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## **Environment and Communities Committee**

**18 July 2024**

### **Waste Collection – Implementation of Weekly Food Waste Collections**

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**Report of: Tom Shuttleworth, Interim Director Environment and Neighbourhoods**

**Report Reference No: EC/07/24-25**

**Ward(s) Affected: All**

#### **Purpose of Report**

- 1 The purpose of the report is to provide the Committee with an update on the legislation announced by Government in October 2023 as part of the Simpler Recycling Scheme, which mandates the introduction of weekly food waste collections for all local authorities by no later than 1 April 2026.
- 2 The report seeks approvals to implement the recommended approach to delivering these weekly collections, as well as how residents are to be engaged throughout the process.
- 3 The report also sets out the proposal to move to a three weekly collection frequency for residual waste. This would be delivered in parallel with the roll out of weekly food waste collections. This is proposed in order to mitigate risks around joining up large scale operational changes and also the potential financial impact of introducing weekly food waste collections on the Council's revenue position.

#### **Executive Summary**

- 4 The report sets out the results of feasibility works undertaken to date to establish the most cost effective and least risk delivery solution for the introduction of weekly food waste collections.

- 5 It highlights the key risks relating to the implementation of weekly food waste collections in what is a significant operational change affecting almost all residents across the borough. In particular the report highlights the current position with financing the scheme and the lack of clarity from government around the funding offered in support, offset against the need to progress a number of large workstreams in order to de-risk the achievement of the implementation date of 1 April 2026.
- 6 The report also sets out the rationale and business case behind a proposed consultation on a move to 3 weekly residual waste collections, with implementation of this operational change to be delivered in parallel with the introduction of weekly food waste. The decision to implement such an operational change will be brought back to Committee at a later date, supported by the outcome of the consultation.

## RECOMMENDATIONS

The Environment and Communities Committee is recommended to:

1. Note the legislative requirement for the Council to implement weekly food waste collections by no later than 1<sup>st</sup> April 2026.
2. Approve the proposed approach as set out in the paper in order that the Council can comply with legislation mandating the introduction of weekly food waste collections, and delegate authority to the Head of Environmental Services to take all necessary steps to implement these proposals.
3. Approve in principle the move to a three weekly kerbside collection of residual waste to be delivered in parallel with the roll out of weekly food waste collections and delegate authority to the Interim Director of Environment and Neighbourhoods to take all necessary steps to undertake a public consultation exercise, with the results brought back to Committee in support of a future decision around implementation.

## Background

### Implementation of Weekly Food Waste Collections

- 7 As part of the Resources and Waste Strategy published in December 2018 the government consulted on Consistency in Household and Business Recycling in England with the stated aim to increase the

consistency in materials collected for recycling from households, businesses, and other organisations in England.

- 8 In October 2023 the proposals were re titled 'Simpler Recycling' and entered legislation requiring by 31 March 2026 all local authorities in England to collect from all households in England: paper and card, plastic, metal, glass, food waste and garden waste. This included a requirement for a free, separate weekly food waste collection for all households, which was accompanied by a commitment from government to provide new burdens funding for food waste collections.

[Simpler recycling collections and tougher regulation to reform waste system - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/simpler-recycling-collections-and-tougher-regulation-to-reform-waste-system)

- 9 This new burdens money will be split into the three elements as outlined at Table 1.

	<b>'New Burdens' funding</b>
<b>Capital</b>	£2.7M
<b>Transitional</b>	Not yet confirmed
<b>Ongoing revenue (annual cost)</b>	Not yet confirmed

Table 1: Central Government Allocated New Burdens Funding

On the 16 January 2024 central government confirmed to Cheshire East the allocation of £2,711,705 capital transitional costs which has subsequently been paid to the Council.

- 10 The transitional costs for delivery of the new weekly food waste collection service have been developed to include the recruitment of temporary officers to assist with the rollout, communications and resident engagement in relation to waste education and enforcement. The staff would be retained for a minimum of two years.
- 11 Further information on the likely costs of implementing weekly food waste collections is included within the financial implications section of this report.
- 12 Following the confirmation of the initial £2.7M capital funding the Council's Environmental Services Team have been working to produce an options appraisal for the introduction of weekly food waste collections to Cheshire East. The full report can be found at Appendix A.
- 13 The principal focus of that report is to examine the most effect way to collect food waste weekly from all households which would be through a multi vehicle type approach utilising existing fleet vehicles and where appropriate supplemented by a new fleet of dedicated 7.5 tonne

electrically powered food waste collection vehicles. This system could run alongside the existing 2 weekly collections system or on a separate three weekly residual collection.

- 14 The following core options for weekly food waste collections were modelled both operationally and financially;
- Option 1: Weekly food waste collection, collected together with the garden waste round one week and separately as a food waste round on the alternate weeks, fortnightly residual waste collection.
  - Option 3: Weekly separate food waste collection on a dedicated 7.5 tonne vehicle every week. Fortnightly chargeable garden waste service (with no food waste) and fortnightly residual waste collection.

Integrating the weekly food waste collection would also involve changes to the existing recycling and waste collections to achieve balanced rounds and efficient collection.

#### Change to residual waste collection frequency

- 15 In addition, in late 2023 the Government launched a further consultation including draft statutory guidance requiring councils to collect residual waste on a minimum of a 2 week collection cycle.
- 16 Cheshire East Council responded to this consultation indicating that fixing residual collections at bi-weekly would detrimentally impact on a waste disposal authority's ability to increase recycling rates and optimise collection systems.
- 17 Previous studies commissioned by Cheshire East Council have indicated that a shift to a three weekly residual waste collection system could save £1M+ per annum, alongside making a shift change to the boroughs recycling rates.
- 18 As such as part of the feasibility study a further two options were considered as follows;
- Option 2: Weekly food waste collection, collected together with the garden waste round on one week and separately as a food waste round on the alternate weeks, three-weekly residual waste collection.
  - Option 4: Weekly separate food waste collection on a dedicated 7.5 tonne vehicle. Fortnightly chargeable garden waste service (with no food waste) and three-weekly residual waste collection.
- 19 Subsequently in May 2024 DEFRA have confirmed, following the consultation, they are proceeding with statutory guidance requiring

fortnightly residual as a minimum standard. For this to take effect in law the guidance and regulations would need to be passed in this parliamentary session. The proposal to undertake consultation on this opportunity is considered under the legal implications of this report.

### Preferred Option for Implementation

- 20 Based on limiting the Council’s revenue and capital financial exposure of this mandated change to our operations the following option was considered to offer the most value for money;
- Weekly food waste collection, collected together with the garden waste round one week and separately as a food waste round on the alternate weeks.
- 21 Subject to consultation and a subsequent committee decision this would be delivered in conjunction with a move to a 3 weekly residual waste collection regime.
- 22 As part of this feasibility the authority has modelled moving to a three weekly residual collection. The report in Appendix A models this 3 weekly collection against matched similar authorities which suggests it could achieve an increase in recycling rates of 4.9% and provide in the order of £1 – 1.5 million in cost reductions.
- 23 A summary of the costs associated with weekly food waste collection alongside a 2 weekly (option 1) and 3 weekly (option 2) residual waste collection, is shown at Table 2. Funding for additional staffing resource has been added to the ongoing revenue (annual cost) to deal with the likely potential negative impacts of implementing the change to collection systems.
- 24 For clarity these figures do not include the cost of capital borrowing above the £2.7M grant already awarded. The capital allocation to Cheshire East does not fully cover the cost of capital required to implement this scheme and hence we anticipate cost reductions from moving to three weekly residual collections may be required to make the new service affordable.

Increase in costs relative to garden waste base line	Option 1	Option 2 (3 weekly residual )	‘New Burdens’ funding
Capital Costs (Excluding Depot Costs)	£3,293,916	£3,553,916	£2,711,705
Transitional	£482,704	£753,037	Not yet confirmed
Ongoing revenue (annual cost)	£1,695,259	£414,600	Not yet confirmed
Estimated overall recycling rate	54.9%	59.8%	

Table 2: Summary table of Option 1 and 2 Financial Implications

## Preferred Option - operational considerations

- 25 Residents would be provided with a new external food waste food waste recycling bin, typical visual as shown at Figure 1. Residents without an internal food waste caddie would be provided with one. Residents in flats and communal properties would be provided with a communal recycling bin. The purchase and distribution of these waste receptacles would need to be funded from capital.



*Figure 1 Example External Food Waste Recycling Bin*

- 26 The preferred option requires a further 10-12 7.5 tonne dedicated food waste electrically powered collection vehicles.
- 27 There will be a need to recruit an additional 36 staff to service the new collection rounds.
- 28 The Council would also need additional parking and staff welfare capacity, to be located at the current central operations depot at the Middlewich Environmental Hub site, for the increased vehicle fleet. This is currently not fully costed but based on initial high level cost estimates likely to be in the order of £2-3 million.

## **Consultation and Engagement**

- 29 As part of implementation of the weekly food waste collections a full engagement plan will be developed and implemented.
- 30 It is likely that due to the scale of the borough and based on similar collection changes implemented in the recent past the new weekly food waste service will be rolled out in phased manner, over a period of a few months.

### Proposal for Consultation – 3 weekly residual waste collections

- 31 It is envisaged that the consultation will run from late June 2024 over a period 6 weeks, but subject to resources final dates are to be publicised in due course. The consultation will have its own communications plan attached to ensure residents are actively engaged. Part of the engagement specific to the consultation will be;

- All Member briefings
- Engagement with Town and Parish Councils via Cheshire Association of Local Councils.

32 Following consultation final proposals will be developed and brought back to committee for a decision as to whether to implement, which is targeted at September 2024.

### **Reasons for Recommendations**

33 For Cheshire East Council to be able to deliver the mandated new service whilst also adjusting its existing operations to limit future financial liabilities generated as a direct result.

### **Other Options Considered**

34 A number of options as set out earlier in this report have been considered within the feasibility report to ensure that the option which minimises the operational and financial risks to the council is taken forward.

35 The dry recycling collection frequency remains fortnightly in each option to ensure that the Council's recycling rate is not otherwise affected.

36 Similarly, as the garden waste collections are now delivered via a paid for subscription service the bi-weekly collections have not been considered for change.

### **Implications and Comments**

#### *Monitoring Officer/Legal*

37. The proposal to move to a 3 weekly residual waste collection is a service delivery change and will be subject to public consultation. In the context of drawing up these proposals Government has announced that statutory guidance will be brought in to mandate a minimum frequency for residual waste collection of 2 weeks, which is contrary to the Council's proposed plans. As a public authority the Council should adhere to Statutory Guidance, however, as the point which consultation is being launched the Guidance has not been through Parliamentary process. Whilst it is in contemplation it may not be passed and could be altered, amended, delayed or abandoned as a result of that process. The Council has agreed the Budget predicated on consulting on these changes and achieving savings as a result of the changes to service levels. Any consultation commenced will be at risk that the Statutory Guidance may be passed which would prevent implementation. A "wait

and see” approach could be taken but this may delay implementation for an unknown period and will increase significantly the risk associated with the ability to implement in a timely manner.

38. If a public consultation exercise is to be commenced, the Council should ensure that it follows the Gunning Principles and to ensure that the following are met;
  - a. The proposals are still at a formative stage and no formal decision has been made or predetermined by the decision makers;
  - b. That sufficient information is provided to the consultees this needs to be available accessible and easily interpretable by the consultees to provide an informed response;
  - c. Sufficient opportunity should be given to consultees to participate in the consultation, the length of time given for the consultee to respond should depend upon the subject and the extent of the impact on the consultation and;
  - d. Conscientious consideration must be given to the consultation responses before a decision is made.
39. If the Council fails to comply with the above, the consultation exercise may be deemed to be illegitimate and any subsequent decision ultra vires.
40. Ongoing regard must be had to the public sector equality duty and any mitigations around perceived breaches. Evidence will be required to substantiate changes and the process in reaching any final decisions should be accurately recorded so the Council can defend its position in the event of a legal challenge.

### *Section 151 Officer/Finance*

#### Capital

41. Table 3 sets out the forecast capital costs of implementing weekly food waste collections for all options.



<b>Item</b>	<b>Forecast Cost (£M)</b>
New fleet, waste caddies and other implementation costs	£ 3.554
Extended depot facilities (including design, planning and construction)	£ 3.000
Risk & contingency (10% allocation assumed across above lines)	£ 0.655
<b>Total</b>	<b>£ 7.210M</b>

Table 3: Summary table of capital finance requirements (all options)

42. The Council is in receipt of a section 31 grant to the value of £2.71M and as such based on the total forecast expenditure shown at Table 3 will potentially be required to provide its own capital finance to the value of £4.5M. These monies are not currently provided for within the Council's capital programme. To proceed the budget would have to be found within the existing approved capital programme and /or sufficient revenue savings can be achieved to fund the additional cost of borrowing.
43. Based on current interest rates for prudential borrowing and assuming a 10-year repayment period for the vehicles and caddies this will place an additional average revenue burden of £116k per annum and for the capital works to the depot facilities, based on a 25-year repayment period that would mean an additional average revenue burden of £203k per annum.
44. Therefore, a total average capital borrowing repayment cost of £319k for the next ten years.

#### Revenue

45. The revenue cost implications of implementing weekly food waste collections are not contained in the Council's current Medium Term Financial Strategy.
46. Based on the feasibility study assuming the Council maintains 2 weekly residual waste collections the forecast additional cost is £1.70M per annum, which does not include the costs of additional capital borrowing as set out at paragraph 39.

47. As such the total new direct costs revenue burden, including the costs of capital borrowing, to Cheshire East Council is forecast to be £2.02M per annum.
48. At the time of writing DEFRA are yet to advise as to what value of new burdens funding will be made available annually together with any ongoing index linkage to cater for inflationary effects. Hence, there is a significant risk that any monies awarded do not cover the actual costs in full and the Council will need to adjust its base budget for the service to reflect any shortfall.
49. Moving from a 2 to 3 weekly residual waste collection frequency significantly mitigates this risk, with a revenue saving in the order of £1.4M per annum, reducing the annual operational cost burden to circa £735k (excluding any positive impacts of new burdens funding which may be offered)

*Policy*

50. The proposal supports the following Cheshire East Council Corporate Plan 2021-25 as follows;

<p><b>An open and enabling organisation</b></p> <p>Support a sustainable financial future for the council, through service development, improvement and transformation</p>	<p><b>A thriving and sustainable place</b></p> <p>Reduce impact on the environment and also;</p> <p>Be a carbon neutral council by 2027</p>
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*Equality, Diversity and Inclusion*

51. An equality impact assessment has been produced in respect of the proposals for a move to 3 weekly residual waste collections, which is contained at Appendix B.
52. In summary the following can be seen no impacts are highlighted at this stage, but the assessment will be updated periodically through customer engagement, consultation and detailed design. Key to this will be ensuring all publicity and promotional information concerning the new service is accessible to all residents and ethnic groups.

*Human Resources*

53. As part of the proposed solution there is a need to recruit a new frontline and supervisory workforce in order to deliver weekly food waste collections.

54. The feasibility study undertaken as included at Appendix A considers that this could be anywhere up to an additional 36 staff. It is noted that the recruitment and retention of this resource base is already a challenge, which is likely to be made more difficult as all local waste disposal authorities without weekly food waste collection system look to implement.
55. A shift to three weekly residual waste collections will also reduce the demand on existing fleet and staffing resources which is a further opportunity to mitigate this risk.
56. The reprofiling of staffing resource will be undertaken through the next stages of implementation in consultation with the staff themselves and the trade unions.

### *Risk Management*

57. Table 4 sets out an overview of key project risks and their mitigating actions where appropriate.

<b>Risk</b>	<b>Mitigating Actions</b>
<b>Timescale</b> – limited time allowed to implement major operational change, noting a large percentage of local authorities will also be implementing over same time period.	Initial Feasibility is complete and we seek delegated authority to begin the detailed project from this committee
<b>Financial</b> – transition costs provided via Govt grant, both revenue and capital, are not sufficient to cover actual costs of implementation	We have modelled a proposal to move to three weekly residual collections and proposed to consult on this to provide an option that would deliver sufficient savings to cover this projects additional capital and potential revenue costs over and above the central government grant.
<b>Financial</b> – ongoing “new burdens” revenue grant is insufficient to cover actual costs of operating a weekly food waste collection	We have modelled a proposal to move to three weekly residual collections and proposed to consult on this to provide an option that would deliver sufficient savings to cover this projects additional capital and potential revenue costs over and above the central government grant.

<b>Resources</b> - recruitment of new staff to deliver new service	This may be partially mitigated by reductions of staff in other areas that could be reallocated but it remains an ongoing risk across recycling on waste collection operation.
<b>Resources</b> - need to acquire new and/or modified fleet to service new collection rounds	this will initially be funded through the capital grant allocation but is likely to require further capital unfunded capital borrowing
<b>Infrastructure</b> - capital investment to depot infrastructure – current market conditions, inflation and increased costs of delivery	Undertake robust cost forecasting as part of review development process to ensure these factors are built into final business plan and hence any adjustment to the Council's capital programme.
<b>Planning</b> - consent required for changes to physical infrastructure to accommodate enlarged fleet and staff base	The project will seek early pre application advice and prioritise submitting a planning application as part of the project plan.
<b>Contract and Commercial</b> - potential for changes to be needed to existing green waste treatment contract to reflect amended collection system.	The project has undertaken initial engagement with the contractor and will progress our further contract modification under the change protocol of the contract.

Table 4: Summary of key risks and proposed mitigations

### *Rural Communities*

58. There are no implications for rural communities arising from this report, the changes to waste collection services will be delivered consistently across all areas of the borough.

### *Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)*

59. There are no implications for children and young people arising from this report.

### *Public Health*

60. There are no implications for public health arising from this report.

## Climate Change

61. The carbon impact has been measured as part of the feasibility study for each option considered which can be seen in Appendix A table 7 p25 showing the preferred option has the lowest carbon emissions. Existing vehicles carbon is accounted for under the council's carbon action plan 2027.
62. The expected increase in waste recycling through the collection of food waste will contribute to borough wide carbon neutral target 2045.

<b>Access to Information</b>	
Contact Officer:	Ralph Kemp, Head of Environmental Services <a href="mailto:ralph.kemp@cheshireeast.gov.uk">ralph.kemp@cheshireeast.gov.uk</a>
Appendices:	Appendix A – Waste Collections - Feasibility Study (May 2024)  Appendix B – Equality Impact Assessment (pre consultation)
Background Papers:	None

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[Government response - GOV.UK \(www.gov.uk\)](http://www.gov.uk)