



Portfolio Holder Decisions

Capital Project – Purchase of Vehicles and Containers in support of Food Waste Collections

1. **Capital Project - Purchase of Vehicles and Containers in support of Food Waste Collections** (Pages 3 - 8)

Report of the Assistant Director of Environmental Services.

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Portfolio Holder Report

The portfolio holder will make a decision on this item after seven days have elapsed (including the date of publication).

Report of:	Portfolio Holder	Date of publication
Kathy Winstanley, Assistant Director of Environmental Services	Councillor Simon Bridge, Street Scene, Parks and Open Spaces Portfolio Holder	3 October 2024

Capital Project – Purchase of Vehicles and Containers in support of Food Waste Collections

Key decision: Yes

1. Purpose of report

- 1.1 To note New Burdens funding provided by the Department for Environment, Food and Rural Affairs (Defra) of £1,296,715 and for the monies to be added to the 2025/26 Capital Programme.
- 1.2 To set out the procurement approach for the purchase of vehicles, containers and service provider in support of the introduction of a household food waste collection service.

2. Council priorities

- 2.1 Place and climate – A cleaner, greener and more sustainable place.

3. Recommendations

- 3.1 That approval is given to include a new scheme in the capital programme for 2025/26 for the capital costs associated with the introduction of a household food waste collection service for which the council has received a grant allocation from Defra of £1,296,715.
- 3.2 To note the council's procurement approach to the purchase of vehicles, containers and service provider in support of food waste collections.

4. Background

- 4.1** The Resources and Waste Strategy for England was published in 2018 and sets out the previous government's ambition to improve recycling rates and transition to a Circular Economy.
- 4.2** The Environment Act 2021 sets into legislation the requirement for local authorities to collect a consistent range of dry materials and to collect food waste from all households and businesses.
- 4.3** In October 2023 reforms to household waste and recycling collections were published by Defra through their 'Simpler Recycling' plan with the aim to boost recycling rates and put an end to confusion over what can and cannot be recycled. This places an obligation on waste collection authorities to introduce separate weekly food waste collections to all households by 31 March 2026.
- 4.4** The plan was published under the 2022 to 2024 Sunak Conservative government. At this moment in time, we are unaware if these new rules will be adopted by the current government, but local authorities will continue to work towards the plan unless advised otherwise.
- 4.5** New Burdens funding has been provided by Defra for capital costs (for the purchase of new vehicles and containers) through Section 31 grants on a non-ringfenced basis. Transitional funding for the new service will be provided during the 2024/25 financial year and ongoing resource/revenue costs will be provided from 1 April 2026 (subject to any changes under the new government).

5. Key issues and proposals

- 5.1** The Environment Act 2021 sets into legislation the requirement for collection authorities to provide weekly food waste collections to all households by 31 March 2026.
- 5.2** It is anticipated that large numbers of local authorities will implement new or extended food waste collection services between 2024 and 2026. There will be a high demand for vehicles and containers during this period with a likelihood of procurement bottlenecks and supply chain delays impacting on the implementation timescales of a new service. The council must act quickly to determine requirements so that procurement can proceed without delay.
- 5.3** The fundamental elements proposed for a new food waste service are: 5-litres internal kitchen caddies for gathering food waste together with 23-litres external kerbside caddies for presenting waste for collection, to be issued to every domestic property in the borough; this container combination will provide ample volume for most households on a weekly separate food waste collection cycle and is typical of services across the UK. In addition, 10 x 7.5 tonne specialised food waste collection vehicles (biofuel compatible) will be required to service all households in the

borough on a weekly collection frequency. These vehicles will provide sufficient capacity to ensure the efficiency of a single tip off each day, together with an allowance for future growth in food waste performance and tonnages (new properties).

- 5.4** The council received a grant allocation of £1,296,715 from Defra to cover costs as detailed below:

Kitchen caddies	£113,790
Kerbside caddies	£259,323
Communal wheeled bins	£ 2,902
Vehicles	£920,700
Total	£1,296,715

- 5.5** Following concerns that the capital funding allocations were insufficient, allocations were increased and Wyre Council received a further allocation of £4,407 towards the cost of vehicles.
- 5.6** There are concerns that capital funding allocations may still fall short of the actual costs of purchasing vehicles and containers given market demand and price fluctuations and the council would be required to fund the gap. Initial indications are that there may be a shortfall in funding for the purchase of vehicles of £100,000 which, if additional grant funding is not available, would need to be funded from the Vehicle Replacement Reserve.
- 5.7** Evidence from established food waste schemes support the provision of liners for the internal kitchen caddy to ensure good uptake of the scheme. Residents prefer to use liners to keep containers clean and hygienic, and transfer food waste from the kitchen caddy to the external container securely, avoiding spills and odours. Furthermore, participation in food waste recycling schemes is higher when liners are used and provided by the local authority as part of the service. The previous government indicated that the decision to use liners lies with the local authority and no funding has been identified for this purpose. A decision on the use of liners is not required as part of this report.
- 5.8** Wyre is currently under contract to Veolia for the provision of household refuse collections until 31 March 2028. As part of these arrangements, food waste is collected together with other general waste in the grey wheeled bin on a fortnightly basis. In order to meet the council's obligations under the Environment Act 2021, the existing contract will be subject to a variation to facilitate the introduction of a weekly segregated food waste collection service. Veolia have provided some indicative pricing based on the resources associated with a weekly food waste collection service – this will include an additional ten drivers and crew members to staff the new collection rounds. When true costs are established for this contract variation, a further report will be written, setting out the exemption to the contract procedure rules. Ongoing revenue funding was to be provided under the previous government.

However, it is unclear if this approach will be adopted by the current government and if any potential funding will be sufficient to meet the increased costs of delivering the service.

- 5.9** In addition to the capital purchases and contract changes required in support of a dedicated food waste collection service, there are many other variables and uncertainties to consider; primarily, the expansion of the existing depot provision to accommodate the additional collection vehicles. Work is ongoing to investigate options for the purchase of additional land in the vicinity of the existing Copse Road depot facility in Fleetwood however, the capital allocations awarded by Defra make no provision for investment in expanding depot capacity and the council will need to budget for this as part of the wider project costs.
- 5.10** All Lancashire waste collection authorities, including the two unitary authorities, will be required to introduce food waste collections to meet the obligations of the Environment Act 2021. Blackburn with Darwin Council have agreed to take a lead on joint procurement for caddie sets and liners to explore opportunities for economies of scale on bulk orders of similar design rather than individual specifications which may push the prices up. There will also be price considerations around accepting delivery of containers sooner or trying to secure a slot for delivery just prior to service implementation i.e., early delivery will incur storage costs, but prices are likely to increase closer to the 'go live' date and if production is delayed councils may be without containers, risking possible penalties for late implementation. Wyre has expressed an interest in joint procurement and will consider storage options for caddies to ensure timely delivery of containers. The council will need to budget for this as part of the wider project costs since the capital allocations awarded by Defra make no provision for storage of caddies prior to service commencement.
- 5.11** No joint procurement options are being considered for vehicles as these are more bespoke to individual authority requirements. The council intends to run a mini competition through The Procurement Partnerships Cars, Light and Medium Commercial Vehicles framework for the purchase of 10 x 7.5 tonne specialist food vehicles. This will ensure that only vetted suppliers with a good track record can bid for providing the vehicles. A specification has been agreed in accordance with Veolia and procurement will commence shortly to ensure vehicles are delivered in a timely manner.
- 5.12** Lancashire County Council (LCC) as the waste disposal authority has the responsibility for ensuring there are suitable facilities to process food waste collected by the districts. LCC has plans to refurbish existing equipment already in place at the Farington Waste Recovery Park. The anaerobic digestion process will transform food waste into renewable electricity and a nutrient rich soil improver and liquid biofertiliser for agriculture. The process provides a source of renewable energy since the food waste is broken down to produce biogas (a mixture of methane and carbon dioxide) for electricity generation.

6. Alternative options considered and rejected

- 6.1 Failure to introduce separate weekly food waste collections would be in breach of statutory duties imposed by the Environment Act 2021.
- 6.2 Combining food waste with garden waste collections is not a viable option owing to the weekly requirement as this would undermine the financial integrity of the service.

7. Delegated functions

- 7.1 The matters referred to in this report are considered under the following executive function delegated to the Street Scene Parks and Open Spaces Portfolio Holder (as set out in Part 3 of the Council’s Constitution): “To consider matters relating to arrangements for the design and provision of services for refuse collection, street cleansing, and litter control (including beach and foreshore cleaning)”.

Financial, Legal/MO and Climate Change implications	
Finance	<p>The initial grant allocation of £1,296,715 to support the household food waste collection has been received from Defra. A further allocation of £4,407 has been awarded to the council.</p> <p>It is anticipated that the majority of the capital spend will be incurred in 2025/26.</p> <p>Accurate costs are not yet known but any shortfall in funding will need to be met from reserves.</p>
Legal/MO	<p>The Environment Act 2021 sets into legislation the requirement for collection authorities to provide weekly food waste collections to all households by 31 March 2026. The procurement procedure complies with the council’s contract procurement rules.</p>
Climate Change	<p>The approval of this report will have a significant positive climate impact and will help the council move closer to its net zero goal. Negative impacts on staff time requirements, purchase of new vehicles and offering a new service are mitigated by the proposed improvement in recycling rates, potential to communicate climate change messaging and improvements to biodiversity</p>

Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
health and safety	x

risks/implications	✓ / x
asset management	x
ICT	x
data protection	x

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

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List of background papers:		
name of document	date	where available for inspection
N/A		

List of appendices

N/A