

# CHESHIRE EAST COUNCIL

## Cabinet Member for Environment

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**Date of Meeting:** 13<sup>th</sup> August 2012  
**Report of:** Strategic Director Places and Organisational Capacity  
**Subject/Title:** Funding Bid to Central Government Weekly Collection Support Scheme  
**Portfolio Holder:** Councillor Rod Menlove

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### 1.0 Report Summary

- 1.1 This report provides outline information and costing on a potential weekly food waste collection service that would be added to our existing household recycling and waste collection from May 2014.
- 1.2 Capital and Revenue start up costs are subject to an outline bid of £3.8 million to Central Governments Weekly Collection Support Scheme. Annual running costs of the service are expected to be absorbed into proposals for alternative delivery of recycling and waste services from 2014-15 as part of future savings on the recycling and waste budget. On the basis of an external review, at the request of the Waste & Recycling Service, it is estimated that costs of running the service in house would equate to an additional £2m a year.

### 2.0 Recommendation

- 2.1 That the Council submit a final bid to the communities weekly collection support scheme for £3.8 million on the 17<sup>th</sup> Aug 2012 for capital and revenue start up funding for a weekly food waste collection.

### 3.0 Reasons for Recommendation(s)

- 3.1 To provide a weekly 'smelly waste'<sup>1</sup> collection to all residents in Cheshire East, thus proactively managing the difficult elements of the household waste stream
- 3.2 To maximise recycling and hence diversion of food waste from landfill. Food waste is currently the largest element, approximately 33% of the average Cheshire East household bin.
- 3.3 To meet demand from local residents for a complete recycling service in line with Central Government policy to gain energy from waste through the use of Anaerobic Digestion.

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<sup>1</sup> Communities and Local Government, *Supporting Weekly Collections Prospectus and bidding form for applicants*, 2012

- 3.4 To promote sustainability and reduce carbon emissions in line with our community strategy. The DEFRA approved carbon measure calculates 13,463,421 Net impact on kgCO<sub>2</sub>e emissions a year.

#### **4.0 Wards Affected**

- 4.1 All Wards are affected.

#### **5.0 Local Ward Members**

- 5.1 All Local Ward Members

#### **6.0 Policy Implications (including carbon reduction and health)**

- 6.1 Our Sustainable Community Strategy and Joint Municipal Waste Strategy seek to manage waste more sustainably promoting waste prevention, reuse and recycling.
- 6.2 Objective 6 in the Council's 2012 – 15 business plan. This requires the Recycling and Waste Service to investigate the opportunities to provide a food waste collection service and quantify the financial impact and environmental benefits of doing so.

#### **7.0 Financial Implications (authorised by Director of Finance and Business Services)**

- 7.1 If successful, the application to the weekly collections support scheme would cover capital and revenue start up costs of £3.858m over a three year period as set out below.

	Rev £'000	Cap £'000	Total £'000
12/13	100	0	100
13/14	0	2,743	2,743
14/15	402	613	1,015
	502	3,356	3,858

- 7.2 A recent WRAP feasibility study on food waste collection in Cheshire East estimates that if the service were to be run in-house annual running costs would be an additional £2 million a year. However, the full financial implications of the business case for the proposed service delivery option requires further detailed refinement set against the existing current and forecast budget projections for the Waste & Recycling in the business planning for 2013-14 . It is anticipated however that the running costs will form part of a savings package of alternative delivery options currently being explored for Recycling and Waste. The service would only be rolled out from 2014 as part of an alternative service delivery option that met current budgets for 2014-15.

## **8.0 Legal Implications (authorised by Borough Solicitor)**

- 8.1 Assuming the bid is successful, it will be necessary to undertake a legally compliant procurement exercise in order to procure the consequent weekly waste collections and any vehicles, containers, and/or other goods and services linked to the new service, whether or not it will ultimately be consolidated with existing waste services.
- 8.2 All other relevant legal and regulatory constraints, including any necessary planning permissions, will also need to be obtained and/or complied with.
- 8.3 Any terms and conditions upon which the bid may be granted by Government must be clearly noted, understood, and complied with.
- 8.4 If the bid is successful, further reports will need to be brought forward in order that the necessary decisions to develop the scheme can be made.

## **9.0 Risk Management Implications**

- 9.1 The project would be contingent on a successful bid for capital and start-up costs to the Communities and Local Government's supporting weekly collection scheme. Although a weekly food waste collection is eligible under this grant the guidance makes it clear that priority in evaluation will be given to authorities seeking to maintain or reintroduce a weekly residual collection.
- 9.2 The project would also only go ahead as part of alternative service delivery options for waste currently being investigated to make savings on Recycling and Waste service delivery by 2014-15. In the event of the business case for the chosen service delivery options not able to accommodate food waste collection within the existing budget envelope, the project for weekly food waste collections would be discontinued.
- 9.3 The project is dependant on the identification of a suitable/cost effective treatment route for the food waste by 2014. There is an existing facility service food waste collection in Stoke and Newcastle and a number of facilities in and around Cheshire East are currently being progressed through planning however non are currently operational. A suitable treatment option will be progressed through the procurement of new delivery options for the recycling and waste service beyond 2014.

## **10.0 Background**

- 10.1 Food waste collection is becoming an increasingly standard addition to local authority recycling collections to divert food from disposal to recycling. As part of the government's Waste Strategy Review 2011 and subsequent Anaerobic Digestion Strategy, authorities are encouraged to increase recycling of organics such as food waste through the use of anaerobic digestion. The primary method of achieving this is through the separate collection and processing of household food waste.

- 10.2 At the same time Central Government has indicated a desire that authorities provide a weekly collection of waste and provided additional funding that is currently open to bids. The Cheshire East proposal for a weekly collection of food waste meets the criteria for this fund and hence an expression of interest / outline application for £3.8 million of capital and start up costs has been submitted that now requires confirming with a formal bid.
- 10.3 If awarded the three year grant from the supporting weekly collection fund would cover the capital and revenue launch costs of the scheme over three years. With £100,000 planning, permitting, design and contractor procurement costs in 2012/13, £2,743,074 Infrastructure, capital cost and vehicle purchase in 2013/14, with final roll out in Spring 2014 including £1,014,482 costs for containers and a publicity campaign.
- 10.4 The Council is also exploring alternative delivery options for the whole recycling and waste service from March 2014. It is expected that there could be savings in the order of 10% of the current Waste and Recycling budget (approximately £21.4m net) covering waste collection, treatment and disposal should the services be outsourced.
- 10.5 If we are successful in our bid to the communities collection support fund, a weekly food waste collection would then form part of the alternative delivery options bidding process. Provided anticipated savings on alternative service delivery could be met, food waste collection would be rolled out in 2014/15 with the winning bidder / provider for service delivery.

## **11.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

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