

Guildhall Gainsborough
Lincolnshire DN21 2NA
Tel: 01427 676676 Fax: 01427 675170

SUPPLEMENT AGENDA

This meeting will be webcast live and the video archive published on our website

**Prosperous Communities Committee
Tuesday, 9th July, 2024 at 6.30 pm
Council Chamber - The Guildhall, Marshall's Yard, Gainsborough, DN21 2NA**

Members: Councillor Mrs Lesley Rollings (Chairman)
Councillor Emma Bailey (Vice-Chairman)
Councillor Trevor Young (Vice-Chairman)
Councillor Owen Bierley
Councillor Frazer Brown
Councillor Stephen Bunney
Councillor Karen Carless
Councillor Christopher Darcel
Councillor Jacob Flear
Councillor Paul Lee
Councillor Peter Morris
Councillor Roger Patterson
Councillor Jim Snee
Councillor Matthew Boles
Councillor Mrs Mandy Snee

1. Public Reports

- i) **URGENT ITEM: Food Waste Collections** (PAGES 3 - 17)

Ian Knowles
Head of Paid Service
The Guildhall
Gainsborough

Tuesday, 2 July 2024



**Prosperous Communities
Committee**

Tuesday, 9 July, 2024

Subject: Food Waste Collections

Report by: Director of Commercial & Operational Services

Contact Officer: Darren Mellors
Performance & Programme Manager

darren.mellors@west-lindsey.gov.uk

Purpose / Summary: This report details WLDC's approach to comply with the Food Waste Collection scheme mandated in the Environmental Act 2021 and requests a recommendation to Corporate Policy and Resources committee to allocate required capital grant funding.

RECOMMENDATION(S):

1. Commence a district wide Food Waste Collection scheme in alignment with the statutory deadline of 1st April 2025 for commercial properties and 1st April 2026 for domestic properties.

2. Recommend to Corporate Policy and Resources Committee that approval is given to

- Allocate £897,060 of capital grant funding into the Capital Programme to purchase vehicles, caddies and bins to deliver the district wide Food Waste Collection scheme (2024-26).

IMPLICATIONS

Legal: The implementation of the scheme is stipulated in the Environment Act 2021 with financial penalties in place for authorities failing to deliver in alignment with statutory deadlines.

Financial: FIN/42/25/SSC/CPR

Summary of option 2. (more clarification can be found on page 3)

- Vehicles Purchase £670k. Recommendation is to purchase 2024/25.
- Caddies and commercial bins purchase £227.1k. Recommendation is to purchase in 2024/25.
- First year revenue costs for full service starting on 01/04/26 is estimated at £1,022.3K.

To meet the statutory deadlines of the Environment Act 2021 this report asks for approval to spend the capital elements of the scheme in 2024/25 to allow for the procurement of associated Food Waste Collection vehicles and associated caddies. This spend is fully funded by the first funding stream grant of £1,023.2k, which has already been received.

We expect there will be £126k remaining after procurement, which we suggest is moved to the vehicle replacement reserve, to fund future vehicle replacements. However, if this procurement is not made until 2025/26 there is a risk there will be no grant remaining as cost will increase due to inflation, demand, and higher manufacturing costs.

Option 2 - Capital	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total
Vehicles	£670,000	£0	£0	£0	£0	£0	£670,000
Caddies & Bins	£227,060	£0	£0	£0	£0	£0	£227,060
Contribution to EMR	£0	£126,119	£0	£0	£0	£0	£126,119
Total	£897,060	£126,119	£0	£0	£0	£0	£1,023,179

At this point in time, we have no confirmation that the government will fund transition and on-going revenue costs. This report assumes we will receive 80% contribution to transition costs and 80% contribution to revenue costs but starting in 2026/27.

Option 2 - Revenue costs	2024/25 costs	2025/26 costs	2026/27 costs	2027/28 costs	2028/29 costs	2029/30 costs	Total Costs
Communications	3,800	26,300					30,100
Caddy delivery & Liners	35,800	73,300	29,500	39,500	41,500	41,500	261,100
Staffing		0	756,200	778,200	800,000	826,000	3,160,400
On going vehicle costs	2,300	9,100	110,600	110,600	110,600	110,600	453,800
contribution - vehicle replacement		0	126,000	126,000	126,000	126,000	504,000
Total costs	41,900	108,700	1,022,300	1,054,300	1,078,100	1,104,100	4,409,400
Funding - 80%	(8,000)	(56,000)	(717,000)	(742,600)	(761,700)	(782,500)	(3,067,800)
Funding Gap	33,900	52,700	305,300	311,700	316,400	321,600	1,341,600

This funding gap is estimated at £1,342k even with 80% government funding. This will increase our Medium-Term financial gap to 2029/30 will be £2.8m.

Clarification on costings.

Funding

Grant funding is split into 3 funding streams.

1. Capital transitional funding. £1,023,179 has been received to pay for the purchase of vehicles, caddies and communal bins.
2. Resource transitional funding is due to be confirmed in 2024/25. It has been assumed the grant will cover 80% of the costs.
3. Ongoing resources and revenue costs. Is due to be provided from 01/04/26. It has been assumed the grant will cover 80% of the costs occurred from 01/04/26.

Vehicles

The purchase of the vehicles in option 2 is £670k. This is based on procuring:-

- Five 7.5t food waste vehicles at an estimated cost of £90k each.
- Two 11t food waste vehicles at an estimated cost of £110k each.

The ongoing vehicles costs in option 2 are based on :-

- Insurance which will start if the year of purchase 2024/25 £2.3k for 7 vehicles and £9.1k for each subsequent year.
- Fuel costs per vehicles is estimated at £9.2k for 2024/25 and £48k for each subsequent year.
- Tyres per year is £768 per vehicles. 2025/26 cost is £1.5k for two vehicles and £5.4k for each subsequent year.
- Vehicle Tax per vehicle being operated is £165. 2025/26 is £330 for two vehicles and £1.2k for each subsequent year.
- Maintenance is estimated at £4,583 per vehicle. 2025/26 is £9.2k for two vehicles and £35k for each subsequent year.

Contribution to the vehicle replacement fund is £126k per annum which is based on £18k per vehicles.

- 2025/26 is £126,119, which is the estimate remaining capital transitional grant.
- 2026/25 onward is £126k and will be funded from General fund balances, as we expect no funding will be provided for the replacement of vehicles.

Caddies and bin costs

The purchase of the communal bins and caddies is funded from the capital transitional grant is £227.1k

- 100 communal bins at £20.60 each. Total of £2.1k.
- 45,000 5litre Kitchen caddies at £1 each. Total of £45k.
- 45,000 23litre Kerbside caddies at £4 each. Total of £180k.

The delivery of caddies and communal bins is funded from the resource transitional grant and is estimated at £50k. This was based on the cost of distributing the purple bins recently. We are estimated the grant for this to be £35k, which is 80% of the cost.

The ongoing caddies costs are estimated to be.

- Caddy liners in 2024/25 £29.5 to be distributed in ready for 2025/26 collections.
- Caddy replacement cost of £10k per year from 2027/28, which is based on 2,000 caddies at £5 each.
- Ongoing vehicles costs – Maintenance, fuel, tyres, tax and insurance. For 6 months the costs is £11k.

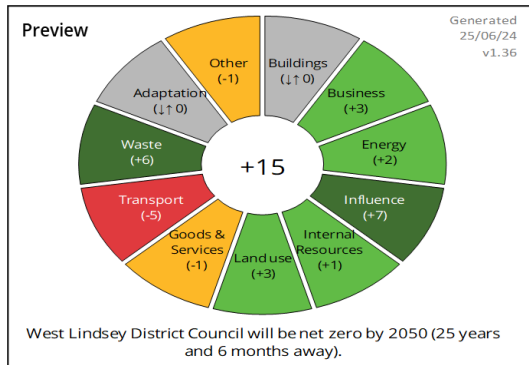
First full year domestic service

The first full year domestic service will start on 1st April 2026. The revenue cost is estimated at £1,022.3k, which includes £126k contribution to the vehicle replacement reserve. We expect the grant to cover 80% of the ongoing costs, but not the contribution to reserves.

Equality and Diversity including Human Rights: Equality Impact Assessment to be completed.

Data Protection Implications: None

Climate Related Risks and Opportunities:



The recently adopted Environment and Sustainability Strategy includes waste as one of the 10 priority themes identified on which action by the Council should be focused. Both in terms of direct action to reduce the Council’s own waste, but also in terms of the Council acting as an enabler and community steward, creating the conditions, and where appropriate services, to allow the wider District to engage with and embrace new initiatives in a straightforward and positive way to deliver maximum benefit to the environment and sustainability agenda.

Decisions on the types of vehicles procured will be made in alignment Vehicle Decarbonisation Strategy. The strategy is designed to provide a clear framework for all future waste vehicle procurement decisions, balancing priorities around maintaining excellent service standards, value for money and moving to a net zero fleet. The decision-making framework included in the strategy includes a seven-stage process, with specific questions to consider at each stage, which will ensure that an appropriate balance across Corporate Priorities is achieved.

Section 17 Crime and Disorder Considerations: None.

Health Implications: None

Title and Location of any Background Papers used in the preparation of this report: [Environment Act 2001](#)

Risk Assessment: Risk assessment to be completed.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

x

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

x

No

1.0 Executive Summary

- 1.1 The Environment Act 2021 mandates separate food waste collections for households and businesses to reduce landfill waste. Local councils must implement these collections by 1st April 2025 for commercial properties and by 1st April 2026 for domestic properties. Non-compliance with these deadlines will result in financial penalties.
- 1.2 Domestic food waste in West Lindsey is currently collected with residual black bin waste and to comply with the scheme, the council will need to implement weekly food waste collections.
- 1.3 All households are to be issued a 5-litre food caddy for internal use and a 23-litre caddy for external use. To encourage participation, households will receive caddy liners, though these are not mandatory. Communal properties, such as apartment blocks or homes of multiple occupancies, will receive 5-litre internal caddies and shared 140-litre external bins.
- 1.4 District wide implementation of the scheme will require the purchase of seven food waste collection vehicles and 50,000 internal and external caddies and 100 communal bins. Proactively acquiring the required vehicles and caddies will ensure compliance with statutory deadlines and ensure that the best price is achieved.
- 1.5 To help with associated costs, the government have announced three new burden funding streams; one to cover the capital elements with the remaining two covering required revenue expenditure. The council is in receipt of the capital finding stream which will allow for the purchase of required vehicles and caddies however the value of the two remaining revenue funding streams has not been confirmed and remains a risk to delivery.

2.0 Introduction

- 2.1 Introduced in November 2021, the Environment Act 2021 aims to decrease the volume of food waste sent to landfills by requiring separate food waste collections for households and businesses.
- 2.2 The Act stipulates that local councils must implement a domestic Food Waste Collection (FWC) scheme by April 1, 2026, while commercial properties must comply by April 2025. Non-compliance with these deadlines will incur financial penalties.
- 2.3 This report seeks approval for the purchase of vehicles and caddies to go live in April 2026.

3.0 Background (The Current State)

- 3.1 Approximately 9.52 million tonnes of food is discarded annually¹. Household waste accounts for 70% of this total, amounting to 6.6 million tonnes annually, of which an estimated 4.5 million tonnes is edible. In total, the UK's food waste could potentially feed approximately 30 million people per year.
- 3.2 Currently, domestic food waste in West Lindsey is co-collected as part of the fortnightly residual waste collection (black bin). The Waste and Resources Action programme (WRAP) estimate that households across the country dispose of 1.46kg of food waste per week. For West Lindsey District Council (WLDC) this estimation would equate to 3,500 tonnes of food waste collected across the district per annum.

4.0 The Future State

- 4.1 Compliance with the act requires WLDC to introduce a separate weekly FWC scheme throughout the district. To help facilitate this, households will be issued with a 5-litre food caddy for internal use and a 23-litre caddy for external use. Caddies have lockable lids to prevent accidental spillage and minimise the risk of animals accessing food waste. To help encourage take-up, households will

¹ <https://www.theecoexperts.co.uk/home-hub/food-waste-facts-and-statistics>

be supplied with caddy liners although this is not a mandatory requirement of the scheme.

- 4.2 South West Ward properties will receive FWC caddies ensuring a consistent service is offered throughout the district. Communal properties such as apartment blocks or Homes of Multiple Occupancies (properties housing at least three tenants or featuring shared facilities like bathrooms or kitchens) will receive the internal 5-litre food caddies but not the 23-litre caddies for external use. In these cases, communal properties will get 140-litre bins for external use; this is the maximum size that the vehicles can lift and empty.
- 4.3 No residual waste (black bins) will be refused due to non-compliance with the scheme. It is not anticipated that the caddies will be refused collection due to contamination as the disposal location will be able to take items such as full yoghurt pots and eggshells. The disposal location is dependent on the outcome of procurement exercise being held by Lincolnshire County Council; a decision is expected in September 2024.
- 4.4 A robust communications strategy is being developed to help with the scheme and ensure that residents have access to all relevant information.
- 4.5 The recently adopted Environment and Sustainability Strategy identifies operational services, specifically the waste fleet as contributing to 34% of the Council's total emissions. This makes this area of the Council a priority for action, in the journey to becoming a net zero Council. As such it is important that any decisions made in relation to the procurement of new waste vehicles is undertaken in the context of the impact on the Council's carbon footprint.
- 4.6 In order to support future decision making and ensure that the Council balances key corporate priorities, including achieving net zero by 2050, whilst balancing decisions against customer service and financial stability, a Vehicle Decarbonisation Strategy has been developed. This strategy sets out the broad principles of decarbonisation, including fuel types, maintenance, and vehicle specification. The strategy also includes a 7-step decision making framework, which highlights the key considerations and factors which need to be assessed and evidenced and balanced against delivering against the corporate priorities.

- 4.7 Acknowledging the faced paced rate in which technology is developing in this area the decision-making framework and the questions within are not time sensitive and as such, all future decisions on vehicle procurement can be made in line with this framework, ensuring consistency and transparency in approach.
- 4.8 Decisions on the types of vehicles procured, including fuel types will be made in alignment Vehicle Decarbonisation Strategy. This will be done as part of the procurement process of each vehicle being replaced or in this case being purchased for a newly created service. This paper does not specify the types of vehicles now, as much may change in the vehicle market between now and when that decision must be made.
- 4.9 Based on the current FWS operation model and initial assessment of vehicle availability and functionality it is considered that the scheme may require district five 7.5 tonne vehicles, two 11 tonne vehicles, six drivers, 12 loaders and one supervisor. However, the exact specification and fuel type of the vehicles will be confirmed as part of the future procurement exercise.
- 4.10 To help with associated costs, the government have announced three funding streams. It is unclear on the amount of funding that will be issued through Funding Streams 2 and 3 however it is assumed that these will cover 80% of anticipated revenue expenditure. An overview of the available funding is shown in Table 1.

Funding Stream	Expected	Purpose
New Burdens Funding Stream 1: Project Capital	2023/24	Capital elements of the scheme including the purchase of food waste vehicles and caddies. This is a one-off payment. *Received £1,023,179*
New Burdens Funding Stream 2: Transition Funding	2024/25	Set-up costs of the scheme including the delivery of caddies to residents and associated communications. This is a one-off payment.
New Burdens Funding Stream 3: Revenue Funding	2025/26	Pay for the delivery of the scheme and collection of food waste, the longevity of this funding is unknown.

Table 1: Funding Streams

4.11 WLDC currently implement a Trade Waste Scheme that has over 500 customers and failing to be able to collect food waste from these will result in this service not being able to be offered and a potential loss of income. To mitigate this, Commercial collections will be collected part of the FWC pilot scheme (to be determined).

4.12 The programme aims to realise the following strategic objectives linked to the Corporate Plan and Environment and Sustainability Strategy:

- **Environmental and Sustainability.** Reduce landfill waste by diverting food waste to Energy to Waste site and increasing recycling rates.
- **Community Engagement.** Increase public awareness and participation in waste reduction efforts through education and communication.
- **Demand Handling.** Deliver a modern and innovative way of handling demand from residents regarding the scheme.
- **Resource Efficiency.** Optimise the use of resources to efficiently deliver caddies and collect and transport food waste.
- **Compliance with Legislation.** Ensure compliance with the Environmental Act 2021.
- **Long-term viability.** Establish a system that is sustainable and adaptable, capable of scaling up as needed, and maintaining its effectiveness over the long term.

5.0 Implementation Plan: Domestic and Commercial food waste collection commence in April 2026.

5.1 Both commercial and domestic collections will be implemented from April 2026. This ensures compliance with the residential property deadline. It will be one year after the deadline for commercial properties. Implementation of this option will mean that the council will not be able to offer a commercial waste collection scheme resulting in a loss of revenue.

- 5.2 To deliver this option, most activity will need to occur in 2025. Vehicle and caddy orders will need to be submitted in March and May respectively. An understanding of round routing and demand handling will be completed within the summer prior to the recruitment process starting in September with the view to have operatives in roles by December 2025. Caddies will be delivered to residents between January and March 2026 ready for the collections commencing in April 2026.
- 5.3 In order to meet the deadline it will be necessary to order the waste vehicles following approval at Corporate Policy & Resources committee.
- 5.4 The benefits of ordering food waste vehicles earlier are.
- Alignment of service delivery with the statutory deadline for offering commercial collections from 1st April 2025.
 - Vehicles are secured in time for the statutory deadline of 1st April 2025 for Commercial collections, and 1st April 2026 for Domestic collection by 1st April 2026.
 - Proactive procurement prior to an assumed increase in demand from other Local Authorities.
 - Ensure that the best price is achieved, as there is a risk the prices may go up due to inflation, demand, and higher manufacturing costs in 2025/26.
- 5.5 The delivery timeframe of caddies is 6 -12 weeks resulting in a July 2024 order being expected in August. Caddies will be stored in situ at the depot until required. To help meet the commercial deadline, food waste collections will be undertaken one day a week from the April deadline.
- 5.6 The wider FWC programme is to be delivered through five subsequent projects ensuring a managed and considered approach is given to the roll out. Projects 03 and 04 will have supporting project management paperwork with the delivery deadlines of the remaining projects being managed and monitored through the programme team.
- 5.7 The supporting Project Plan, see Table 3, has been developed to ensure programme compliance with the statutory deadlines of the scheme.

Project	Owner	Start	Due
01. Approval to proceed	Project Sponsor	Jan-24	Jul-24
02. Procure required equipment	Lead Officer	Jul-24	Jan-25
03. District wide rollout	Lead Officer	Aug-25	Jan-26
05. Food Waste go-live	Lead Officer	Apr-26	Apr-26

Table 2: Project Plan

6.0 Costs to the Council

6.1 Costings have been provided for the recommended option but further calculations can be provided upon request.

Capital Costs.

6.2 The capital expenditure is for seven food waste vehicles, 45,000 internal caddies, 45,000 external caddies and approximately 100 communal bins. WLDC has received funding stream one which is the project capital payment of £1,023,179. It is estimated that £126,119 of the grant will not be spent on capital and therefore, in line with the funding it is proposed that this underspend is allocated to the vehicle replacement fund reserve.

Option 2 - Capital	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total
Vehicles	£670,000	£0	£0	£0	£0	£0	£670,000
Caddies & Bins	£227,060	£0	£0	£0	£0	£0	£227,060
Contribution to EMR	£0	£126,119	£0	£0	£0	£0	£126,119
Total	£897,060	£126,119	£0	£0	£0	£0	£1,023,179

Table 3: Capital Costs

Revenue Costs.

6.3 There is currently no confirmation of the amount of revenue funding to be received through New Burdens Revenue Streams 2 and 3 however it is assumed that it will cover 80% of anticipated revenue expenditure. This has not been confirmed and remains a risk to delivery.

Option 2 - Revenue	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total
Communication	£3,800	£26,300	£0	£0	£0	£0	£30,100
Caddies & Bin - Delivery	£6,300	£43,800	£0	£0	£0	£0	£50,100
Total Transition costs	£10,100	£70,100	£0	£0	£0	£0	£80,200
Caddies & Bin - liners/replacements	£29,500	£29,500	£29,500	£39,500	£41,500	£41,500	£211,000
Staffing	£0	£0	£756,200	£778,200	£800,000	£826,000	£3,160,400
Ongoing Vehicles costs *	£2,300	£9,100	£110,600	£110,600	£110,600	£110,600	£453,800
Contribution to EMR	£0	£(100)	£126,000	£126,000	£126,000	£126,000	£503,900
Revenue costs	£31,800	£38,500	£1,022,300	£1,054,300	£1,078,100	£1,104,100	£4,329,100
Total	£41,900	£108,600	£1,022,300	£1,054,300	£1,078,100	£1,104,100	£4,409,300

* vehicle costs include maintenance, fuel, tyres, vehicle tax and insurance. 2024/25 is insurance only.

Table 4: Revenue implications

Anticipated Programme Funding.

6.4 As previously discussed, three funding streams are anticipated to cover required capital and revenue expenditure. The Capital project grant has been received. The transition and ongoing revenue funding is still to be confirmed. This has been estimated at 80% of the costs, with no grant funding for vehicle replacement. Table 6 shows the programme funding.

Option 2 - Funding	Value	Comment
Grant income	£1,023,179	Funding streams - 1) Capital project
Grant income	£64,000	Funding streams - 2) Transition fund
Grant income	£3,002,979	Funding streams - 3) Revenue Funding.
TOTAL	£4,090,158	

Table 5: Programme Funding

Pressures/(Savings) on the Medium-Term Financial Plan.

6.5 The option brings a pressure of £1,341.5k on the MTFP, as detailed in the table below. This pressure is due to the assumption we will only receive grant to cover 80% of the ongoing costs.

Option 2 - Pressures/(Savings)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total
Communication	£800	£5,300	£0	£0	£0	£0	£6,100
Caddies & Bin	£30,800	£38,300	£5,900	£7,900	£8,300	£8,300	£99,500
Staffing	£0	£0	£151,300	£155,700	£160,000	£165,100	£632,100
Vehicles costs	£2,300	£9,100	£22,100	£22,100	£22,100	£22,200	£99,900
Contribution to EMR	£0	£(100)	£126,000	£126,000	£126,000	£126,000	£503,900
Total	£33,900	£52,600	£305,300	£311,700	£316,400	£321,600	£1,341,500

Table 6: MTFP pressures

7.0 Recommendations

1. Commence a district wide Food Waste Collection scheme in alignment with the statutory deadline of 1st April 2025 for commercial properties and 1st April 2026 for domestic properties.
2. Recommend to Corporate Policy and Resources Committee to allocate £897,060 of capital grant funding into the Capital Programme to purchase vehicles, caddies and bins to deliver the district wide Food Waste Collection scheme (2024-26).

<end>