

Supplementary Committee Agenda



**Epping Forest
District Council**

Finance and Performance Management Cabinet Committee Monday, 17th November, 2008

Place: Committee Room 1, Civic Offices, High Street, Epping

Time: 6.30 pm

Democratic Services: Gary Woodhall, The Office of the Chief Executive
Tel: 01992 564470 Email: gwoodhall@eppingforestdc.gov.uk

8. FEES AND CHARGES (Pages 3 - 8)

(Director of Finance & ICT) To consider the attached report (FCC-016a-2008/09).

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Report to the Finance & Performance Management Cabinet Committee



Report reference: *FCC-016a-2008/09*
Date of meeting: *17 November 2009*

**Epping Forest
District Council**

Portfolio: Environmental Protection
Civil Engineering & Maintenance

Subject: Fees & Charges – Garden Waste and Car Parks

Responsible Officer: J Gilbert (01992–564462).

Democratic Services Officer: Gary Woodhall (01992–564470)

Recommendations/Decisions Required:

- (1) To consider the proposed charging regime for garden waste sacks for the 2009/10 financial year; and
- (2) To agree to reduce the proposed increase in the one hour tariff from 15 pence to 5 pence resulting in a tariff of £0.70p and to accept all other tariff changes as originally proposed

Executive Summary:

Following the Cabinet's decision at its meeting on the 10th of November to agree in principle to the establishment of a charging regime for garden waste sacks, this report sets out options for consideration.

Following concerns raised at the Finance and Performance Management Scrutiny Panel at its meeting on the 11th of November, this report sets out proposals for modifications to the proposed 2009/10 car parking tariffs

Reasons for Proposed Decision:

To agree the charging regimes for garden waste and car parking as part of the Council's 2009/10 budget setting process.

Other Options for Action:

The only options available are to:

- (i) determine a different set of charging regimes as alternatives to the options proposed;
- or
- (ii) to defer the decisions at this time.

Given the requirements of the budget setting process neither of the above can be recommended at this time

Report:

Garden waste sacks

1. The Cabinet has over recent months received a number of reports setting out concerns in respect of the increasing costs of the provision of bio-degradable sacks for the garden waste recycling scheme. Whilst these increases can be met partly by increasing recycling credit from the County Council, the present arrangements do nothing to constrain the overall amount of household waste being collected and do not represent an economically or environmentally sustainable process. This issue was highlighted within the Audit Commission's Inspection of the waste management service.

2. The Council is committed to further development of its waste management service in order to meet its commitment to the recently adopted Essex Joint Municipal Waste Management Strategy, which sets a target of 50% recycling with a further aspiration to achieve 60%. The primary means by which these recycling increases will be achieved is through the introduction of a weekly food waste collection service and continued progress towards providing recycling facilities within flats and similar buildings.

3. The potential costs of these service changes is significant, and whilst further work is being undertaken with the Council's contractor to ensure the validity of their costs, it is clear that the change options which retain garden waste sacks will only be financially viable if a charge is introduced for their use.

4. Cabinet at its meeting on the 10th of November resolved to defer any changes to the present arrangements until such time as the financial assessments, and in particular the possible provision of support funding by the County Council, was clear. However, in the light of:

- (i) increasing costs (est. £400,000 in 2007/08);
- (ii) the need to reduce the household waste stream;
- (iii) the need to effect some behavioural change ahead of system changes; and
- (iv) the need to deal with Audit Commission criticisms

it also resolved that, in principle, a charging regime for sacks be introduced and that this Committee consider in the first instance how that might best be implemented.

5. The average cost of a bio-degradable sack in 2008/09 is around 15 pence, compared to around 3 or 4 pence for a black refuse sack or clear dry recycling sack. This cost reflects a more complex manufacturing process required to ensure that the sacks completely degrade during the windrow composting process. When the garden waste service was originally introduced, a charge was levied for the sacks. However, as pressure built to meet government recycling targets, the Council took the decision to remove the charge to encourage this element of recycling. This has, over the years, resulted in this element of the recycling service becoming "a victim of its own success" in that the weight of garden waste has steadily increased, reaching the position now where the weight collected in the first six months of this year is the same as was collected in the whole 2006/07 year.

6. Whilst this has had a positive impact on the Council's overall recycling performance, it has had a negative effect upon the weight of household waste collected. Since the introduction of the Landfill Allowance Trading Scheme (LATS), which fines disposal authorities for exceeding landfill allowances, there has been a shift of emphasis away from just recycling waste to reducing the amount which is actually collected, and the National Indicator set has new indicators which measure the overall weight per household collected. These indicators are also mirrored in the second Local Area Agreement. Therefore, as set out in paragraph 4 above, the rationale behind the need to charge for sacks is clear. How then can this be implemented?

7. The introduction of a charging regime will not be popular with residents, but hopefully, with the provision of supporting information, advice on home composting opportunities etc and a commitment to the provision of a weekly food waste collection in the near future, the Council will be able to successfully argue its case. The options for the regime itself are limited, and are based upon two main options:

- (a) that the regime should contain a “free element” with charges for subsequent sacks; or
- (b) all sacks should be charged for.

8. Option (a) would operate on the basis that each household would receive, say, 1 free roll of sacks, with all subsequent rolls being charged for at a level that fully pays for the sacks and associated on costs. This would probably be the more popular option for residents since for many users who perhaps only make limited use of the service, the service would remain effectively free of charge. However, it has a number of key disadvantages:

- (a) establishing a delivery to each home which is not currently undertaken;
- (b) sacks would be provided to homes which do not use the service and therefore do not require the sacks;
- (c) having to deal with alleged non-delivery claims from residents claiming that they did not receive their free allocation (affects Council outlets and also commercial outlets)

9. Option (b) would levy a fee for every roll of sacks, with no free issue. This option would avoid the disadvantages set out in para 8 above but would probably be less popular with residents who may see this as a significant reduction in the level of service currently provided. This option is also likely to result in a greater reduction of the amount of garden waste collected. However, a key disadvantage is that if, despite the introduction of the fee, more sacks were required than had been budgeted for, these would be charged at less than the true costs of the sacks, resulting in the Council’s budget possibly being exceeded.

Car parking tariffs

10. This issue is reported to this Cabinet Committee following concerns raised at the Finance and Performance Management Scrutiny Panel at its meeting on the 11th of November. The proposed tariffs detailed at the Scrutiny Panel were established on the basis of:

- (a) achieving a 5% RPI increase overall;
- (b) meeting the annual costs of the “Parkmap” system (Cabinet resolution); and
- (c) contributing towards the capital costs of upgrading bakers lane car park (Cabinet resolution)

11. The Scrutiny Panel expressed particular concern that the tariff was 1 hour was to increase by £0.15 from £0.65p to £0.80p, an increase of nearly 25%. This was proposed in order to be able to retain the half hour tariff at just £0.10p and reflected that most of the Council’s income arises from the shorter parking periods.

12. The Panel requested that this be reviewed, and a detailed check of the new tariff structure has been undertaken. This review has shown that the recovery of the costs associated with the capital works at Bakers Lane has been overestimated with the result that the increase in the one hour tariff can be reduced from the original £0.15p to £0.05p with a resultant tariff of £0.70p. It is proposed that all other changes remain as in the original report to the Scrutiny Panel.

Resource Implications:

Garden waste sacks

Option (a)

13. Option (a) has the following assumptions:
- (i) a 25% reduction overall from the new charge;
 - (ii) 1 free roll per household;
 - (iii) 10% claim level for alleged non deliveries; and
 - (iv) delivery at Sita contracted rates

14. On this basis the overall cost of the free roll of sacks is £153,000 out of the available budget of just over £300,000. All remaining sacks would be charged for at their full cost plus an administrative on-cost/ retail outlet commission of £0.20p. This would result in a charge of £3.25 per roll. Under this option, since all sacks are charged for at this full rate, should sack sales exceed the estimated orders, there will be no financial impact upon the budget

Option (b)

15. Option (b) has the following assumptions:
- (i) a 25% reduction overall from the new charge; and
 - (ii) the charge is set at a level which recovers around £150,000 per annum.

This results in a charge of £1.70 for each roll, comprising £1.50 for the sack and the same £0.20p on-costs as described under option (a). However, under this option, if sack demand still exceeds the budgeted sum, since only 50% of the sack cost is being recovered this will, unless the charge is increased to cover the full cost, result in the budget being exceeded.

Car parking tariffs

16. The amendment of the one hour tariff to a 5p rather than 15p increase, and the retention of all other proposed changes results in an estimated increase in tariff income of £90,000. This represents an overall increase of just under 7%. This reflects the 5% RPI increase plus the need to recover additional revenue costs associated with "Parkmap" and capital expenditure at Bakers Lane.

General

In line with existing policies consideration should be given to a reduced garden waste charge for those of pensionable age. If this is introduced policies will need to be implemented to prevent abuse of this arrangement

Legal and Governance Implications:

Garden waste is household waste which the Council is under a statutory duty to collect (Environmental protection Act 1990). However, it is entitled to levy a reasonable fee for its collection.

Traffic management Act 2004 and preceding highways legislation enables highways and other councils to levy charges for on and off street car parking

Safer, Cleaner and Greener Implications:

The introduction of a fee for the collection of garden waste is a key step in developing the Council's waste management service, through:

- (i) responding to Audit Commission inspection report;
- (ii) reducing weights of garden waste collected;
- (iii) changing residents behaviour ahead of critical service changes in 2009;
- (iv) reducing service costs; and
- (v) reducing the environmental impact of the current service

It will also be critical to monitor residents responses to ensure that garden waste does not appear in volume in residual waste streams. The use of relevant powers may need to take place in some circumstances.

Consultation Undertaken:

Garden waste - Resident consultation in Forester Magazine as part of service developments. Whilst this was not a specific issue, there was support for the existing collection methodologies and limited support for a paid garden collection service

Car parking – none

Background Papers:

Previous Cabinet & Scrutiny reports on the waste service and car parking tariffs

Impact Assessments:

Any change in service can result in adverse resident reaction. This is likely with the introduction of a charged service given that it has been free of charge for some time and that it will be seen as a retrograde step by the Council. This will need a high degree of information and education to ensure resident understanding of the reasons for the change

There are no Human Rights implications

Consideration to be given to concessionary arrangements for the garden waste service

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