

Business Operations and Partnerships Department

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Date: 15 February 2023

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TO: Councillors O O'Donnell (Chair); A Anderson (Vice Chair); D Devlin and K Pragnell.

CABINET

Please find attached the undernoted additional item for consideration at the meeting of the Cabinet being held in the Council Chambers, East Renfrewshire Council Headquarters, Eastwood Park, Giffnock on **Thursday, 23 February 2023 at 10.00am.**

Louise Pringle

L PRINGLE

DIRECTOR OF BUSINESS OPERATIONS & PARTNERSHIPS

Undernote referred to

Item 7 – Addition to Charging for Services 2023/24 – Report by Director of Business Operations and Partnerships.

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EAST RENFREWSHIRE COUNCIL

CABINET

23 February 2023

Report by Director of Business Operations and Partnerships

ADDITION TO CHARGING FOR SERVICES 2023/24
OUTCOME OF CALL-IN DISCUSSIONS

PURPOSE OF REPORT

1. To report on the outcome of the deliberations of the Audit & Scrutiny Committee on the Cabinet's decision regarding an *Addition to Charging for Services 2023/24*.

RECOMMENDATIONS

2. It was recommended that the Cabinet:-

- (a) note that the Audit & Scrutiny Committee support the introduction of a new charge for an additional garden waste container for participating households of £60 to cover the cost of the new container, including delivery;
- (b) note that the Audit & Scrutiny Committee does not support the Cabinet's decision to approve an increase in the charge for the Garden Waste Permit 2023/24 from £40 to £60; and
- (c) considers the recommendations made by the Audit & Scrutiny Committee as follows:-
 - (i) to increase the charge for the Garden Waste Permit 2023/24 by £5 from £40 to £45; and
 - (ii) that the system for setting the garden waste charges in future be reviewed with a view to related recommendations being submitted to the appropriate body in due course.

BACKGROUND

3. On 26 January 2023 the Cabinet considered a report by the Director of Environment (a copy of which is attached at **Appendix 1**), updating it following the Charging for Services exercise carried out within the Environment Department and the submission of a report on that to the Cabinet on 1 December (Item No.33 of [original report](#) of 1 December refers).

4. Having set out the position on a range of issues, the report considered by the Cabinet on 26 January concluded that:-

- Increasing the charge for a garden waste permit would assist towards recovery of full costs, and contribute to 2023/24 savings proposals;

- The new offer of an additional garden waste bin for participating households would assist towards the Environment Department's income generation and savings targets; and
 - That an early decision on these from Members would allow Neighbourhood Services to commence the sale of Garden Waste Scheme Permits from week-commencing 30 January 2023.
5. Having considered the report, as recommended, the Cabinet approved:-
- (a) an increase in the charge for the Garden Waste Permit 2023/24 from £40 to £60; and
 - (b) the introduction of a new charge for an additional garden waste container for participating households of £60 for an additional permit; plus £60 to cover the cost of the new container, including delivery.

CALL-IN OF CABINET DECISION

6. On Monday, 30 January, a notice calling-in the Cabinet's decision for consideration by the Audit & Scrutiny Committee was submitted. It was signed by Councillors McLean, Edlin, Campbell, Wallace and Morrison, with Councillor McLean being the lead signatory.

7. As detailed in the call-in notice, the alternative proposal to that agreed by the Cabinet was that:-

- The increase in charge be contained below the rate of inflation by way of efficiencies accrued from the provision of a second bin as detailed in the paper.

8. The Audit & Scrutiny Committee met on 8 February 2023 to consider the matter. All members of the Committee (Councillors Andrew Morrison (Chair), Tony Buchanan (Vice-Chair), Provost Mary Montague and Councillors Paul Edlin, Annette Ireland, David Macdonald and Gordon Wallace) attended the meeting. Councillor Jim McLean, lead signatory to the call-in notice, and Councillor Owen O'Donnell, Leader of the Council who was substituting for Councillor Danny Devlin, Convener of Environment and Housing, also attended. The officers present were Caitriona McAuley, Director of Environment; Margaret McCrossan, Head of Accountancy (Chief Financial Officer); Andrew Corry, Head of Environment (Operations); Michelle Blair, Chief Auditor; Eamonn Daly, Democratic Services Manager; Linda Hutchison, Senior Committee Services Officer; and Liona Allison, Assistant Committee Services Officer. Grace Scanlin, External Auditor, was also present.

9. At the meeting Councillor McLean was heard further in respect of the 3 reasons for the call-in of the Cabinet's decision as specified in the Call-in notice which were that:-

- the main objective of charging for services within the Environment Department is to, where possible, ensure that the actual costs of delivering such services are fully recovered.
- The paper failed to provide Cabinet with a breakdown of the costs of delivering the garden waste uplift service. Cabinet were however verbally advised by officers that whilst the "brown bin uplift" service will run at a loss, the garden waste element of that service to which the charges are applicable, presently operates at a profit.

- It is accepted that inflationary pressures as itemised in the paper could eliminate any profit, an increase of 50%, based on the information provided to Cabinet thus far, is not justified, placing an unfair burden on those who use the service.

To complement these points, he highlighted that:-

- The feedback from budget consultation stated that 48 people suggested the Council should consider increasing the garden waste service, but no indication had been given on how many disagreed
- It had been reported that the garden waste scheme currently generated income of £870k per annum from 21,650 residents signing up to the scheme, and that it was now being assumed that income of £1.8m per annum would be generated by approximately 30,000 residents signing up to the new scheme, but the basis for that had not been provided
- Although other local authorities made charges for such schemes, examples of which were provided, the Council's charges were the highest
- Residents had expressed concerns regarding the proposals, such as on social media, with some indicating for example that they would not renew their permit or put garden waste in their grey bin, or that they were concerned that fly-tipping would increase
- No credible research had been done or evidence provided that the estimated number would renew their permit, undermining potential savings

10. During the Audit & Scrutiny Committee meeting, the focus of discussions was the proposed charge of £60 for a garden waste permit, rather than the £60 for providing and delivering a second bin when requested. Ultimately, the latter was supported.

REPORT

11. Speaking in relation to the decision taken by the Cabinet, in the first instance, Councillor O'Donnell stated that he welcomed the opportunity to clarify the Cabinet's decision, and apologised for any confusion arising from the report in question which he intended to address. Making reference to a document providing a cost analysis of the garden waste service, which was tabled at the meeting (a copy of which is attached at **Appendix 2**), Councillor O'Donnell commented on issues as follows in support of the Cabinet's decision:-

- To set the scene, the financial environment was challenging for residents facing a cost of living crisis, and also the Council which needed to deliver £30m of savings over the next 3 years, which required tough decisions to be made collectively by the Council to balance its budget whilst maintaining service levels
- These savings proposals were tabled at the very first Budget Strategy Group meeting in September 2022, with leaders of the Opposition having had ample opportunity therefore to scrutinise them prior to the Audit & Scrutiny Committee meeting at which the call-in was being considered

- In November 2019, the Audit & Scrutiny Committee had published a report on income generation and commercialisation, one of many recommendations highlighted and subsequently accepted by the Cabinet being *to develop proposals to generate new income or maximise potential from existing arrangements from annual garden waste collections amongst other initiatives*
- The aims of the permit charge increase proposed were to recover the costs for a non-statutory service, namely the garden waste collection service, and reduce the net costs of providing the service, not to generate profit
- Residents had a choice to opt in or out of this discretionary service, and would still have their food waste collected, at no additional cost, if they opted out
- The service was currently very successful and valued, 23,000 households currently opting to receive it
- In terms of key points in the financial analysis tabled at the meeting:-
 - An 80/20% split of allocation of costs between garden waste and food waste had been assumed, based on Scottish Environment Protection Agency (SEPA) analysis of the contents of brown bins
 - The total direct costs of the service were expected to increase by £350k, or nearly 20%, from 2022/23 to 2023/24, with the total gross cost growing from £1.9m to £2.3m
 - The main driver for that increase was an increase in gate fees of 56% for composting garden waste alone
 - The other costs for staff, vehicles and administration were all subject to inflationary increases
 - No indirect management overheads (e.g. for the Head of Service's management team) were included
 - If the bin charge was increased to £60, the net cost of the scheme would be £429k, an improvement of £181k on the current year, but still a net cost
 - If the bin charges were maintained at the current level of £40, the net cost would become £460k worse, the total cost for 2023/24 being £889k which would be £279k worse than for 2022/23
 - The additional bin charges, net of additional gate fees and including net delivery income, would reduce the net cost further to £314k, which represented an improvement of some £300k on the prior year, however the brown bin service would still remain a loss making one, despite the projected increase in charges
- In terms of fairness, the service fees would only be borne by those users who wanted and needed the service
- It would be unfair if the costs of this discretionary service were fully borne by, and subsidised by all Council Tax payers, through Council Tax, many of whom did not need the service

- The proposed fee change to £60 equated to £1.20 per week per pick up (an increase of 40p/week)
- Residents could, and did, organise themselves to share brown bins and the related costs which was encouraged, reducing the burden on light users of the service
- Residents could dispose of garden waste in other ways, such as self composting, taking it to recycling centres resulting in additional car mileage and costs, or asking a commercial operator to uplift it which would not cost £1.20/bin/week
- From a comparison of such services and costs across all Scottish councils, East Renfrewshire was the only one providing a 50 week service; all were looking at increasing their fees or reducing the service to one that was provided every 2 weeks or more; and they were already charging more on a pick up basis than East Renfrewshire, with some considering withdrawing the service, which was not an option under consideration locally and would be opposed by residents
- It was hoped there was no problem with the proposed charge to receive a second, additional bin which a resident could opt to pursue, demand for which had been established and the income from which would help to reduce the net costs of the overall service
- The implications of increasing the charges for each bin, such as to £45 for example, would increase the net running costs of the service by around £400k, which would have to be found from making savings elsewhere when there were few places to turn to for that scale of saving in Year 1, or by raising Council Tax by between 0.5% and 1%
- There were implications of delaying the implementation of the charges because:-
 - Importantly, officers needed time to organise the process for implementing the fee changes (the license for the brown bin charges ran from 1 April to 31 March each year)
 - This would cause an increase in customer calls, complaints and confusion, when there was a wish to have the most efficient billing process and best customer experience possible
 - The processing time for the change was the reason why a proposal was submitted to the Cabinet in January for a decision, rather than the Council meeting on 1 March.

12. In summary, Councillor O'Donnell considered the proposal considered by Cabinet to be a reasonable and balanced one which offered good value for money as the cost of the service was only £1.20 per pick up. Approval of it would also help recover more of the direct costs from increased fee generation, fulfil the spirit and ambition of the Audit & Scrutiny Committee's own recommendations on income generation, and help reduce budget savings challenges in the coming year when there were few other options to do so. He recommended that the Cabinet decision be supported.

DISCUSSION

13. Issues were discussed as follows:-

Cabinet Meeting, Additional Financial Analysis Provided and Related Issues

14. In the first instance, in response to Councillor Wallace who raised concerns regarding wording used at the Cabinet meeting and about a lack of information he felt had been provided to it, such as the further financial analysis just provided, Councillor O'Donnell, the Head of Environment (Operations) and Head of Accountancy (Chief Financial Officer) apologised for a poor and inaccurate choice of words used at the Cabinet meeting which had led to a misinterpretation of information provided on profit and contribution. It was acknowledged that this had given an impression, unintentionally, that the garden waste service operated at a slight profit which it did not. The Head of Accountancy (Chief Financial Officer) also commented that she thought it had been assumed at the meeting that all infrastructure costs related only to the food waste collection service, and that the fact that the costs of the full brown bin service had to be apportioned on a 20% food waste, 80% garden waste basis had not been factored in to the figures provided. The additional financial analysis provided had been provided to help address this.

15. Provost Montague highlighted that the Director of Environment had, whilst commenting at the Cabinet meeting, ultimately concluded that the revenue generated did not meet the cost of the service.

16. In response to an issue raised by Councillor Edlin on the validity of including capital charges in the cost analysis provided, the Head of Accountancy (Chief Financial Officer) confirmed that all services had to account for capital charges. For example, if a 6-figure cost of a vehicle had to be met, this had to be incurred by those who benefitted from the use of the asset, with the cost spread over the period of the vehicle's life. She acknowledged that moving to electric vehicles in future would be more expensive, but that this was not a current cost consideration, as electric vehicles were not being used at present.

Budget Consultation and Validity of Results and Conclusions Drawn

17. Referring to the 48 respondents to the budget consultation who supported increasing the garden waste collection charge or altering the collection cycle, as well as those who had expressed discontent regarding the way forward in other ways, Councillor Morrison sought clarification if there was a deminimus threshold for concluding that the sample from which feedback was received was too small to enable valid conclusions to be drawn. Referring to correspondence circulated to Members by the Director of Business Operations and Partnerships following the Cabinet meeting, the Director of Environment highlighted that, over and above the feedback from the 48 respondents, through a separate section of the consultation, 50.6% of 1785 respondents agreed or strongly agreed with proposals around further changes to the charge and additional brown bins. In response to Councillor Wallace, she stated that the information she had access to suggested respondents had not been asked about a specific price point for the service, and that there was no information on whether or not the 48 respondents currently paid for a permit. Councillor Wallace's view was that the results of the consultation could not be relied upon in terms of supporting a 50% uplift in the charge.

Food & Garden Waste Services

18. It was confirmed that it was not easy to provide accurate figures for providing a food waste only service, because the costs of the current vehicle fleet, designed for the existing service, still had to be paid for over their asset life. Consequently a proportionate saving would

not be made if the garden waste service ceased just now. It was also confirmed that if a food waste only service was provided, a smaller fleet and less frequent service would be required the costs of which would differ from the current service.

19. Councillor Wallace commented that picking up further garden waste allowed these assets to be used more fully in terms of marginal costs, and additional revenue to be generated at a similar cost to the current service, for which he commended the Environment Department for its enterprising approach. Councillor Ireland also supported commercialisation of services if done well, and considered this to be something the Council should explore further, as other local authorities were doing, with there being a need to consider the well-being of residents at all times when charges were considered. She sought, and received, further assurances from the Director of Environment and Head of Accountancy (Chief Financial Officer) that the proposed increase in the charge would not result in the garden waste service operating profitably.

20. Councillor O'Donnell confirmed that the assumption being made was that 3000 additional bins would be purchased in Year 1, rising by a further 2000 in Year 2.

Public Concerns and Initial v Future Charges

21. Councillor Macdonald focussed on overall public concern regarding the service, referring to some fears expressed by residents, when the initial charge of £40 was introduced, that it would increase annually by significant amounts. He argued that the 50% cost increase for a permit would result in many people not using their brown bin for garden waste resulting in it ending up in landfill, or could result in the illegal and untraceable dumping of garden waste. He also referred to composting benefits of mixing food and garden waste and, more generally, to the possibility of the Council not maximising the potential of the combined waste service.

22. The Head of Environment (Operations) commented that concerns were often rightly raised regarding potential fly-tipping when changes to waste services or related charges were proposed. However, he assured the committee that these did not tend to come to fruition, as the area was fortunate to have a high number of residents who acted responsibly. He reported that there had not been any great reaction on fly-tipping when the £40 charge was introduced, and that he did not anticipate anything different occurring in this instance. In response to Councillor Morrison who asked if any related behaviour modelling had been carried out, such as to determine if there was a price limit above which residents would not renew permits or fly-tipping might increase, the Head of Environment (Operations) referred to the difficulties of doing so given that the service was exposed to market forces, such as on gate fees which were due to increase and could continue to do so. This could be a mitigating factor in providing the service in future.

23. In response to a further issue raised, the Director of Environment, supported by the Head of Accountancy (Chief Financial Officer), confirmed that, as it was the 2023/24 budget and settlement that was being discussed, she could not give an assurance that the Cabinet would not be asked to consider increasing the charge further in future. It was acknowledged that the 50% increase in the permit charge was significant, but argued that the service provided value for money, particularly relative to the services provided by other Scottish local authorities, and that the proposed charge was justified on the basis of related costs. It was highlighted that residents could exercise choice to opt in or out of the garden waste service.

24. Councillor Ireland stated she was worried not only regarding the scale of the increase in the charge proposed, but also about the effects on the environment service of not increasing the charge, seeking further clarification on the latter and highlighting that no specific alternative proposal had been tabled. Councillor O'Donnell stated that if the charge was not increased, £460k of savings would need to be found from elsewhere, which would not necessarily need

to be found by the Environment Department but from across the Council as a whole which would be challenging. If the charge was not increased to as high as £60, a proportion of these savings would need to be found which would depend on the exact charge set. For example, £400k of alternative savings would be required if the charge for a permit was £45. He reiterated that an alternative was to increase Council Tax by between 0.5% and 1%, the consequence of which would be that every Council Tax payer would be subsidising the service, rather than only those who opted to receive it.

25. The Head of Accountancy (Chief Financial Officer) confirmed that such charges were normally the subject of the charging for services reporting which concluded in early December when a report was submitted to the Cabinet, but that no decision had been made on this particular service in December 2022 pending the budget situation being clarified.

26. Councillor O'Donnell highlighted that this was the first proposed increase to the permit charge since it had been introduced, and that any future proposals could be scrutinised as was happening on this occasion.

27. Provost Montague emphasised that no assurances on future charges could be provided in local government as councils were dependent on a financial settlement from the Scottish Government which was not assured. She referred to the challenges of funding statutory services, let alone non-statutory ones such as the garden waste service, and the importance therefore of not looking at this issue in isolation from others.

28. Councillor Edlin, supported by Councillor Macdonald and Councillor Wallace, expressed some support for increasing the permit charge, but not to £60. Councillor Edlin suggested that increasing it to £45 could be an option, which Councillor Wallace highlighted would still be above the level of inflation. Councillor Wallace commented that another alternative was to accept the additional income from those who requested a second bin, and consider compensating adjustments to the budget elsewhere rather than placing an additional burden on those who use the garden waste service.

29. Supported by some other Members, Councillor Edlin confirmed that his concern focussed on the substantial scale of the increase proposed which would impact on many people in the current difficult financial climate, including those in employment, who were not wealthy and were suffering. He argued therefore that the increase needed to be considered further, even if it impacted on other budget proposals. He also referred to the number of properties in the area with gardens and, in support of Councillor Macdonald, the potential impact on human behaviour regarding the disposal of garden waste. It was confirmed that the alternative recommendation in the call-in notice, suggested an alternative course of action, but did not specify what an alternative charge should be, other than it being contained below the rate of inflation.

30. Councillor Macdonald suggested it would be useful to know what other Members considered an acceptable level of increase in the charge to be, encouraging them to share their views on this or what other options they would suggest to help the committee determine the way forward. For example, this could be suggesting that the bulk uplift charge be reviewed. Provost Montague stressed that specifying an exact figure was only part of the equation, as there would be a related cost. Either there would be a need to do without something else or Council Tax would need to increase, as Councillor O'Donnell had already highlighted.

31. Councillor Wallace commented that there had been very little time at the Budget Strategy Group to discuss the many savings options put forward. He was disappointed that, despite having expressed his concerns on the charge for the service with the Leader in December, there had been no further consultation in advance of the report being submitted to the Cabinet in January. He felt that two months had been lost in determining the best way

forward on this contentious issue, reiterating his concerns regarding the validity of using the consultation results as a basis for increasing the charge to £60. He added that when the Audit & Scrutiny Committee had suggested charges previously for the non-statutory garden waste service, it had been at a time when there were no alternatives as it was not an option to increase Council Tax without incurring a related financial penalty.

32. Councillor Morrison asked how the initial charge of £40 for the uplift service was determined, given the intention to recover the cost apportioned to the service and that the service operated from a loss from the very start. The Head of Environment (Operations) confirmed that, at the time, it had been based on the need to make savings and to try to generate £800k, but it had been hoped that 25,000 permits would be requested generating income of £1m instead to cover new vehicle and other staff costs of approximately £200k also.

33. Responding to Councillor McLean's comments on charges for such services in other local authorities, Councillor Ireland highlighted he had itemised current charges, but that she imagined all were reviewing their service and related charges.

Gate Fees and Related Issues

34. Having welcomed the additional cost analysis provided at the meeting, Councillor Buchanan highlighted that when the Audit & Scrutiny Committee had made recommendations on charges for services, the Council had been facing significantly increased gate fees annually for landfill in recognition of climate change, therefore related costs needed to be considered. A difficult decision had been taken on introducing the charge, based on the expectation that residents would like the service despite the permit costs which was demonstrated in terms of the level of take up. He argued that the service helped stop fly tipping, and reduce the level of waste put in grey bins and therefore landfill. Councillor Buchanan also highlighted that there was still a gate fee for dealing with and treating waste from brown bins. In the interests of transparency, he welcomed the further scrutiny of the proposal and related service costs, arguing that the service was well used, cost effective and superior to that offered elsewhere.

Impact on Employment

35. In response to Councillor Buchanan who referred to the potential impact on jobs should the garden waste service cease, it was confirmed that smaller vehicles with a driver plus 1 loader, rather than 2 loaders, would probably be used for the food waste service, resulting in a potential reduction of 7 employees overall, over and above which there would be a reduction in administration. In response to an issue raised that this would impact on significantly less than 80% of the workforce, although 80% of the staff costs were being attributed to the service, the Head of Environment (Operations) emphasised that a completely different type of service would be provided. Councillor Edlin argued that the assumption on the loss of jobs assumed the service was discontinued, which he did not support.

80/20% Allocation of Costs Between Garden Waste and Food Waste Service

36. In response to Councillor Edlin, the Head of Environment (Operations) confirmed that the 80/20% allocation of costs between the garden and food waste services respectively came from waste data flow completed for all materials and which was sent to SEPA. It was confirmed that this split was determined by SEPA not the Council.

37. In response to Councillor Ireland who requested further information on costs as she was not convinced that an 80/20% split was appropriate if it was just based on bulk in the bin, the Head of Environment (Operations) undertook to provide further information on the data flow information following the meeting. The Director of Environment confirmed this was an industry standard based on information submitted to SEPA, including from local authorities

and that this was therefore the most reliable ratio to adopt. She added that if a garden waste service alone, or a food waste service alone, was being developed from scratch, which had not been requested, different modelling would apply.

Meeting the Needs of Those with Disabilities

38. In reply to an issue raised by Councillor Macdonald on the importance of addressing the needs of those with disabilities who may not be able to visit recycling facilities and needed cost-effective options to dispose of garden waste, the Head of Environment (Operations) acknowledged that individuals' circumstance could vary, explaining that help would always be provided to try to provide a bespoke solution where required. He confirmed that some residents shared bins, this being one option.

Use of Private Operators to Dispose of Garden Waste

39. Councillor Macdonald expressed some concern that there were some private operators which collected garden waste for disposal that were not registered with SEPA or which may not be operating within the law, such as dumping waste illegally, which could potentially thrive in circumstances when local authority charges increased.

COMMITTEE DELIBERATIONS

40. Thereafter, in terms of their deliberations, members of the Committee focussed on the following matters:-

- If the Cabinet decision was supported or not, and
- If not, what the alternative recommendation would be.

41. It was highlighted that the charge for providing an additional bin had not been questioned during discussions. The committee held the view that this did not need to be considered further.

42. However the increase from £40 to £60 for an annual permit had been challenged and seemed to be considered an intolerable and unrealistic model, with it having been suggested that increasing it to £45 might be one acceptable way forward. Another was limiting the increase to the rate of inflation. It was argued that the increase in the charge needed to be balanced with the cost of the service, part of which was a statutory one as food waste required to be uplifted.

43. During further discussion, it was commented that the committee needed to consider the non-statutory nature of some services, and the Council's responsibility to ensure that related costs were covered, particularly for non-statutory services. One view expressed was that Council Tax payers could not be expected to subsidise such a service.

44. It was acknowledged that the financial analysis provided was for a combined food and waste service and suggested that needed to be accepted.

45. Another issue was to consider if a full year service was required at all, as other local authorities were not providing one. Regarding this, it was highlighted that from October to late March each year, the bins were not necessarily being filled with green waste to the extent they were at other times, with the volume of waste reducing significantly. It was suggested that it was an option therefore to support the current charge of £40 being maintained and seek proposals for a reduced service during these months, with the exception of Christmas trees

being uplifted. It was commented that the full financial implications of this were unknown at present, on which basis supporting this might not be the most sensible way forward.

46. On a related issue, it was commented that the 48 respondents to the budget consultation referred to previously had not simply supported a charge increase, but also highlighted an option to consider reconfiguring the service. However, the exact level of support for each of these options was unknown.

47. It was suggested that, if the Cabinet recommendation was accepted, it remained an option to consider the position again annually when charging for services reports were submitted to the Cabinet, the next such report being due to be submitted in December 2023.

48. It remained unknown if there would be any behavioural change linked to increasing the permit charge. For example it was not known if some people would opt not to renew their permit.

49. It having been suggested that one way forward was to determine if the committee supported the Cabinet decision or not, on a vote being taken, 3 Members supported the decision made by the Cabinet, and 4 Members did not, the latter being the majority view therefore.

50. During subsequent discussion, support was expressed for proposals made by Councillor Edlin to recommend an increase in the cost of the annual permit from £40 to £45 for 2023/24, and that the system for setting the garden waste charges in future be reviewed with a view to related recommendations being submitted to the appropriate body in due course.

51. The way forward was noted, which was in the first instance, the preparation of a report by the Clerk on the outcome of the committee's deliberations and recommendations for submission to the next meeting of the Cabinet.

RECOMMENDATIONS

52. It was recommended that the Cabinet:-

- (a) note that the Audit & Scrutiny Committee support the introduction of a new charge for an additional garden waste container for participating households of £60 to cover the cost of the new container, including delivery;
- (b) note that the Audit & Scrutiny Committee does not support the Cabinet's decision to approve an increase in the charge for the Garden Waste Permit 2023/24 from £40 to £60; and
- (c) considers the recommendations made by the Audit & Scrutiny Committee as follows:-
 - (i) to increase the charge for the Garden Waste Permit 2023/24 by £5 from £40 to £45; and
 - (ii) that the system for setting the garden waste charges in future be reviewed with a view to related recommendations being submitted to the appropriate body in due course.

53. In the event the Cabinet accepts the recommendations by the Audit & Scrutiny Committee this will become the decision of the Cabinet. If the Cabinet does not accept the Committee's recommendations, the matter will require to be referred to the next available meeting of the full Council to decide if the Cabinet's original decision or the Audit & Scrutiny Committee's proposals should be approved. A third option also remains for the Cabinet, which is to propose that the full Council consider setting the fee at a different level altogether.

Local Government (Access to Information) Act 1985

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EAST RENFREWSHIRE COUNCIL

CABINET

26 January 2023

Report by Director of Environment

ADDITION TO CHARGING FOR SERVICES 23/24

PURPOSE OF REPORT

1. The purpose of this report is to update Cabinet following the Charging for Services exercise carried out within the Environment Department and reported to Cabinet on 1st December 2022. At that Cabinet it was advised that a further report would be brought to a future meeting outlining new charges / services for the Garden Waste Permit Scheme (Item No.33 of original report).

RECOMMENDATIONS

2. The Cabinet is asked to approve the following Garden Waste Scheme proposals in order to commence sales of permits for the 2023/24 year:

- a) an increase in the charge for the Garden Waste Permit 2023/2024 from £40 to £60 which is more than inflation; and
- b) the introduction of a new charge for an additional garden waste container for participating households of £60 for an additional permit; plus £60 to cover the cost of a new container including delivery.

BACKGROUND

3. At Cabinet on 1st December 2022, a charging for services report was brought to Cabinet for approval. One of the proposals was to increase the charge to collect garden waste by more than inflation.

4. This proposal was part of a range of budget options being consulted on over Autumn. Cabinet agreed to delay the decision on whether to increase garden waste charges until the result of the consultation was available. In addition the exact scale of the budget challenge would not be known until after the December announcement by the Scottish Government. Following the Scottish Government budget announcement it has now been confirmed that the Council settlement will be close to the expected flat cash position and that there remains a substantial budget challenge.

REPORT

5. The main objective of charging for services within the Environment Department is to, where possible, ensure that the actual full costs to the department are recovered. More recently, where it was thought there would be no detrimental effect on the up-take of a service, charges have been increased to generate additional income. This builds on the report of the Audit and Scrutiny Committee of 31st October 2019, Income Generation and Commercialisation, which promotes a positive culture of commercialisation.

6. Due to above inflation rises in processing costs, gate fees and the rise in fuel costs it is proposed that a garden waste permit is increased from £40 to £60 per annum. This is above the current inflation rate of 12.3%. The proposed increase, should sufficient participants continue with the scheme, is expected to generate revenue that will support full cost recovery of the Garden Waste Scheme and also generate a small amount of additional income.

7. As an enhancement to the current service it is proposed that residents can purchase an additional bin for garden waste, with a limit of 5000 bins being set for operational reasons. An additional bin, including delivery, would cost £60 as a one off purchase, to cover costs of supply. The second bin would require an additional permit at £60 per annum.

8. A decision on the charge for Garden waste cannot be delayed until the Council's budget meeting in March 1st 2023 for the following reasons:

- To allow appropriate time for a mail drop to residents regarding the 23/24 scheme, scheduled w/c 30th January and w/c 6th February
- To ensure adequate time to update internal systems and changes for the 23/24 scheme
- To avoid cross over with the Council Tax reminder letter that is issued each year
- To ensure continued service and that residents have sufficient time to purchase a permit in advance of scheme renewing 1st April 2023

9. Feedback from the budget consultation is still being collated but early feedback shows that refuse collection was a key concern for respondents when looking at Environment Department's potential savings. 48 respondents to the public consultation suggested the Council should consider increasing charges and/or altering the collection cycle.

10. In terms of the funding available to the Council, detailed figures are being prepared for the 1st March Council meeting. However the initial assumptions made when the budget consultation was being prepared have proved to be relatively accurate and the Council has a funding gap of circa £19m for 23/24.

FINANCE AND EFFICIENCY

11. The increased cost of the permit and addition of new services will assist in full cost recovery and contribute to savings proposals by increasing income in 2023/24.

CONSULTATION

12. This report has been prepared in consultation with the Accountancy Section. Increased charges for the Garden Waste Scheme also featured in the recent public consultation on the Council's overall savings proposals.

PARTNERSHIP WORKING

13. There was no partnership working associated with this report.

IMPLICATIONS OF THE PROPOSALS

Equalities

14. It has been identified that this may have an impact on low income households. There is however an instalment process to help spread the cost for any financial hardship cases.

CONCLUSIONS

15. Increasing the charge for a garden waste permit will assist towards recovery of full costs, and contribute to 2023/24 savings proposals.

16. The new offer of an additional garden waste bin for participating households will assist towards the Environment Department's income generation and savings targets.

17. An early decision from Members will allow the Neighbourhood Services to commence the sale of Garden Waste Scheme Permits from w/c 30th January 2023.

RECOMMENDATIONS

18. The Cabinet is asked to approve the following Garden Waste Scheme proposals in order to commence sales of permits for the 2023/24 year:

- a) an increase in the charge for the Garden Waste Permit 2023/2024 from £40 to £60 which is more than inflation; and
- b) the introduction of a new charge for an additional garden waste container for participating households of £60 for an additional permit; plus £60 to cover the cost of a new container including delivery

Director of Environment

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January 2023

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GARDEN WASTE COST ANALYSIS

Garden and food waste are collected together weekly to maximise operational efficiency.

	2022/23	2023/24	
Total budgeted cost of garden & food waste collection			
Direct Staff costs	987,965	1,027,491	4.0%
Vehicle cost (incl capital charges)	307,829	325,151	5.6%
Gate Fees (9,500 tonnes pa)	506,000	790,400	56.2%
Admin (Postage, permits, admin staff)	110,819	119,237	7.6%
Gross cost of service	1,912,613	2,262,279	18.3%
Share attributable to garden waste per SEPA (80%)	1,530,090	1,809,823	18.3%
Forecast income from garden scheme (£40)	920,000	1,380,000	50.0%
NET COST OF GARDEN SCHEME	610,090	429,823	-29.5%
Additional Bins (3000)	0	180000	
Additional Gate Fees	0	-124800	
Delivery Charges (net contribution)	0	60000	
NET COST OF GARDEN SCHEME + ADDL BINS	610,090	314,623	-48.4%

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