Transport.

Alternative Options

13. Other options were considered but this incentive scheme was chosen as it is the most viable in terms of budget stability. It allows advance notification to be given to residents opting into the scheme outside of the normal process of approval of fees and charges.

Implications of Recommended Option

14. Resources

a. Financial Implications – The Strategic Director, Corporate Resources confirms that it is estimated that the increase to the charge for garden waste collections on an estimated participation rate of 28,000 properties minus the costs to run and administer the scheme would generate additional savings of £168,000.

b. Human Resources Implications – Nil

c. Property Implications – Nil.

15. **Risk Management Implications** - The risks associated with the impact on demand for the service have been assessed when considering introducing an increased charge for this service. This report sets out the reasons why the Council believes the proposed implementation of a charge is reasonable however as with any increase, the reasonableness of the charge is open to legal challenge.
16. **Equality and Diversity Implications** - A Comprehensive Impact Assessment (CIA) for the introduction of charging for garden waste collections was previously prepared and was reviewed in July 2016.
17. **Crime and Disorder Implications** – There is potential that some residents may dispose of their waste by fly tipping in lanes and over back fences onto public open spaces.
18. **Health Implications** - Nil
19. **Sustainability Implications** – There will be an impact on the overall recycling rate as a result of the increase of the charge. It is estimated that the tonnage collected for recycling of garden waste will fall by approximately 10% from this year as a result 3000 less bins collected during 2016.
20. **Human Rights Implications** - Nil
21. **Area and Ward Implications** – The proposed charging would apply to garden waste collections that are provided across the borough.