

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Councillor Sharon Holder, Cabinet member for Public Realm

Date: 08/07/2024

Subject: Proposed charges for garden waste collection service

Report author: Pat Cosgrave, Service Lead, Street Environment Services

Responsible Director: Bram Kainth, Executive Director of Place

SUMMARY

The report sets out the proposed subscription charge for the new garden waste collection service. Approval to implement the service was obtained via a Key Decision report in July 2023 (Recommendation to enact Provisional Services to the Waste, Recycling & Street Cleansing Contract) and agreed by the then Strategic Director of Environment in consultation with the Cabinet Member for Public Realm, the Cabinet Member for Climate Change & Ecology, and the then Director of Finance. The Council has power to provide these services under the Environmental Protection Act 1990 as amended by the Environment Act 2021. As the law stands at present, the Council has the power to charge for collection of garden waste.

The original proposal to Full Council within the 2024/25 Revenue Budget report was for a charge of £65 per subscription per annum. Following further benchmarking of collection costs with other similar local authorities and further consideration of the costs of providing the services from a collection and disposal perspective, officers recommend setting the subscription charge for the new services at £90 per subscription per annum, effective from April 2024. Whilst actual income will depend on the actual number of subscribers (which is not yet known), based on the assumption of 5,000 subscriptions, the annual impact of increasing the proposed annual subscription charge from £60 to £90 is £125,000.

RECOMMENDATIONS

1. To approve the proposed annual subscription fee of £90 per subscription, effective from April 2024.

Wards Affected: All

Our Values	
Building shared prosperity	The proposed garden waste collection service contributes towards a modern waste collection service, meeting the demands of residents and providing the associated benefits of a cleaner environment where businesses want to invest and opportunities for local jobs.

Creating a compassionate and inclusive council	We will work with residents who may have difficulty accessing the services through our assisted collection service option.
Doing things with local residents, not to them	By charging a competitive fee for the services we ensure that the costs are borne by direct service users and are not effectively subsidised by residents who do not have gardens.
Being ruthlessly financially efficient	By diverting a proportion of material currently disposed of in the residual waste stream to recycling rather than energy from waste, the council will achieve long term reductions in its waste disposal costs.
Rising to the challenge of the climate and ecological emergency	The separate collection of garden waste will allow us to divert this material into more environmentally friendly disposal methods.

Financial Impact

The new chargeable garden waste service has not yet been implemented and it is therefore not yet known how many subscribers there will be. Whilst actual income will depend on the actual number of subscribers (which is not yet known), based on the latest working assumption of 5,000 subscriptions, the annual impact of increasing the proposed annual subscription charge from £60 to £90 is £125,000 (or £250,000 per annum based on the original assumption of 10,000 subscribers). The waste service revenue budget for 2024/25 includes new budgets for both garden waste collection and the associated subscription income (£372,000 net income budget). Assuming 5,000 subscriptions and a charge of £90 per annual subscription, the forecast net cost of service is -£290,000, which is £82,000 short of budget. As such, the proposed increase in charge does not give rise to any new budgetary savings. The financial position will be monitored as the new service is rolled out and number of subscribers becomes clearer.

Kellie Gooch, Head of Finance, 26 June 2024

Legal Implications

The Council has the power to collect garden waste in accordance with its functions as a waste collection authority under the Environmental Protection Act 1990.

Under the Controlled Waste (England and Wales) Regulations 2012 Schedule 1 paragraph 4, the Council is entitled to make a reasonable charge for the collection of garden waste. The information in this report demonstrates that the proposed charge of £90 per annum is reasonable.

John Sharland, Assistant Director of Legal Services, 26th June 2024

Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS

1. The decision to implement the garden waste collection service was obtained via a Key Decision report in July 2023.
2. The “Revenue Budget and Council Tax levels 2024/25” report was presented to Full Council on 28th February 2024, Within Appendix E – Fees and Charges, it contained a proposed annual subscription fee for the garden waste service of £65.
3. Subsequent benchmarking with other London local authorities updated fees where a chargeable garden waste collection is provided identify that £65 per annum would be the cheapest subscription in London, with the average charge being approximately £75. However, in most cases, such services are offered seasonally or fortnightly.
4. The Hammersmith & Fulham service offer would be for up to 49 collections per year (weekly collection frequency with a three week break in December/January each year). At an annual subscription cost of £90 per annum, this equates to £1.83 per collection which is significantly cheaper per collection than comparable boroughs.
5. As a new service, significant initial investment in vehicles, collection containers, staffing and communications will be required at the service implementation and mobilisation stage.
6. Officers believe that the maximum expected income from the services will not exceed the cost of providing the services, when considering vehicle, staffing and disposal costs.
7. Whilst in the medium to long term officers expect to be able to enter into a disposal agreement that will reduce the disposal costs for garden waste, in the immediate term any disposal cost savings are not as significant as they will be in the future.
8. It should be noted that discounted home composters are available via the LBHF website, and we will also advise residents on how to set up a compost heap in their garden, which would provide a zero-cost option to them.
9. The service collection frequencies and fees and charges will be reviewed annually.

Reasons for Decision

10. The subscription cost of £65 per annum on the 2024/25 Fees and Charges appendix referenced in section 2 set out an expected income of £650,000 based on an estimated number of subscribers of up to 10,000. Using the same methodology of subscriber numbers, the proposed subscription charge of £90 would lead to an expected income of £900,000, an increase of £250,000. This amount falls within the threshold of a Cabinet Member Decision within the Council’s constitution.

Equality Implications

11. It is not anticipated that there will be any direct negative impacts on any groups with protected characteristics, as defined within the Equalities Act 2010, arising from the decision to amend the charges for the service.
12. A service review, including survey work and input from residents' groups, including the Inclusive Environment DRT will take place within the first year of the service.
13. An Equalities Impact Assessment relating to the service was conducted as part of the July 2023 Provisional Services key decision report, and is attached as Appendix 1

Climate and Ecological Emergency Implications

14. A climate implications toolkit was completed as part of the July 2023 Provisional Services recommendation report and is attached as Appendix 2.

Procurement implications

15. Provision for the implementation of a garden waste service as an anticipated change to the overall waste, recycling and street cleansing contract was included in the contract award agreed by Cabinet in October 2022, and there are therefore no further procurement implications.

LIST OF APPENDICES

Appendix 1 – Provisional Service EIA July 2023

Appendix 2 – Provisional Services Climate Implications toolkit July 2023