



Scrutiny

5 October 2021

Report of: Councillor Alison Freer - Portfolio Holder for Climate, Access and Engagement

Leicestershire Waste Strategy

Corporate Priority:	Excellent services positively impacting on our communities Protect our climate and enhance our natural environment
Relevant Ward Member(s):	All ward members
Date of consultation with Ward Member(s):	December 2021 / January 2022
Exempt Information:	No

1 Summary

- 1.1 This report sets out the expected changes to legislation as part of the Environment Bill (2021) which are likely to have a significant impact upon the Council's waste collection and disposal arrangements.
- 1.2 The implications of the proposed changes are wide reaching, with anticipated impacts including:
 - i) Food waste collections
 - ii) Free garden waste collections
 - iii) Changes to dry recycling collections
- 1.3 Although the changes have not yet been confirmed, it is likely that their impact will place significant resource implications upon the Council, including the development of new services, changes to the existing waste collection contract with Biffa Environmental Services and further development requirements for the Council's Lake Terrace depot.

2 Recommendation(s)

That Scrutiny Committee:

- 2.1 Note the contents of the report and provide initial feedback on the direction of travel for the future of waste collection in Melton

3 Reason for Recommendations

- 3.1 The legislative changes set out in the report are yet to be fully ratified and passed into law. These will form future statutory obligations on the council.
- 3.2 The Leicestershire Joint Municipal Waste Strategy is currently in the draft phase and further development of the strategy will involve consultation with stakeholders.

4 Background

- 4.1 The Government's intention through the New Environment Bill and Waste Management Plan for England marks a move from a linear resource economy (take, make, use, throw) to a circular economy which values reuse and recycling far more. The overall aim of the government is to produce zero carbon emissions by 2050, in effect throwing things away far less and offsetting carbon losses where required.
- 4.2 The main impact on local authorities is the commitment to recycle 65% of municipal waste by 2035. This is a significant move forward for local authorities, with rates being largely stagnant nationally at the 44-46% mark. Locally in Melton, we have been at 44% for the past couple of years.
- 4.3 Initial discussions with Biffa, the Council's waste contractor, regarding the proposals have begun. The Communities and Neighbourhoods Manager is meeting on a regular basis with the contract manager and area director for Biffa to scope out the potential contractual and resource implications.

5 Main Considerations

- 5.1 There are three key proposed changes as part of the legislative overhaul:

Compulsory food waste collections

- 5.2 This is the predominant issue for MBC, with the potential for up to three additional collection rounds operating on a weekly basis. The government consultation documents appear to prefer fully separated food waste collections, i.e. not con-mingled with garden waste. It is likely estimated that the annual cost of operating a full, weekly food waste service would be in the region of £300k per year in addition to initial capital outlay. Early guidance documents point to New Burdens funding to cover both initial setup costs, project management and ongoing revenue costs. MBC currently has recognised an additional £150k (£50k 2023/24 and a further £100k 2024/25) cost in the MTFs for a food waste trial.
- 5.3 There is no widespread provision for the disposal of food waste in Leicestershire and LCC are exploring disposal points currently. NWL have recently operated a small scale trial for food waste collections however results were mixed with yields low after the first three months.
- 5.4 Government consultation documents point to Councils delivering this by 2023/24, however feedback has been that this is an unrealistic timescale due to setup, procurement, vehicle availability and financial considerations.
- 5.5 Should this proposal move forward, it is likely to have the greatest impact upon residual waste tonnages as all food waste currently all goes in the residual bins. What has been seen elsewhere, however, is that tonnages flatline soon after implementation as households become acutely aware of how much food waste they are throwing out.

Free garden waste collections

- 5.6 The least likely of all of the options set out by government, however one with potentially significant implication for Melton. The Council currently receives 'income' of £210k per year from Biffa in payment for the management of the garden waste collection service against an overall operational cost to Biffa of circa £150k, offset by an estimated income of around £450k. The full operating costs and income profile of the garden waste service has been requested from Biffa to better inform these estimates.
- 5.7 Additionally, it is likely that with free of charge collections, the service would be opened up to all residents, requiring a significant increase in collection costs to around £400k per year.
- 5.8 It is likely, however, that this service would be most welcomed of all changes with residents, as Melton currently operates with a standard charge of £75 per year for the service, significantly higher than the national average.
- 5.9 This option is seen as least likely to progress as very little garden waste ends up in the residual waste stream. Most households, if they don't subscribe to a scheme, will either compost or use the household waste and recycling centres, resulting in a minimal impact on the overall waste composted compared with current rates.

Alignment of dry recycling streams, including increased kerbside sorting

- 5.10 The government's primary objective is to simplify recycling schemes nationally and this has led to increased calls for kerbside sorting which allows for greater quality (and therefore income) of the recyclates. In essence, this would allow paper and card, and glass, to be separated from other recyclable waste streams, moving away from the current fully co-mingled schemes.
- 5.11 The sorting of the materials can either be undertaken by the household (through different bins and boxes) or by the operatives at kerbside. This would require significant investment in both containers and potentially vehicles depending on the level of sorting dictated.
- 5.12 A significant issue with this proposal is that LCC currently has five years remaining on a contract with Casepack for the processing of co-mingled recyclable waste. It is therefore unlikely that this would have an impact in Leicestershire until after that point.
- 5.13 Increased income as a result of the higher quality material would be received by LCC as disposal authority. It is therefore important that a benefit sharing model is developed between LCC and districts/boroughs

Enhanced packaging producer responsibilities

- 5.14 This proposal effectively places a levy on packaging producers, encouraging them to either have deposit schemes in place (below), or to reduce the packaging of products. This is likely to result in the application of recycling credits which will be designed to cover collection and disposal costs relating to packaging material, however it is currently unclear on how this will work in practice.

Deposit return schemes

- 5.15 This will allow customers to return recyclable materials to their point of purchase in the hope of reducing the overall waste arising from businesses. There is minimal expected impact of this on collection authorities.

New burdens funding.

- 5.16 Throughout the consultation process, government has reiterated that any new responsibilities which fall upon local authorities as a result of these proposals will be covered in full by 'New Burdens' payments. This has been a broad statement to date, and there has been no firm commitment regarding the longevity of payments, whether it would cover depot alterations, ongoing revenue costs or vehicle purchases. Often new burdens payments are distributed on a formula basis and not linked to actual costs incurred at a local level.
- 5.17 It is currently viewed as unlikely that the new burdens funding would recompense for lost income in relation to the potential garden waste proposals.

Leicestershire Municipal Waste Strategy

- 5.18 In line with the above proposals, LCC as disposal authority and districts and boroughs as collection authorities have been scoping out a refreshed municipal waste strategy. This will incorporate a renewed plan for meeting recycling and Co2 emissions targets whilst ensuring effective service provision and disposal arrangements are in place until 2035.
- 5.19 Two workshops have been undertaken so far, one regarding the overall vision for the strategy and options appraisal, the other factoring in the environmental implications and measures which need to be factored into the strategy.

Discussions so far have centred on the following areas:

Focus on reducing CO2 emissions from the collection and disposal of waste – this will be the overarching goal of the strategy from where everything else flows

- a) To invert the waste hierarchy, and to ensure that Leics' landfill rate (currently in the bottom quartile of performers nationally) reduces
 - b) That food waste, free garden waste and kerbside sort collections are factored into feasibility modelling
 - c) To ensure there is flexibility within the strategy for individual councils to have an element of autonomy when implementing service changes
 - d) That communication with and education of residents is improved to go beyond the atypical campaigns that have come before
 - e) That cost and affordability is a more prominent element of the strategy
 - f) To ensure that the strategy focuses more on long term sustainability of collection and disposal, and not just on the initial implementation costs
 - g) To place more emphasis on engagement with voluntary, 3rd sector and communities to take responsibility for managing their own waste
- 5.20 The next workshop will take place in October 2021, by which point a full scoping document will have been provided by the consultants, with modelling and projections covering all of the proposed government changes detailed above. This will allow collection and disposal authorities to plot the potential impact of the proposals in detail alongside individual Council priorities.
- 5.21 It is expected that the draft strategy will be available for public consultation in late 2021.

6 Options Considered

- 6.1 The legislative changes outlined in the report will, when finalised, become statutory responsibilities for the Council.
- 6.2 The range of scheme changes and additions outlined in the main report provide an indication of the direction of travel for the waste industry and Council collection and disposal mechanisms.
- 6.3 Following the publishing of the final legislation and accompanying guidance, officers will be providing a detailed options appraisal for members in order to make an informed and costed decision regarding the future of waste collection in Melton. Scrutiny committee would be actively engaged in this process.

7 Consultation

- 7.1 The Leicestershire Joint Municipal Waste Strategy will enter the consultation phase in December 2021. This will set out the joint options available to Councils and residents in order to meet the obligations of the new and existing legislation, including the climate change objectives, disposal options and collection potential.
- 7.2 Consultation will involve detailed communication of options and multiple methods of receiving feedback from members of the public and other stakeholders. Feedback from Scrutiny Committee will be relayed to the working group for the development of the Leicestershire Waste Strategy.
- 7.3 Subsequent changes to the Council's collection practices will require further consultation to determine the most effective proposals. This process will be undertaken following the finalising of the Leicestershire Waste Strategy.
- 7.4 The Portfolio Holder for Climate, Access and Engagement is being briefed on a regular basis by officers and will continue to be briefed as options are developed.

8 Next Steps – Implementation and Communication

- 8.1 Officers will maintain involvement in the drafting of the Leicestershire Waste Strategy whilst designing the potential services to be delivered under the new legislation.
- 8.2 An internal working group involving Finance, Legal, Contract Management and Waste Officers will develop collection schemes alongside representatives from Biffa, the Council's waste contractor.

9 Financial Implications

- 9.1 The financial implications of the issues set out in the report are yet to be fully defined as Government has not confirmed the type, extent or longevity of any new burdens funding.
- 9.2 The Council's Medium Term Financial Strategy (MTFS) has recognised a potential £150k of additional cost for the development of a food waste trial, with no other recognition of the costs associated with any other changes. This is one of the costs contributing to the estimated budget gap in future years set out in the Medium Term Financial Strategy.
- 9.3 Early government guidance has advised that new burdens funding will be provided to cover all additional 'new' costs, however this has not been formally confirmed. Previous allocations of new burdens funding have been allocated on a formula basis and have not related to the actual costs incurred. As such any additional costs not covered by new burdens is likely to result in savings having to be made in other areas in order to balance the budget.

10 Legal and Governance Implications

- 10.1 The Environmental Protection Act 1990 sets out the Council's statutory duty to collect waste and recyclables from householders.
- 10.2 The proposed Environment Bill (2021) sets out how Government will meet waste minimisation, carbon reduction and recycling targets, in particular the obligations of Councils to provide collections in line with their statutory obligations.
- 10.3 The Council, as a second tier waste authority, is obliged to deliver household waste to a disposal point provided by Leicestershire County Council.

Legal Implications reviewed by: Kieran Stockley (Monitoring Officer) 27.09.21

11 Equality and Safeguarding Implications

- 11.1 A full Equalities Impact Assessment is being undertaken as part of the development of the Leicestershire Joint Municipal Waste Strategy. Following the finalising of this strategy, and when the local impact of the proposed change is understood fully, an additional EIA will be completed to include the Council's service changes.

12 Community Safety Implications

- 12.1 The proposals set out in the report could have an impact upon environmental crime, such as fly tipping and littering. This needs to be reflected in the development of the waste strategy and will be included in any subsequent consultation.

13 Environmental and Climate Change Implications

- 13.1 The report sets out the potential climate change impacts of the new legislation and waste strategy.
- 13.2 A full Environmental Impact Assessment is being developed as part of the waste strategy discussions and will significantly shape the direction of travel over future years.
- 13.3 The EIA will be shared with members and stakeholders as part of the consultation phase.

14 Other Implications (where significant)

- 14.1 Following the confirmation of funding models and scheme designs, procurement of vehicles, plant and receptacles will be undertaken in accordance with Council procurement guidelines.
- 14.2 The Council holds a waste collection contract with Biffa ES. This contract will require amending in order to meet the proposed statutory duties, however the nature of the change will be determined by the outcome of the new legislation and waste strategy. Alterations to the contract will be undertaken with Legal and Procurement oversight.

15 Risk & Mitigation

Risk No	Risk Description	Likelihood	Impact	Risk
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1	Lack of affordability of required schemes within current budgets	High	Critical	16
3	Adverse reaction of public to proposals	Significant	Marginal	8
4	Unavailability of vehicles/materials	Significant	Critical	12
5	Unable to negotiate contract changes with Biffa as required	Significant	Critical	12

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	Score/ definition	1	2	3	4
	6 Very High				
	5 High				
	4 Significant		2	1,3,4	
	3 Low				
	2 Very Low				
	1 Almost impossible				

Risk No	Mitigation
1	Any additional costs not met by new burdens will have to be met from savings elsewhere. As clarity emerges savings plans will need to recognise the additional costs and proposals developed accordingly.
2	Communications campaign will be launched as part of the Waste Strategy discussions, providing an early indication of public feedback. Further changes will be made with the full involvement of residents and businesses.
3	Orders to be placed at the earliest opportunity once proposals finalised, in accordance with procurement guidelines.
4	Engagement with Biffa Environmental Services to be undertaken early in the scoping process. Assessment of alternative options to be undertaken.

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