

Lancaster City Council | Report Cover Sheet

Meeting	Cabinet	Date	27.10. 2020
Title	Green Waste Subscription Fees		
Report of	Head of Public Realm		
Purpose of the Report			
To seek agreement to the proposed future fees and charges for green waste prior to the launch of the 2021 subscription scheme.			
Key Decision (Y)	Y	Date of Notice	28.9.20
		Exempt (Y/N)	N

Report Summary
To take an early decision, outside of fee and charges timeline, to agree future fees for green waste subscription. Decision needs to be taken early as the subscription service runs in line with the calendar year and will commence prior to budget council in February 2021.

Recommendations of the Head of Public Realm	
That Cabinet authorises the officer's recommendation to freeze green waste subscription charges at £40.00 for a period of two years. This will be for the 2021/22 and 2022/23 financial years.	
Relationship to Policy Framework	
The council has a target to become carbon neutral by 2030	
This function is in line with council priorities around being a sustainable district and healthy and happy communities.	
Conclusion of Impact Assessment(s), where applicable	
Climate	Wellbeing & Social Value
Digital	Health & Safety
Equality	Community Safety
Details of Consultation	
N/A	
Legal Implications	
None directly arising from this report	
Financial Implications	

As detailed in the report, the 2020/21 budget for green waste subscriptions is £895,000 and currently this has been exceeded by in excess of £50,000. This follows a drop in previous two years retention levels. The increase is likely to be attributable to people spending more time in their garden this summer due to lockdown measures relating to the pandemic.

However, now that it is clear that the customer base has returned it would seem prudent to try and keep hold of it and freezing charges is one major part in protecting this. Inflation levels for income are usually set at between 2% and 3% which would see between £17,900 and £26,850 added to the budget. Should all subscriptions be retained then these amounts would be covered by increasing the base budget to existing income levels.

With regard to 2022/23, an inflation freeze is also sought. With auto subscribe via direct debit being introduced at the next subscription opportunity, this will be the first time the renewal will be taken automatically and should the amount increase at that point, it could be perceived negatively amongst the customer base and potentially jeopardise subscription levels in that and future years.

Other Resource or Risk Implications

Section 151 Officer's Comments

The s151 Officer supports the proposed freezing of green waste subscriptions for 2021/22 and 2022/23 financial years based on the rationale outlined within the report.

Monitoring Officer's Comments

The Monitoring Officer has been consulted and has no further comments

Contact Officer	Will Griffith (Head of Public Realm)
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Links to Background Papers

1.0 Introduction

The policy to charge for green waste collections was unanimously agreed by cabinet at the meeting dated 4th October 2016. This policy is still applicable.

- 1.1 The councils current income estimate for green waste subscriptions is included in the budget at £895,000 per annum. In the 2020/21 financial year the income target was overachieved by in excess of £50,000 with current income reporting £947,160 at the end of September. A single green waste subscription is set at £40.00 per bin.
- 1.2 To assist with the on going management of subscriptions, implementation of a new green waste system is underway.

- 1.3 The new system will allow residents to auto subscribe via direct debit and will offer an opt out option
- 1.4 This will not only assist with efficiencies in management and administration, but will also place the service in a stronger position to retain subscription numbers.
- 1.5 The new subscription service starts in January 2021. As the subscription service follows the calendar year and not the financial year, it is requested the fees and charges associated with the scheme are agreed at this point.

2.0 Proposal

- 2.1 To further protect the retention of subscription numbers and income management it is proposed that the current £40.00 subscription charge is frozen for the next two financial years (2021/22 and 2022/23).
- 2.2 Across Lancashire where there are charges they currently vary between £25.00 and £35.00

3.0 Options and Options Analysis

- 3.1 Option 1- freeze the charge at £40.00 for the next 2 subscription years
- 3.2 Option 2 – recommend a different level of charge (eg increase by inflation)

4.0 Options and Options Analysis (including risk assessment)

Option 1: Freeze the charge at £40.00 for the next 2 subscription years
<p>Advantages: Maintains the existing level of charge for users of the service. Provides a comparable basis for income forecasts in 2021/22. Offers a residents a service that equates to £1.81 per collection</p>
<p>Disadvantages: Income forecasts are of course based on estimates. If subscription numbers lower this will have a negative impact on the budget.</p>
<p>Risks: Service users choose not to subscribe to the service</p>
Option 2: Recommend a different level of charge (eg increase by inflation)
<p>Advantages: Inflationary increases of 3% would budget for an additional £26,800 in revenue</p>
Disadvantages:

No guarantee of achieving the additional figure if charges are increased

Risks:

Residents may choose not to subscribe due to increase which could lead to reduction in income

May lead to increases in fly tipping

4. Officer Preferred Option (and comments)

- 4.1 The officer preferred option is Option1 on the basis that the current over achievement in income of £46,500 would cover any inflation rises and will assist in protecting subscriber numbers and income levels.