

**FOOD WASTE COLLECTIONS**  
**WDA/05/20**

**Recommendation**

That:

1. Members note the progress made by the Senior Officers Working Group;  
and
2. Members' views on the proposals be communicated to the Collection Authorities.

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**FOOD WASTE COLLECTIONS****WDA/05/20****Report of the Chief Executive****1. Purpose of the Report**

- 1.1 The report updates Members on the progress of the work of the Chief Executive and the Senior Officers Working Group (SOWG) of Liverpool City Region's (LCR's) Waste Collection Authorities to prepare for the delivery of food waste collections across the City Region.

**2. Background**

- 2.1 The Government brought forward an Environment Bill in 2019 that made proposals for the introduction of separate weekly food waste collections by 2024 for all households in England. Due to the General Election the Bill was not passed. The new Government set out its proposals for Parliament in the Queens speech; they included a new proposed Environment Bill, which is likely to include similar provisions on food waste collections.
- 2.2 Members will recall that at the Authority Meeting on 18<sup>th</sup> October 2020, a Motion was proposed and approved that requested a report be brought back to the Authority setting out options for the early delivery of food waste collections across the City Region (attached as Appendix 1),
- 2.3 The Motion asked the Chief Executive to work with the SOWG to identify the options that are available for the delivery of a food waste collection service and to approach DEFRA over access to funding for any early adoption of a collection pilot.
- 2.4 Members called for a report to be made to this meeting on the progress made by the SOWG on the proposals.

**3. Approach**

- 3.1 The SOWG and MRWA officers have met on a number of occasions since the Motion was approved and have considered how a Food Waste Collection Service proposal may be designed for Collection Authorities throughout the LCR. The SOWG have agreed that this stage of the

proposed project is a client led phase, as it is concerned with establishing a base line that may lead into a service specification. The SOWG determined that it was not appropriate to involve contractors at this stage.

- 3.2 The SOWG have collaborated and shared information in order to develop initial outline proposals for taking the project forward. In working together the SOWG has recognised that any proposals for a collaborative approach to providing a food waste collection service will not include St Helens Council as they already have provision for separate food waste collections as a part of their service.
- 3.3 While St Helens may not be seeking to actively take part in any proposed collaborative service provision, their experience in delivery of a food waste service has been drawn upon in considering the way forward and they continue to be party to the SOWG work on this matter. Elsewhere Knowsley Council and Sefton Council have recent experience of providing food waste collection services while Halton Council still provides a food waste collection service for residents. The experience at each of these Councils has been shared to help provide options to take proposals forward. All LCR Waste Collection Authorities have been consulted and involved in developing the proposals that SOWG have considered.

#### **4. Proposed Service delivery model**

- 4.1 In considering the proposed service delivery options, the SOWG has based its projections on the recent and current experience of local delivery of food waste collections already referred to.
- 4.2 The service delivery model that has been considered to date is one of a single joint LCR wide weekly food waste collection service. The model reflects the households across the LCR, excluding St Helens where it is anticipated that their own food waste collection model will be continued (for ease in the remainder of this report any references to LCR will exclude St Helens unless specifically included). (Data on the proposed service delivery model is included at Appendix 2).

#### **Households**

- 4.3 Across the LCR there are 617,000 households that will require a weekly food waste collection service. Within that total the majority of households are regarded as 'standard' (including terraced houses, semi-detached, detached etc.,) and the SOWG plans have concentrated on this group of 544,000 properties to date.

- 4.4 The remaining 73,000 households are classified as High Rise / HMO / Low rise / Student accommodation which are likely to require a different solution as a simple kerbside collection bin for each may not be workable. SOWG propose to assess options for these properties at a later stage of planned the project.
- 4.5 The SOWG has used the standard properties as a guide to the number of properties that they should initially plan for food waste collections. This planning estimate has been used to give a better understanding of the potential scale of the project being considered.
- 4.6 At this stage, the proposed plan, which has not been fully modelled, is to provide an estimate of the scale and some of the potential costs that are likely to be associated with introducing a food waste service.

### **Yields**

- 4.7 In planning the outline service delivery model the SOWG has compared the expected yields from food waste collections based on their shared experience, with the estimated yields that can be calculated by reference to the Waste Resources Action Partnership (WRAP). Yields estimated by WRAP were considered to be excessively high (almost double that of the experience based model). The working assumption was that some 21,000 tonnes of food waste per year would be collected across the LCR.
- 4.8 The potential yield of food waste allows an estimate to be made about the potential model for service delivery.

### **Vehicles and rounds**

- 4.9 In developing a proposed service delivery model there has been consultation and agreement among the SOWG. The suggested proposal which has been taken forward is that the most appropriate choice of vehicle for a LCR standardised weekly food waste collection would be a specialised vehicle; 7.5 tonne plastic bodied vehicle with a 2.75 tonne payload. While a number of options have been discussed, this is considered the optimum vehicle and has been used for planning purposes.
- 4.10 Comparing the vehicle payload to the yields of waste allows an extrapolation to identify a total number of rounds across the LCR that need a food waste collection service. The SOWG estimate was that to provide a standard food waste collection service across the LCR would require some 41 rounds (on the basis of assumptions about a collection in place for 4 days a week to miss the impact of bank holidays). This means each daily round passing 3,100 properties, but with an assumption that yield rates

would be 30-35%, so not collecting from each of those properties, as some households will not place containers for collection every time.

- 4.11 In a situation where there are potentially 41 rounds, the number of vehicles required to service those rounds was estimated by SOWG at 45; with the additional vehicles to allow for maintenance and repair.
- 4.12 As Councils across the LCR have declared a climate emergency, the SOWG agreed that it is unlikely to be acceptable that a new fleet of vehicles that used diesel as a fuel would be procured. The SOWG have begun to make enquiries with vehicle suppliers about the costs and availability of alternative fuelled vehicles. Whilst acknowledging that the initial purchase price may be higher, the ongoing fuel costs may be lower and overall costs may be comparable over time. For the purposes of this stage of the project, traditional vehicles have been used to provide costing data.
- 4.13 Should Councils proceed with a procurement that requires alternatively fuelled vehicles to be supplied, they will also need to consider capital spending at depots to ensure the fuel supply infrastructure is in place to support the vehicles.

### **Staffing**

- 4.14 Based on experience of staffing levels, the SOWG has identified a requirement to employ 92 staff to carry out the food waste collection, after allowing for holiday and sickness absences. This is based on one driver and one operative per round.

### **Alternatives**

- 4.15 The SOWG has developed an approach for a proposed food waste collection service across the LCR (excluding St Helens) on the basis of collaborative working and relying on information arising from recent and current experience. One of the reasons for this was to identify a base cost; and which by utilising shared resources may allow greater economies of scale to be realised. However, this is not the only model that may be used, and decisions by Collection Authorities may require further detailed modelling on a different basis.
- 4.16 The SOWG recognises that there are alternative service delivery options that may be put in place, with different types of vehicle and different staffing levels and arrangements for example, but for outline planning purposes, have taken the above options forward.

- 4.17 Alternative service delivery options may not simply be linked to different vehicles, rounds and staffing or different assumptions about the amount of food waste that may be collected (using WRAP estimates, for example doubles the potential waste and cost – see Appendix 2).
- 4.18 Alternatives may also involve Councils working to provide the service as groups of two or more Councils (rather than for the whole of the LCR) where they agree that is the best model, or individually, if that is the approach that any Council wishes to take. SOWG have not modelled these options at this stage as that is dependent upon future decisions of Councils, individually or working together.

### **Caddies, bins and liners**

- 4.19 In reviewing the proposals for an LCR service delivery model it is acknowledged that for each household an internal kitchen caddy would need to be provided. Including all relevant households that would mean that 617,000 internal kitchen caddies (with a 5-7 litre capacity) would need to be supplied (617,000 includes the 73,000 properties that will be more difficult to collect from).
- 4.20 The SOWG experience of food waste collections also acknowledged that where an internal kitchen caddy was supplied there would also be a need to supply caddy liners. The supply of caddy liners, on an ongoing basis, is considered necessary as failure to do so would result in lower levels of participation.
- 4.21 In order for residents to take part in the food waste collections, each household will also need to be supplied with an external food bin (23-25 litre capacity) to present their food waste at the kerbside each week. The external food waste bin would be supplied to the 544,000 properties that are identified as standard. Different systems for weekly kerbside collections will need to be developed for the 73,000 non-standard properties (including 120 litre or larger communal bins). These proposals may be considered in detail at a later stage of this project.

### **Communications**

- 4.22 In order to ensure there is a good level of take up from the public, in response to the delivery of a new food waste service there will be a need to 'launch' the service with promotional campaign. Experience from Halton Council has helped the SOWG to identify that there is a need for both an initial campaign to ensure the new service has an effective start, as well as an ongoing publicity campaign that helps to maintain levels of participation among the public. As a part of any communications approach there will

also need to be a level of support for Members of Collection Authorities and MRWA so that they have good information on any proposed changes to service provision arising from the introduction of a food waste collection service.

### Affordability

4.23 In considering a proposed approach to food waste collection the SOWG has identified some of the potential costs arising from a LCR food waste collection service. While this is not considered to be a detailed cost estimate at this stage, and acknowledges that a number of costs remain to be fully identified, it provides a headline of the potential costs arising from the collection of food waste as a single joint service across the LCR. This initial estimate provides some perspective on the potential scale of the project and the costs that the LCR may face.

**Table 1**  
**Indicative costs of single joint LCR food waste collection service**

|  | <b>Capital cost</b> | <b>ANNUAL Revenue cost</b> |
|--|---------------------|----------------------------|
| <b>Caddies &amp; bins</b>                                  |                     |                            |
| Internal   | £740,000            | £148,000                   |
| External   | £1,632,000          | £326,000                   |
| Liners   |                     | £821,000                   |
|  |                     |                            |
| <b>Vehicles</b>  |                     |                            |
| Standard x 45 x £48k                                       | £2,160,000          | £432,000                   |
| Fuel   |                     | £108,000                   |
| Maintenance, insurance etc                                 |                     | £216,000                   |
|  |                     |                            |
| <b>Staffing</b>  |                     |                            |
| 92 x £28k per week   |                     | £2,576,000                 |
| <b>Promotions</b>  |                     |                            |
| <i>Experience based – extrapolated One off launch cost</i> |                     | <i>*[£1,498,000]</i>       |
| Experience based – in year promotions                      |                     | £110,000                   |
|  |                     |                            |
| <b>Totals</b>  | <b>£4,532,000</b>   | <b>£4,737,000</b>          |
|  |                     |                            |
| <b>One off launch cost*</b>                                |                     | <b>£1,498,000</b>          |



|  |  |                   |
|--|--|-------------------|
|  |  |                   |
| <b>Total revenue estimate for year 1</b> |  | <b>£6,235,000</b> |

- 4.24 There will be additional costs arising from the proposed project, including the cost of external bins and collections for the 73,000 non-standard properties. As well as the potential costs acknowledged above there are likely to be additional depot costs, both capital and revenue as well as training, health and safety and management costs. These costs will require further considerations at a later stage of this proposal, dependent upon decisions taken by Councils on whether and how to progress the scheme.
- 4.25 At this stage of the proposal no account has been taken of the potential for savings that may arise from the introduction of a food waste collections service and its potential impact on the residual waste collection services. Elsewhere in the UK, where a weekly food waste service has been introduced the removal of food waste from the residual waste stream has allowed Councils to take decisions to change the residual collection cycles from two weekly to three weekly collections, making some savings to support the new service. SOWG has not considered this as the Government's initial stance on the proposals was that there should be no reduction in the service provided to households for residual waste. Should this change the prospects of an affordable food waste collection service become better.
- 4.26 Should the decision be taken to move forward with a proposed food waste collection service for the LCR, there is potential for some savings in the costs of the MRWA Resource Recovery Contract (RRC). A combination of savings on the gate fee and the potential for additional shared income provides an estimate of £1.3M saving. At the same time, however, it is also acknowledged that in the Waste Management and Recycling Contract (WMRC), there would be additional costs ranging from £30-£50 per tonne (excluding transport if the waste needs to go to a geographically remote processor). At the upper end of this scale of costs, the offsetting effect would mean there would be minimal savings shared with each Council through the Levy from the processing of the food waste, compared with the current costs of disposal (£1.05M vs savings of £1.3M).

### **DEFRA and funding**

- 4.27 If the LCR is to move forward with an early project to deliver food waste collections the additional costs arising from that will be an additional burden on the Councils at a time when funding is already difficult. The

Motion approved by MRWA asked that an approach be made to DEFRA to see whether there would be any financial support available for the LCR to pilot food waste collections. The Chief Executive has made an approach to DEFRA to initiate discussions on the proposal and any early funding that may be available. Members will be updated if there is any prospect of funding support from DEFRA.

4.28 Separately the food waste collection service that was put in place by St Helens Council attracted one off funding of £70k from WRAP and should decisions be made to progress this project it may be worth an approach from SOWG to WRAP to see whether that funding avenue could be extended to a wider scheme.

4.29 The Combined Authority has also been asked to consider whether there may be funding available to support any early adoption of a food waste collection service, although it is recognised that much of their investment funding is to support private sector developments rather than local authorities. Members will be updated if there is any prospect of funding support from the Combined Authority.

## **5. Contract management options**

5.1 As a part of the proposed project the SOWG has not simply considered the potential for a service delivery model, but has also considered that there are options for how any proposed service may be managed. The service delivery model will play a role in determining the options for contract management. These are briefly considered below:-

- In-house service delivery (1) – each Council carrying out its own food waste collections and managing that service
- In-house service delivery (2) – two or more Councils working together to deliver a service within their respective areas, and likely to have one Council leading the service provision
- In house service delivery (3) – a single service delivered across the LCR and managed by one lead Council (or by MRWA)
- External service delivery on behalf of the 5 Collection Authorities by a private contractor (possibly including a Teckal company if the statutory limits are not breached).

5.2 In respect of the final proposed option the question of whether any contract management would be across the LCR, in smaller groups of Councils working together of individual Councils working alone would be options for the Councils.

- 5.3 Where Councils choose to deliver services in-house they could take on the procurement risks of vehicle, caddy, external bins and liners as well as ensuring there were sufficient staff to provide the service. Should decisions be made to externalise the service, many of those risks may be transferred to the private sector contractor (albeit this would be likely to incur additional costs).
- 5.4 Where Councils make decisions to work together in the delivery of the proposed service they would have to consider the Governance of those arrangements. Those arrangements will be a matter for the Councils to consider when they have made decisions on how to move forward.
- 5.5 Liverpool and Knowsley have indicated that they would be happy to enter into further discussions about a 'lead authority' role in the event that an in-house operation on a city region footprint is the favoured option.

## **6. Procurement options**

- 6.1 Councils have to consider the potential service delivery and contract management options that they may wish to pursue, whether acting collaboratively or separately. Thereafter, they can consider how they wish to go about procuring their preferred option.
- 6.2 Should the Collection Authorities choose to work together across the LCR than they may wish to establish an approach that appoints a single authority as the lead authority to deliver the procurement. That authority would take a lead in shaping decisions about the scope of the procurement approach. If Councils decided that this was the way forward they would be likely to be asked to offer support for the procurement, in both financial and human resource terms, to enable the lead authority to establish a procurement team to deliver the food waste collection service. Once again, it will be incumbent upon the Councils and the lead authority to establish appropriate Governance arrangements so that all those partaking in that procurement were able to delegate functions appropriately, and be consulted quickly where necessary. It has been suggested that this role could even be delegated to MRWA, but that would be something that Councils would have to consider and request, before any consideration of the matter by MRWA Members.
- 6.3 Similar models for the procurement approach may be required if two or more councils decide to work together to deliver a food waste service.

Governance and decision making arrangements would be key, as would an agreement to pool and share financial and human resources.

- 6.4 Where Councils decide that they wish to provide their own food waste collection service, whether in-house or through an external provider they will be able to make their own arrangements as with other Council services.

## **7. Gateway decisions**

- 7.1 If the LCR is to introduce a food waste collection service, whether on a widespread single joint service basis, for some of the Councils working together or individually, a number of key or Gateway decisions will have to be made. These decisions will involve a number of complex considerations but will ultimately be decisions for District Councils as Waste Collection Authorities to make. Whilst MRWA would wish to be part of the design of services, to ensure that the treatment and disposal contracts and arrangements were aligned and optimised for councils, collection decisions are not decisions for the MRWA.
- 7.2 At the highest levels the decisions that Councils will have to consider include:
- The proposed service delivery model;
  - Each Council's affordability model;
  - The contract management arrangements; and
  - The procurement approach
- 7.3 These will be matters that each participating Council will have to consider when they have sufficient information to make any decision.
- 7.4 When the Councils have determined their own proposed way forward, there may be decisions for MRWA to consider, especially in agreeing with the WMRC contractor the extent of the demand for food waste processing within the contract when the service is developed.

## **8. Risk Implications**

- 8.1 There are risks associated with this proposal, not least the cost of introducing a new waste collection service across the LCR. However, at this stage the risks do not lie with MRWA as it is not a collection authority and no collection functions are delegated to it.

- 8.2 When the Collection Authorities make decisions about how they wish to proceed with the project there may be matters for MRWA Members to consider in more detail, particularly around the way that food waste collected is disposed of and the impact on both the WMRC and RRC arrangements.

## **9. HR Implications**

- 9.1 There are no immediate HR implications associated with this project.

## **10. Environmental Implications**

- 10.1 The climate impact and carbon reduction potential is significant – early introduction would also serve as evidence that the LCR was acting on its own initiative and is prepared to do the right thing, before being compelled to do so, to secure the carbon reductions as quickly as possible (given Climate Emergency Declarations). These reductions come from any decarbonisation of vehicle fleets and potentially switching more food waste to Anaerobic Digestion for treatment.
- 10.2 Ultra low emission vehicles using biogas, hydrogen or electric fuel sources would be employed but there is a c£1.3M additional cost across the fleet of doing so, compared to diesel (at current prices).
- 10.3 The collection of food waste would provide a welcome boost to recycling, at a time when other forms of recycling are stalling. Recycling is seen as a very strong indicator by the public about the ‘seriousness’ with which decision-makers are taking action on the environment, carbon and climate, and is a useful messaging tool for piggybacking other climate/carbon behavioural change communications onto.

## **11. Financial Implications**

- 11.1 Indicative costs have been included in the body of the report. A combination of capital, one off and ongoing revenue costs have been identified to provide Councils with an initial estimate of the scale of the proposed procurement.
- 11.2 If decisions are made to proceed with the proposal there will need to be additional work to ensure that all potential costs are identified before moving forward

## **12. Legal Implications**

- 12.1 Going forward, gateway decisions about the service delivery model, contract management options and procurement options lie with the LCR Collection Authorities.

## **13. Conclusion**

- 13.1 A Motion approved by MRWA Members called for the LCR SOWG to prepare options for the early introduction of a food waste collection service, and a report to the Authority in February 2020.
- 13.2 SOWG and MRWA officers have met on a number of occasions to start to develop proposals which include a potential service delivery model, initial views on contract management options and options for proposed procurement approaches.
- 13.3 It is acknowledged that at this stage the key decisions are matters for Collection Authorities.
- 13.4 Members are asked to note the progress to date.
- 13.5 Members are asked for their views on the proposals, so that they can be communicated to Collection Authorities.

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The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.