

Report of	Meeting	Date
Director (Customer and Digital) Introduced by Executive Member (Resources)	Council	Tuesday 16 July

## Food Waste Collections – capital budget

Is this report confidential?	No
------------------------------	----

Is this decision key?	No
-----------------------	----

### Purpose of the Report

1. To seek approval to establish a capital budget for the purchase of food waste collection vehicles and food waste containers.

### Recommendations

2. Approve a capital budget of £1,556,116 to purchase food waste collection vehicles and food waste containers, subject to additional Government funding being received.

### Reasons for recommendations

3. There is a new requirement to establish a capital budget for food waste collection vehicles and food waste containers, in preparation for the implementation of food waste collections in 2026.
4. Not having a capital budget in place will restrict the procurement of food waste vehicles and containers.

### Other options considered and rejected

5. None. This is a statutory service for which capital expenditure is required and is being provided by Government.

### Corporate priorities

5. The report relates to the following corporate priorities:

Housing where residents can live well	<b>A green and sustainable borough</b>
An enterprising economy with vibrant local centres in urban and rural areas	Healthy, safe and engaged communities

## Report

6. As part of the Government's plans to increase recycling, reduce waste to landfill and unify waste services across the country, weekly household food waste collections must be provided by local authorities by 1 April 2026.
7. This statutory duty was placed on English authorities to collect food waste on a weekly basis through The Environment Act 2021.
8. The Department of Environment, Food Rural Affairs (Defra) has awarded New Burdens funding in the form a capital grant payment under Section 31 of the Local Government Act 2003 towards the capital expenditure required for food waste collection vehicles and food waste containers, as follows:

<b>Kitchen caddies</b>	<b>Kerbside caddies</b>	<b>Communal wheeled bins</b>	<b>Vehicles</b>	<b>Total</b>
£110,126	£248,750	£5,499	£818,400	£1,182,775

9. A first stage payment of £1,182,775 was received in March 2024. There is an appeal process for authorities that identify any shortfall in capital funding. If agreed by government, this will increase the capital funding towards food waste collections.
10. An assessment of the current position indicates that the initial funding allocation is insufficient, and an appeal to Defra will be submitted to present a case for the predicted shortfall of £373,341 as follows:

<b>Kitchen caddies</b>	<b>Kerbside caddies</b>	<b>Communal wheeled bins</b>	<b>Vehicles</b>	<b>Total shortfall</b>
£0	£0	£51,741	£321,600	£373,341

11. Council approval is sought for a capital budget of £1,556,116, equivalent to the value of New Burdens funding provided to date, plus the predicted shortfall in funding required. This will allow the procurement of vehicles and containers to begin as soon as possible.
12. Capital funding will be spent across 2024/25 and 2025/26 and profiled into the capital programme in the relevant year when the lead times for each capital items are known.
13. Should the additional funding not be received, a further report outlining the options will be presented to Council for decision, prior to any of the proposed additional expenditure of £373,341 being incurred..

	<b>Total</b>	<b>Approval by</b>
Government funding	£1,182,775	
Predicted capital costs for food waste vehicles and containers	£1,556,116	Council – this report
Shortfall, if no additional Government funding	£373,411	Council – further report

14. The New Burdens doctrine is intended to also provide funding for the net costs of transitioning to and providing ongoing revenue costs for weekly food collections from 1 April 2026, but confirmation of this is yet to be received.

### **Climate change and air quality**

15. The work noted in this report has an overall neutral impact on the Councils Carbon emissions and the wider Climate Emergency and sustainability targets of the Council. Although reduced emission vehicles will be considered as part of fleet procurement.
16. In particular the report impacts on the following activities:
- a. net carbon zero by 2030,
  - b. waste and the use of single use plastics,
  - c. sustainable forms of transport.

### **Equality and diversity**

17. There are no equality implications or considerations identified.
18. A food waste collection service equality impact assessment has been completed.

### **Risk**

19. There is a predicted shortfall in the capital funding of £373,341. If our appeal for further funding is unsuccessful, we will be unable to procure the necessary resources to successfully implement the food waste collection service to all households and potentially breach our statutory duty. Alternatively, the Council will have to identify additional capital funds to top-up the Defra capital funding.
20. Whilst Defra is providing funding to local authorities to fund this transition, this is created using a model and there is the risk that demand increases the cost of the required resources. Given the number of local authorities going to market for food waste vehicles and containers at the same time, there is the risk that the funding provided by Defra does not completely cover the necessary spend required.
21. New Burdens funding has been promised to cover both the transition to the new service and the ongoing revenue costs of providing the service however the figures are not yet known. There could be further shortfalls identified with this funding. Notably, revenue costs are estimated to be £1.2m to £1.4m annually.

22. This report is presented with the assumption that there are no further policy changes consequential to the outcome of the General Election July 2024.

### **Comments of the Statutory Finance Officer**

23. This report establishes a relevant capital budget assumed to be all funded by government grant. Should that not be the case, the implications of any shortfall will be confirmed by way of a further report to Council, prior to any of the proposed additional expenditure of £373,341 being incurred. While the New Burdens doctrine does state that costs should be fully funded there is a risk that the Council may face a shortfall but this cannot be confirmed at this stage.

### **Comments of the Monitoring Officer**

24. The legislation places an obligation on the council to collect food waste on a weekly basis. In that regard, there is a requirement for the purchase of food waste collection vehicles and food waste containers to ensure compliance; hence the requirement for the capital budget approval.

Report Author:	Email:	Telephone:	Date:
Simon Charnock, Doug Cridland, Chris Walmsley (Transformation Officer (Digital), Waste Services Manager, Head of Streetscene and Waste)	simon.charnock@chorley.gov.uk, doug.cridland@chorley.gov.uk, chris.walmsley@chorley.gov.uk	Tel: 01257 515040	05/06/24