

# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 04 March 2024

<b>Portfolio:</b>	Streetscene
<b>Subject:</b>	<b>Introducing Simpler Recycling in Fareham</b>
<b>Report of:</b>	Director of Neighbourhoods
<b>Corporate Priorities:</b>	Respond to Climate Change and Protect the Environment

#### **Purpose:**

To advise Members of the implications for the Council's waste collection and recycling services of the Government's proposals to require all waste collection authorities across England and Wales to collect the same materials for recycling, known as "Simpler Recycling".

#### **Executive summary:**

The Environment Act 2021 and the imminent Simpler Recycling Regulations will require the Council to collect food waste weekly, extend the range of dry mixed recyclables collected and collect glass from the kerbside by 31 March 2026.

Additional staff and vehicles will be required for food waste collections and a decision is required as to whether kerbside glass will be collected in with dry mixed recyclables or separately.

The increased capital and revenue costs of collecting food waste will be covered by additional New Burdens funding from the Government. There is also the opportunity to increase the Council's trade waste services.

Further reports will be forthcoming on the detailed proposals in due course.

#### **Recommendations:**

It is recommended that the Executive:

- (a) confirms this Council's commitment to implementing the proposed Environment Act 2021 Recycling Regulations to deliver significant improvements to our waste and recycling services and reduce our impact on the environment as cost effectively as possible;
- (b) agrees that £970,000 be added to the Capital Programme for the introduction of a food waste collection service across the Borough;

(c) subject to the outcome of the current analysis of the optimal collection approach to dry mixed recyclables, agrees to assert that this Council's preferred option is a co-mingled recycling collection service collecting a wider range of materials and that Hampshire County Council be advised accordingly; and

(d) agrees that future detailed reports on additional recycling collection services, trade waste services and the introduction of a food waste collection service be brought forward once the Regulations are published.

**Reason:**

To enable the Council to begin to prepare for implementing the complex requirements of the Environment Act 2021 to achieving greater consistency in waste collections and driving up recycling rates.

**Cost of proposals:**

The proposals in this report do not in themselves place any additional costs on the Council. However, as more detailed proposals emerge, additional resources will be required. The Government has recognised that the requirements of the Environment Act 2021 and its imminent Regulations will place new burdens on local authorities and have pledged to cover these costs.

**Background papers:** Letter from Leader of Hampshire County Council about the Inter Authority Agreement; 22 November 2023

WRAP, 2022, Waste and Recycling Services Support to Fareham Borough Council, Prepared by SLR Consulting

**Reference papers:** Government response to consultation on consistency in household and business recycling in England 2021, November 2023:

<https://www.gov.uk/government/consultations/consistency-in-household-and-business-recycling-in-england/outcome/government-response>

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### Executive Briefing Paper

<b>Date:</b>	04 March 2024
<b>Subject:</b>	Introducing Simpler Recycling in Fareham
<b>Briefing by:</b>	Director of Neighbourhoods
<b>Portfolio:</b>	Streetscene

#### INTRODUCTION

1. The Corporate Strategy sets out the Council's commitment to reducing our impact on the environment, responding and adapting to climate change and supporting our residents to do the same. Changes to legislation over the next six years will enable us to provide significant improvements to our waste and recycling services.
2. Fareham Borough Council has responsibility for the collection of household waste, while Hampshire County Council has responsibility for how and where the materials are received and treated or disposed and can direct the Collection Authority as to where to take them.
3. The Government's Resources and Waste Strategy, published in 2018 and reported to Executive in 2019, presented a comprehensive package of proposals aimed at achieving greater consistency in waste collections and driving up recycling rates.
4. The Environment Act 2021 provided the statutory foundation for this change and requires a minimum set of materials to be collected separately from households for recycling. The core recyclables initially include glass bottles and containers, paper and card, metals, plastic bottles, plastic pots, tubs and trays and food and drink cartons, with plastic film collection to be introduced later. It also requires a separate food waste collection from households with a minimum collection frequency of weekly. These provisions are not yet in force as the Regulations setting out the detailed statutory requirements are still awaited.
5. Although all the relevant details are not yet confirmed, this report provides an update on the current position with an indication of the main workstreams and decisions that will be required.

#### SIMPLER RECYCLING PROPOSALS

6. The Government consulted on its proposals to drive national consistency in waste collections in 2021. In October last year it published a response to this consultation. The now renamed 'Simpler Recycling' proposals set out an intention to mandate for the introduction of:
  - a) Minimum weekly food waste collections to every domestic property

- b) Additional items for inclusion in kerbside dry-mixed recycling collections, namely glass, plastic pots tubs & trays cartons, foil (including aluminium trays and foil tubes) and soft flexible plastics and films
  - c) Fortnightly garden waste collections (for which a charge can be made)
  - d) Minimum fortnightly frequency of residual waste collections
  - e) Similar requirements for separate collections to be undertaken for business and commercial waste – referred to as Non-Household Municipal Waste, namely:
    - i. Businesses – Micro, Small, Medium & Large - size of business is determined by number of full-time equivalent employees
    - ii. Residential homes, Education establishments & Hospitals or nursing homes
    - iii. Places of worship, Penal institutes, Charity shops, Hostels & Public meeting places (all subject to consultation).
7. Waste Collection Authorities will be required to commence collections of weekly food waste and the additional dry recyclates by 31 March 2026. The inclusion of soft flexible plastic and films has a deadline of 31 March 2027.
  8. Non-Household municipal premises are required to separate their waste by 31 March 2025.
  9. The proposals also contain an intention to introduce Extended Producer Responsibility (EPR) payments to local authorities. Under these proposals, producers of packaging will be required to pay for local authority packaging waste management services (dry mixed recycling collections) from financial year 2025/26, provided that the services are “operated efficiently and effectively, and effective at enabling packaging to be recycled”. The supporting guidance for efficient & effective collections is expected to be released in the summer.
  10. Finally, the proposed Deposit Return Scheme (DRS) for single use drinks containers is due to commence on 1 October 2025.

## **HAMPSHIRE WASTE PARTNERSHIP RESPONSE**

11. Fareham Borough Council is one of 11 Waste Collection Authority members of Project Integra, the Waste Partnership in Hampshire. Project Integra is comprised of Hampshire County Council (Waste Disposal Authority), Portsmouth and Southampton City Councils (Unitary Authorities), the 11 Waste Collection Authorities and a disposal contractor, Veolia. The Council utilises the infrastructure provided by the Partnership for the onward recycling and disposal of recycling and waste collected.
12. The Integrated Waste Disposal Contract, overseen by Project Integra, must align the Environment Act 2021 requirements with current, and future, waste management facilities.
13. Following the Government’s response on ‘Simpler Recycling’ in October, Hampshire County Council has clarified its position:
  - a. Discussions on the Inter Authority Agreement that was due to be signed by 31st October 2023 have been paused;
  - b. The County Council will retain income received from the processing of dry mixed recycling with effect from April 2024;

- c. Proposals for penalty charges for contaminated recyclable materials will not be introduced;
  - d. There will not be a disposal solution for mixed food and garden waste as the infrastructure for managing garden separately is well established;
  - e. Proposals for co-investment from the Waste Collection Authorities will not be supported.
14. The immediate impact of this position for this Council is the loss of around £250,000 income from dry mixed recycling. This has been built into the Medium-Term Financial Strategy from 2024/25.
15. Initially, Hampshire County Council was proposing to build a new Material Recovery Facility (MRF) which would have accommodated part of a twin-stream recycling system: i.e. dry mixed recycling plus separate paper & card facility. However, the Government's October announcement of a co-mingled recycling policy means that this strategy may need to change. The initial work undertaken by the County Council suggested that a fully co-mingled stream with "glass in" would require two new Materials Recovery Facilities (MRFs) to be delivered, as neither the existing Alton MRF nor the new Chickenhall Lane site will be big enough to manage the volume of material individually. This would result in a significant increase in investment being needed which, if a decision were made to remove the glass later, would be wasted as the remaining material could be managed at one site.
16. In view of this, the County Council has asked all the Waste Collection Authorities in Project Integra to specify their preferred collection system. They are keen to provide a single disposal system and would prefer there to be unanimous agreement. An analysis of the optimal approach to the kerbside collection of dry mixed recyclables has been commissioned and is due to report imminently. This modelling exercise centres on the collection of all the recyclables required for Simpler Recycling, with "glass in" and "glass-out" options included. The cost/benefit analysis will assist in informing the Waste Collection Authorities' decision around a preferred collection service for Hampshire.
17. Following publication of the results of the above study, Fareham Borough Council must, along with each other Waste Collection Authority in Hampshire, determine our preferred kerbside collection system.

### **INTRODUCING "SIMPLER RECYCLING" IN FAREHAM**

18. The Council currently operates an alternate weekly residual waste and recycling collection service for plastic bottles, card, paper, tins, cans and aerosols. Glass and textiles can be taken to a network of bring bank sites across the Borough.
19. The key policy impacts of Simpler Recycling for Fareham Borough Council are:
- a) Food waste must be collected separately on a weekly basis
  - b) Glass must be collected kerbside
  - c) A greater range of dry mixed recyclables must be collected and can all be collected in a single bin, known as "co-mingled". This will include plastic pots, tubs, trays, cartons, paper and card, metal cans, and glass bottles
20. The new food waste and dry recycling collections must be in place by 31 March 2026. Residual waste collections must be at least every 2 weeks; however, this is currently being

challenged by those authorities that have already moved to 3-weekly residual collections. Garden waste collections are not required to be free, so the Council can continue to charge for and operate its existing *Clip and Collect* service.

21. Extended Producer Responsibility (EPR) payments commence in April 2025. No details are available yet but the income is estimated at £900 million per annum in total across all local authorities. A deposit return scheme (DRS) will be introduced by October 2025 for all plastic bottles and drink cans (over 50ml and under 3l).

### **Dry mixed recyclables**

22. As above, the new dry mixed recycling collections must be in place by 31 March 2026. This presents a key decision for Fareham Borough Council as to whether to collect fully co-mingled recyclables with glass in at the kerbside (i.e. everything in one bin) or twin stream collections (i.e. glass in one bin, other recyclables in another).
23. It is likely that a continuation of co-mingled collections but with glass included could be accommodated within the current recycling collection arrangements with a minimal requirement for additional vehicles and crews. However, kerbside collection of glass separately would require an estimated additional two or three refuse collection vehicles and up to nine additional staff. It is considered that a co-mingled collection system is a more cost-effective method of collection and is simpler for residents to use. As such, but subject to the outcome of the ongoing analysis of the optimal collection approach to dry mixed recyclables, the Council's preferred option is a co-mingled paper and glass collection.
24. A decision on this is required as soon as possible so that Hampshire County Council can plan the development of the correct disposal infrastructure. Further information on Extended Producer Responsibility requirements and how this could impact the quantum and composition of dry mixed recycling in the future would help Project Integra partners better understand the implications of how a co-mingled collection may impact them in the longer term but this may not be available in time. A further detailed report on the timing of and strategy for the introduction of kerbside glass recycling will follow once the above analysis is completed and the Regulations are published.
25. The Deposit Return Scheme (DRS), which will be introduced by October 2025, should incentivise citizens to return plastic bottles and drinks cans, rather than put them out for collection.

### **Food Waste**

26. Food waste must be collected separately on a weekly basis, also by 31 March 2026.
27. Decisions will need to be made about the type of food waste collection vehicle to procure and the timing of the new service offer, as there may be advantages in introducing the new service early. A further detailed report on the timing of and strategy for the introduction of food waste collections and fleet options will follow once the Regulations are published.

### **Garden Waste**

28. No change is required to Fareham's garden waste collection service.

### **Residual waste**

29. No change is required to Fareham's residual waste collection service.

## **Trade waste services**

30. While this report focusses on the new statutory requirements for the collection of household waste, the Environment Act 2021 also requires all non-household municipal premises in England to arrange for the separate collection of food waste and to present their waste in accordance with these arrangements by 31 March 2025. Businesses with fewer than ten full-time equivalent employees have until 31 March 2027.
31. This presents an opportunity for the Council to extend its existing trade waste services and a further report will be brought on this in due course.

## **Outcomes**

32. The introduction of these new services in Fareham should significantly improve the recycling rate and consequently reduce the residual waste yield. Modelling undertaken in 2022 predicts that the recycling rate could increase from 39% as now to around 55%.

## **Implementation principles**

33. As one of the biggest changes to waste and recycling services for Fareham's residents since the introduction of alternate weekly collections in 2005, it is critical that the implementation of these changes is properly planned and communicated. Internal resources will be required to support the Streetscene team, including communications, finance, legal, IT, procurement, human resources, housing and project management. Project planning will begin in earnest once the new Regulations are published and an internal project implementation team established.
34. A phased implementation across the Borough will be easier to manage and will enable any unanticipated issues that may arise to be resolved more quickly.
35. Resident engagement will be required to understand their needs and issues with the proposed changes, shape the new services and provide good information about what can be recycled under the new system.
36. There will also be a need to review policies such as side waste, missed bins & replacement bins, contamination, to ensure that they meet the requirements and with a commitment to ensure they are enforced.
37. There may also be opportunities to improve efficiency and resilience in wider waste collection services, such as rebalancing the current rounds, and to further reduce the services' impact on the environment.

## **Fleet implications**

38. Additional vehicles will need to be procured. The Vehicle Replacement Programme, approved by Executive in May 2023, is based on the purchase of used diesels for Refuse Collection Vehicles (RCVs) and Heavy Goods Vehicles (HGVs).
39. The new food waste collections are likely to increase our carbon footprint. Based on modelling, it is estimated that this new service would emit an additional 170.5 tCO<sub>2</sub>e a year if fuelled by diesel. This could be reduced to 2.4 tCO<sub>2</sub>e if HVO was used instead of diesel and nil emissions if electric vehicles were used.
40. The council is currently operating part of the HGV refuse collection diesel fleet on Hydrotreated Vegetable Oil (HVO) as this is a low carbon fuel and there may be an

opportunity to use HVO for the food waste collection fleet. There is also potential to use electric vehicles for food waste collection; however this requires further investigation into vehicle specifications and available recharging infrastructure.

- 41. Options for the procurement of the new food waste fleet vehicles will be considered once the Regulations are published, alongside the 2024 Annual Review of the Vehicle Replacement Programme and will be the subject of a further report.

**FUNDING THE NEW COLLECTION SERVICES**

- 42. Collecting waste is very expensive, as it is highly labour intensive and requires a large fleet of large vehicles. Consequently the 2024/25 budget for household waste collection and recycling services is £2.6M, excluding the garden waste service. This is offset by around £179,000 of income from other chargeable waste services.
- 43. As the Council has not yet invested in a food waste collection service, Fareham is eligible for New Burdens funding from the Government. This recognises and provides funding for the additional capital investment required, as well as both transitional and ongoing revenue costs. The Council will receive capital funding for introduction of food waste collections in 2023/24 and transitional resource funding for food waste collections in 2024/25 and 2025/26. From 1 April 2026, local authorities will start receiving ongoing resource funding for food waste collections, subject to approval by HM Treasury.
- 44. Details of the transitional and ongoing resource funding for the introduction of food waste collection services in Fareham are not yet available. However, we have been advised that the Council is likely to receive £969,223 in capital funding before the end of March 2024 as follows:

Vehicles	£613,800
Kerbside caddies	£218,335
Kitchen caddies	£106,065
Communal wheeled bins	£31,023

- 45. This funding package has been calculated by Defra in collaboration with the Waste Resources Action Programme (WRAP) and modelled taking account of local variables including rurality, levels of deprivation, number of kerbside and flatted properties, configuration of flatted properties, food waste yields, vehicle and container unit costs, and average collection round sizes. The assumptions and outputs were also tested with the Department for Levelling Up, Housing and Communities, local authority associations and some local authorities.
- 46. It is recommended that £970,000 be added to the Council’s Capital Programme. As above, a further detailed report on the introduction of food waste collections and fleet options will follow once the Regulations are published.
- 47. In addition, Extended Producer Responsibility (EPR) payments are expected to commence in April 2025. No details are available yet but they are estimated to be in the region of £900M per annum for all English local authorities.
- 48. Lastly, the Deposit Return Scheme (DRS) to be introduced by October 2025 could provide



an additional revenue stream for the Council, should we choose to offer it.

## **RISKS**

49. Waste collection is an essential, statutory, high-profile service provided to all residents and it is imperative that it is reliable.
50. While the implementation of Simpler Recycling presents significant opportunities to improve waste services to residents, there are also issues and risks, as reported to Audit and Governance Committee in September last year that will require further consideration and mitigation for successful implementation:
  - a) **Financial:**
    - i) New Burdens Funding: the Government's New Burdens Funding for food waste collection may not be sufficient to meet local expectations for the new service;
    - ii) Costs of waste disposal: there is a lack of certainty around the waste disposal system being developed by Hampshire County Council and the potential for additional costs to the Borough Council;
  - b) **Reputational:** The Council, along with every other waste collection authority in the country, could be subject to public and media scrutiny if the new services are not implemented by the required dates;
  - c) **Logistical:**
    - i) Capacity at Broadcut Depot: Additional vehicles will be needed to collect food waste which will be difficult to accommodate. Additional capacity will also need to be made available for the mass storage of new bins and caddies prior to introduction of the service;
    - ii) Household bin storage capacity: Storage of an additional food waste bin may present a difficulty for some residents, particularly those with no rear access or in flats
    - iii) Lead-in time: The current lead-in time for the procurement of food waste collection vehicles is estimated at 12 months. It is anticipated that this will lengthen when the estimated 100 Waste Collection Authorities that currently do not collect food waste begin to place their orders.

## **ENVIRONMENTAL CONSIDERATIONS/CARBON IMPACT ASSESSMENT**

51. Waste management and recycling is a key element of the Council's ambitions to respond to climate change and protect the environment. The Council has pledged to increase its recycling performance significantly, reduce waste and become carbon neutral by 2030.
52. The Environment Act 2021 requires a minimum range of materials to be recycled. This will increase the range of materials that can be recycled in Fareham and would enable residents and businesses to reduce the amount of residual waste each household produces.
53. Collecting food waste from households for recycling can offer a wide range of benefits that include reducing damaging greenhouse gas emissions by removing the putrescent content from residual waste, producing compost and/or digestate fertiliser and generating heat and power through anaerobic digestion when linked to a combined heat and power (CHP) plant.

54. As above, there may be an opportunity to use HVO or electric vehicles for the new food waste collection fleet. The council is currently working with the Association of Public Service Excellence (APSE) to understand the electrical supply capacity at the Depot and the work required to enable electrical vehicles to be accommodated. Options for the procurement of the new food waste fleet vehicles will be considered once the Regulations are published, alongside the 2024 Annual Review of the Vehicle Replacement Programme and will be the subject of a further report.

## **CONCLUSION**

55. The Environment Act 2021 and the imminent Simpler Recycling Regulations present a significant opportunity to improve the waste collection services currently offered by the Council, reduce our impact on the environment and support our residents to do the same.
56. Household food waste will need to be collected separately on a weekly basis, and glass will be collected kerbside with greater range of dry mixed recyclables including plastic pots, tubs, trays, cartons, paper and card, tins and cans. There is also the opportunity to increase the Council's trade waste services.
57. The increased capital and revenue costs of collecting food waste will be covered by additional New Burdens funding from the Government.
58. Further reports will be forthcoming on the detailed proposals in due course.

## **Enquiries:**

For further information on this report please contact Sarah Ward on 01329 824669