

## FOOD WASTE COLLECTION

REPORT OF: Assistant Chief Executive  
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Wards Affected: All  
Key Decision: No  
Report to: Scrutiny Committee for Community, Customer Service and Service Delivery  
17 November 2021

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### Purpose of Report

1. To provide an update on the Council's work to introduce a weekly food waste collection service alongside a restructured residual waste collection frequency in Mid Sussex.

### Recommendation

2. Following careful consideration of the complexities and interrelated issues outlined in this report the Scrutiny Committee is asked to provide advice to Cabinet about the proposal to trial a 1-2-3 food waste collection and absorbent hygiene products collections in three areas in Mid Sussex.

### Background

3. On 28 January 2020, this Committee recommended to Cabinet that the Council, in partnership with WSCC, trial a food waste and absorbent hygiene products collection in three areas in Mid Sussex.
4. At its meeting on 10 February 2020 Cabinet agreed with the Committee's recommendation; committing to undertake a food waste and absorbent hygiene products collection trial, alongside a restructured residual waste collection frequency across approximately 3,000 properties in three areas in Mid Sussex, commencing in April 2020.
5. However, following the onset of the Coronavirus pandemic at the end of March 2020, in order to protect core waste services, and to adhere to lockdown and social distancing rules, the trial was postponed.
6. In September 2020, Council approved a Revised Corporate Plan and Budget. The Plan included a decision not to proceed with a food waste and absorbent hygiene product collection trial; and to instead work with Serco to deliver a business case for the future operation of the service with the aim of addressing forthcoming legislative requirements and delivering improved value for money.

7. In October 2020, in anticipation of the Government's Resources and Waste Strategy, West Sussex County Council commissioned a strategic review of its disposal contract with their Mechanical and Biological Treatment Plant (MBT) operators. This work has identified that the physical changes required to the MBT to enable food waste to be separately processed would take around 12 months to implement and that work can only start on this once commitment has been secured from a 'critical mass' of Waste Collection Authorities across the county. WSCC remain keen to trial the introduction of a food waste collection service in Mid Sussex, under the same arrangements outlined to this Committee in January 2020. However, they have indicated that they would not be able to continue to dispose of the food waste from the trial for an 'indefinite' period.
8. In July 2021, the Government carried out a much-delayed second round of consultation on its National Resources and Waste Strategy. This represented a shift in direction which potentially has a significant bearing on this Council's work to date.
9. In the recent budget announcement (October 2021), the Government made £295m of capital funding available 'to allow local authorities in England to prepare to implement free separate food waste collections for all households from 2025.' Whilst this is obviously welcomed, the Government are clearly indicating a move away from their original introduction date of 2023/24.
10. The Council's Corporate Plan priority to deliver a business case for the future operation of the service has been significantly impacted by the aforementioned events and new information.

### **1-2-3 Trial in Mid Sussex**

11. County-wide modelling carried out in 2018/19 indicated that a move to a '1-2-3' waste and recycling collection system across West Sussex could be achieved at no cost across the whole waste system. This work acknowledged that additional costs would fall to collection authorities and savings to the disposal authority, and that an adjustment would therefore be required to share the costs and savings and to ensure no Council was worse off.
12. Based on this information, in February 2020, this Council agreed to work in partnership with WSCC to trial a weekly food waste and absorbent hygiene product collection alongside a restructured residual waste collection frequency (a '1-2-3' service) across approximately 3,000 properties in Mid Sussex.
13. The operational details of this trial, and the principles agreed between this Council and WSCC are set out in the Scrutiny and Cabinet reports of January and February 2020 respectively. Any reinstatement of the trial would be on the same basis as outlined in these reports.

### **Other Trials in West Sussex**

14. During 2021, two other small trials commenced within the County. These are both smaller than the trial proposed in Mid Sussex, and are both time-limited; but will provide valuable learning for the wider WSWP:
  - a. Arun District Council embarked on a 1-2-3 collection trial in May 2021, initially rolling the service out to 1,150 Houses and flats before introducing it to a further 250 properties from Sept 21 (just over 1,400 properties in total). The trial is due to run for 12 months.
  - b. Subsequently, Horsham District Council announced a very small, time-limited trial across approximately 100 properties. This went live on 29 September and is due to run for a period of 12 weeks, before services revert to normal.

## Government Resources and Waste Strategy

15. The Government's Resources and Waste Strategy (originally published in December 2018) outlined the Government's intention to introduce new statutory responsibilities in respect of waste and recycling. An initial consultation was undertaken in 2019, and in July 2021 the Government concluded a much-delayed second round of consultation on a range of specific proposals; some of which represent a major shift in the Government's direction and potentially have a significant bearing on the County and this Council's Waste Service Redesign. These are summarised below:
  - A minimum service standard of fortnightly residual waste collections (potentially ruling-out a 1-2-3 collection model).
  - A core set of dry recycling material streams must be collected separately unless it can be demonstrated this is not possible for technical, environmental, or economic reasons (meaning fully commingled collection of dry recycling which this Council currently operates may no longer be permitted).
  - Mandatory weekly food waste collections from all properties by 2023/24.
  - Mandatory free collection of garden waste from all properties (meaning charges would no longer be levied for garden waste collections, resulting in a significant loss of income and a substantial increase in costs) or;
  - Introduction of statutory guidance on 'reasonable charges' for garden waste (meaning the charge levied by this Council would potentially be much reduced, resulting in a significant loss of income).
  - Potentially new funding to be made available directly to waste collection authorities from 2023 via an Extended Producer Responsibility scheme, to cover the net cost of collecting packaging waste.
16. In addition, the Government confirmed its intention to make New Burdens funding available for the introduction of new statutory responsibilities for weekly food waste and fortnightly garden waste collections. The funding will provide capital and revenue related to transitional costs and, in the case of garden waste, the loss of income. It is currently unclear how much, when and to whom this funding will be made available and therefore the Council should not rely on this funding.
17. It would appear the Government supports the collection of food waste and is likely to be mandating this in the near future; however, it is not clear what collection method they will support or potentially mandate for other waste streams. Currently it would appear that they favour a fortnightly residual waste collection service. Based on our modelling work to date, this is the least economic and most inefficient method.
18. WSCC and other WSWP partners provided a [joint response](#) to the Government's consultation, and given the potentially significant implications of the proposals, MSDC also submitted a [separate local response](#).

## West Sussex County Council Disposal Contract Review

19. In October 2020, to support the delivery of a countywide food waste service and in anticipation of the Government's Resources and Waste Strategy, WSCC commenced a strategic review of its disposal contract with their Mechanical and Biological Treatment Plant (MBT) operators Biffa.

20. The introduction of a food waste service would divert waste away from the MBT, unless the plant is modified to take this material in separated form. The current contract requires WSCC to pay financial penalties to Biffa in the event of a reduction in the amount of waste going to the plant; and termination of the contract would also give rise to significant financial penalties. Therefore, to protect the taxpayer, the County is looking to renegotiate its contract with Biffa to convert the MBT to support the disposal of food waste.
21. These negotiations have been lengthy, and the situation remains extremely fluid. However, we are advised these are nearing completion. The full extent of the implications on the provision of a food waste service are still emerging. However, recently WSCC has indicated that the physical changes required to the MBT would take around 12 months to implement and that any disposal savings associated with the provision of a food waste collection service would only be realised if and when the service was rolled out across a 'critical mass' of households across the whole county.
22. Without a critical mass, WSCC would be required to provide and finance a short-term alternative outlet for food waste collected by the "early adopter" Councils whilst continuing to process residual waste still containing food from any later adopters. There would also be a need to financially compensate Biffa for the additional energy costs and/or loss of revenue that would result if there was not sufficient organic waste delivered to meet the energy demands of the plant.
23. WSCC are hoping to finalise their negotiations with Biffa in early 2022, but as outlined above they would not be able to commence work on reconfiguring the plant until a commitment has been secured from most, if not all Waste Collection Authorities in West Sussex. This means that at this stage there are no guarantees that the County will be able to support a district wide roll out of the food waste service. However, WSCC are hoping that once their negotiations are completed the other districts in West Sussex will have more confidence to plan for the introduction of food waste.

### **MSDC Service Redesign**

24. Following the decision to work with Serco to deliver a business case for the future operation of the service, extensive modelling was carried out and Serco identified a service model that both provides the best value for money and enables the Council to achieve the Government's recycling targets as follows:
  - Weekly food waste collections via dedicated vehicles
  - Fortnightly dry recycling collections
  - Three-weekly residual waste collections
  - Scope to expand garden waste capacity from 23,000 to 28,700
  - 61% recycling rate by 2028
25. The costs of providing this standalone district wide service are provided in the appendix to this report. This appendix is exempt from publication because the costs are regarded as commercially sensitive by Serco and were supplied to the Council on that basis. They are significant, and without certainty from the Government, and from West Sussex County Council about their ability to support a district wide service, there is a significant risk to this Council of proceeding with the business case.

26. Members will be aware that as a result of the pandemic the Council has a significant gap in its Medium Term Financial Plan and as currently forecast, notwithstanding the risks around the national and county strategy, the Council could not afford to implement a district wide food waste service without making commensurate significant savings and service cuts in other Council services.

### **Next Steps**

27. The introduction of any service change is complex and lengthy; however, the introduction of a food waste service has been further complicated by changes that impact on the Council's direction of travel, over which we have had no control.
28. To date our work has been based on a range of sound assumptions about the WSCC strategy and the emerging direction of the Government's Resources and Waste Strategy. During this year, it has become clear that there is no certainty over the outcome of either of these, and without this certainty there is a significant risk to the Council's resources. This impacts on the approach this Council takes to the trials and/ or the implementation and timing of a district wide food waste/ 1-2-3 service.
29. In summary, the provision of a food waste service is predicated on:
- The Government's Resources and Waste Strategy and any adjustments in collection and disposal methodologies it may require.
  - Successful renegotiation of WSCC's contract with Biffa, subsequent conversion of the MBT and an understanding of the financial implications.
  - Agreement of all the Districts and Boroughs in West Sussex to roll-out food waste collections and the revision of the Joint West Sussex Waste Strategy to reflect this agreement.
30. If the Council decide to either trial or roll out a district wide service, based on a 1-2-3 collection model, there is a risk that this may need to change in 2023/24 (or possibly 2025) subject to the Government national strategy and West Sussex's negotiations. This could be both costly and disruptive for residents.
31. However, the Council could re-instate the trial now and run it until the beginning of 2024/25 at no additional cost other than a top up of approximately £56k. This may however leave a gap of a year before the national roll out of food waste collection, based on the most recent Government announcement. The annual cost of providing the service from 2024/25 onwards would be approximately £160k; however there is currently no guarantee that WSCC would be able to continue to provide temporary support with the disposal of food waste until a permanent facility is established.
32. It is anticipated that by the middle of 2023 there will be greater clarity on both the Government's and WSCC's strategies. In addition, New Burdens Funding (revenue) may be available to finance roll out across the district by that time, although this is not guaranteed, and the Council should not rely on this being available.
33. It is important that Members appreciate that starting a trial does not mean the Council will be able to move to a full roll out of the service because of the uncertainties outlined in this report.
34. If the trial is re-instated there is a nine-month lead in. This is to enable Serco to provide the necessary vehicles and staff, and for WSCC to put in place the necessary disposal infrastructure to support the trial.

35. Alongside the implementation of a 1-2-3 trial, it would also be sensible to start to prepare for a wider service redesign, by putting in place those aspects of the business case that would both improve service delivery now and prepare the way for the introduction, in due course, of a district-wide food waste collection service (and any other new/ amended services) as mandated by the Government.

### **Communications**

36. A key aspect of the project is the development and implementation of a comprehensive communications plan. Work was previously at the advanced stages on this. This will be updated and refreshed to ensure that all those taking part in the trial, and other key stakeholders are fully informed and provided with all the support they need to participate in, and get the most out of, the new services they are being offered.

### **Monitoring and Review**

37. The success of the trial will be closely monitored against an agreed set of key deliverables, looking at a range of aspects from recycling rates and residual waste reduction to customer perception/feedback and participation rates.
38. Analysis and evaluation will take place throughout the trial, and these findings will be used to inform the future shape of the service.

### **Legislative / Policy Context**

39. The Government's Waste and Resources Strategy outlines the Government's intention to legislate and introduce new statutory responsibilities.

### **Financial Implications**

40. WSCC have confirmed that the previously agreed funding of £364k remains available to finance a food waste and absorbent hygiene products (1-2-3) collection trail in Mid Sussex.
41. The picture in respect of funding a district-wide service (or sustaining the service in the trial areas) beyond the two-year trial remains unclear.

### **Risk Management Implications**

42. Key risks and issues related to the trail have been captured and will be managed through a Project Risk Log Document.

## **Background Papers**

Report to Scrutiny Committee for Community, Customer Service and Service Delivery- Food Waste and Absorbent Hygiene Products Collection Trial- 28 January 2020

<https://midsussex.moderngov.co.uk/documents/s7488/Food%20Waste%20and%20Absorbent%20Hygiene%20Products%20-%20Collection%20Trial.pdf>

Report to Cabinet- Food Waste and Absorbent Hygiene Products Collection Trial- 10 February 2020

<https://midsussex.moderngov.co.uk/documents/s7636/Food%20Waste%20and%20Absorbent%20Hygiene%20Products%20-%20Collection%20Trial.pdf>

Report to Council - Revised Corporate Plan- 30 September 2020:

<https://midsussex.moderngov.co.uk/documents/s8791/Revised%20Corporate%20Plan%202020-21.pdf>