

REPORT TITLE: FUTURE OF WASTE AND RECYCLING

18 JULY 2023

REPORT OF CABINET MEMBER: Cllr Kelsie Learney, Cabinet Member for Climate
Emergency

Contact Officer: Campbell Williams Tel No: 01962 848476 Email
cawilliams@winchester.gov.uk

WARD(S): ALL

PURPOSE

As a council, Winchester has seen the fastest growing recycling performance in the County since 2019. It is one of the best performing authorities in Hampshire in terms of waste and recycling and has an ambition to become one of the best nationwide; minimising its carbon emissions, increasing the amount recycled and reducing the amount of waste produced in the fastest and most cost effective way possible.

The law has changed and we will need to implement required changes. There is a national decision to introduce a range of measures including 1) a Deposit Return Scheme, 2) extended producer responsibility on packaging to cover 100 percent of local authority costs, and 3) to introduce greater consistency in recycling including introducing a consistent range of dry recyclables, a separate food waste collection from households, and labelling and communication of all recyclable materials collected from households. These changes will support Winchester's ambition to become greener faster.

Local authorities are awaiting the details of these changes, including how these changes will be funded. Government originally started consulting on consistent collections in 2019 with a final response due in 2021. This response has since been delayed but is now expected soon. The lack of clarity has delayed Winchester from achieving its ambitions as quickly as it would have liked. However, once known, it will give Winchester an opportunity to significantly improve its waste and recycling collections and performance, by doing so, reduce its impact on climate change.

Winchester City Council has been working with Hampshire County Council (County Council) and the other partners in the Project Integra partnership to develop an improved partnership agreement in the form of an Inter-Authority Agreement (IAA)

and an improved waste and recycling treatment process to meet these new requirements. The County Council is now developing a new single Material Recovery Facility in Eastleigh, to take all of Hampshire's recycling, with an increased range of materials including pots, tubs, trays, cartons and glass collected with the mixed dry recyclables from households. Paper, card, and all fibre based materials will be collected via a separate collection (twin-stream). The County Council is looking to local Waste Collection Authorities, which this council is one, to sign up to using the new Material Recovery Facility.

RECOMMENDATIONS:

1. To note the Council's recycling performance and its ambition to increase recycling rates, help households reduce waste they generate, reduce the waste service carbon footprint within the context of the most cost effective and sustainable service.
2. To note that there will be a need to alter the current recycling collections to reflect national and regional requirements.
3. To approve undertaking a consultation to help inform a new waste strategy for household properties.
4. To proceed to draft a contract variation, and a mobilisation plan with the Council's waste collection contractor to operate the existing waste and recycling collection fleet on Hydrotreated Vegetable Oil (HVO) as an initial solution to reduce the carbon emissions, to be considered as part of the 2024/25 budget setting process.
5. To note the current offer from Hampshire County Council of an Inter-Authority Agreement and the intention to work with Hampshire County Council to achieve a mutually affordable and sustainable solution so that the Council can respond to the offer by October 2023.

IMPLICATIONS:1 COUNCIL PLAN OUTCOME

- 1.1 The Environment Act 2021 requires a minimum range of materials that can be recycled. This would increase the range of materials that could be recycled in Winchester and would enable residents to reduce the amount of waste each household produces, which in turn will be better for the environment.
- 1.2 The Environment Act 2021 also requires a separate food collection service from households. In Winchester, food is collected in the waste stream. By collecting it separately, material would be recycled instead of disposed of as waste, which could have significant environmental benefits around recycling and carbon performance.
- 1.3 Winchester City Council has ambitions to significantly increase its recycling, reduce waste and improve its carbon performance, which will support tackling the Climate Emergency and creating a greener district. Undertaking a public consultation exercise will provide views on how this can be achieved most effectively.
- 1.4 The carbon emissions within the Biffa contract accounted for about 799tCO₂e of the Council emissions in 2021. Securing a way of reducing those emissions will help achieve the Council policy priority. Working with the collection contractor to develop a proposal to secure this will be a key step to achieving this priority. This may also offer opportunities to move other Council activity onto HVO and in so doing reduce emissions still further.
- 1.5 A key objective of the Inter-Authority Agreement is to drive improved and continuous improvement on performance including recycling and carbon, which aligns with Winchester City Council's ambitions to improve its carbon performance.
- 1.6 Your Services, Your Voice
- 1.7 The views of residents are important as the Council has to put in place a new refuse and recycling service to meet national changes in legislation and changes in disposal arrangements set out in the Inter-Authority Agreement from the County Council. The purpose of the consultation will be to seek resident views on the changes needed and to help inform the new waste strategy.
- 1.8 Refuse and recycling collections are a universal service offered by the Council to every home in the district. It is important that an effective and efficient service is offered that reduces waste and encourages recycling.

2 FINANCIAL IMPLICATIONS

- 2.1 Winchester City Council is awaiting details of funding from the Government, but the new collection systems, funding and agreements between partners in the Project Integra partnership are likely to have significant financial implications.
- 2.2 Current collection contract costs are in the region of £4.5 million per annum. Introduction of a new food waste service will need to consider:
- a) The one-off costs of implementation such as the potential purchase of vehicles and containers. Details of what this food waste service will look like will be developed once government has provided its requirements on the service and following consultation.
 - b) Ongoing increased costs with the current waste and recycling contractor which should be covered by the 'New Burden Funding' for any changes specifically required by government. Any other costs will be explored as part of the affordability assessment of the strategic developmental work.
 - c) Additional depot storage space which will create additional costs. These are unknown at this stage and will be brought back to cabinet once details have been established.
 - d) A consultancy procurement to help support with the financial modelling and contract variation.
- 2.3 Funding is expected to be both one-off implementation costs through a grant claim and then ongoing funding through New Burdens. There is a risk that any New Burdens funding will only be short-term funding and no guarantee that all costs will be recovered (i.e. DEFRA are already exploring models based on 'efficient contracts' rather than our actual costs). Timeframe and details of funding is currently unknown but is expected soon with the release of the government's response to the consistency consultation and statutory guidance.
- 2.4 The County Council will be asking the eleven local waste collection authorities, which includes Winchester City Council, to sign up to an Inter-Authority Agreement. This will change the way the current payment mechanism works between Hampshire County Council and the partners including Winchester City Council. The current indicative initial costs due to some of the key changes of this new agreement have the potential to increase by c.£200k for a kerbside residual waste arising target, c.£500k for material income potential removal and c.£75k for contamination cost. Winchester City Council will be continuing to negotiate with Hampshire County Council over the potential cost increases and issues such as income share. Further clarity is still required in relation to the Inter-Authority Agreement and it is believed that this will be forthcoming once Government publishes details and guidance on consistency and the extended producer requirements. The County Council is

looking for reassurance that the eleven local waste collection authorities in Hampshire will utilise the new Materials Recovery Facility which it intends to build in Eastleigh and is seeking a commitment by October 2023. This is perfectly reasonable and understandable but the council needs to fully understand the financial consequences which will not be fully known until the Government publishes further awaited details of how the scheme will work and what additional funding to cover this new burden will be provided.

- 2.5 Implementing HVO across the existing fleet for recycling and waste will have increased annual costs. In recent months the cost of diesel and HVO has been volatile with cost per litre fluctuating significantly. Currently the contractor bears the risk of any price fluctuations in the cost of Diesel and so changing to HVO will mean the Council bear the risk of the price difference between Diesel and HVO. This risk changes depending on what price Biffa secure for diesel and HVO. This risk is considerable given recent changes in HVO costs. For reasons of cost, and the need to consider and identify a strategic option for alternative fuels longer term subject to consultation, HVO is intended to serve only as an initial solution.. It is intended that a report will be brought back to cabinet in Jan 2024 and will include an upper and lower range for increased cost based on historic fluctuations in pricing.
- 2.6 Additional resources will be required to support this project including delivering the waste collection consultation exercise, communications, finance, legal, procurement, operations review and project management. Existing reserves will be used to fund the first phase of this project however subsequent funding may be sought as part of future cabinet reports.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Winchester City Council is awaiting details of funding from the government; Consistent collections was initially consulted on in 2019 and a final response was due in 2021, which has been delayed. The new collection systems, new vehicles, funding and agreements between partners in the Project Integra partnership are likely to have significant financial implications on all partners.
- 3.2 The Environment Act 2021 requires a minimum set of material to be recycled from households. The core recyclables include glass bottles and containers, paper and card, metals, plastic bottles, plastic pots, tubs and trays and food and drink cartons. Plastic film is expected to be introduced in 2026/27. It also requires a separate food waste collection from households with a minimum collection frequency of weekly.
- 3.3 Procurement activities will be conducted in accordance with the council's Contract Procedure Rules and the Public Contract Regulations 2015 (PCRs); supported by the councils Legal and Procurement teams. Whatever the structure of the Services following consultation and confirmation of Government funding, it is likely to mean a variation to the Council's existing waste collection contract with Biffa Waste Services Limited will be required. Detailed legal advice will be sought once the changes to services are finalised

to identify any procurement risk that may be associated with any such variation.

- 3.4 The issues raised in this report have been the subject of legal advice and this report has been reviewed by our legal advisers. The course of action proposed, including a full public consultation, is regarded as a prudent and appropriate approach to fulfil the Council's commitment to further engage with partners and residents on its municipal waste management strategy. Public consultation will also help demonstrate the reasonableness of any requirements in the event of challenge.
- 3.5 HVO is an initial solution to decarbonise waste and recycling collections. Other alternative fuels such as electric and hydrogen are being considered as part of the future strategy, subject to budgetary and contractual constraints and engagement with partners and residents as required. At present, electric vehicles require a substantial investment up front including infrastructure such as charge points. It is also unlikely that electric vehicles will be able to service all of Winchester. Ongoing consideration will be given to electric vehicles and alternatives as the market grows and the future strategy develops to ensure the best 'greener' solution is achieved.
- 3.6 The Council must ensure that any consultation is compliant with the "Gunning Principles" i.e. the consultation must be at a time when proposals are still at a formative stage, the Council must give sufficient reasons for any proposal to allow intelligent consideration and response, adequate time must be given for consideration and response, and the outcome of consultation must be conscientiously taken into account. The Council must ensure that consultees are given an effective opportunity to express their opinions on the proposals. Generally, a minimum consultation period of six weeks should be provided.

4 WORKFORCE IMPLICATIONS

- 4.1 Winchester City Council is awaiting details of funding from the government, but the new collection systems, new vehicles, funding and agreements between partners in the Project Integra partnership have the potential to have staffing implications.
- 4.2 Additional resources will be required to support this project including (but not limited to) delivering the consultation exercise, communications, finance, legal, procurement, operations review and project management.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The current depot is at capacity and if introduced the mandatory requirement for a food waste collection will mean that new vehicles are needed. This is likely to be between 8-10 new food waste vehicles. It will also require additional storage for the distribution and management of bins.
- 5.2 The outcome of this increased infrastructure is to require new depot storage facilities. The council is ensuring that longer term, facilities close to the

existing depot can be made available for this purpose. Facilities owned by the council in the vicinity of the current depot offer an opportunity to meet this requirement.

6 CONSULTATION AND COMMUNICATION

- 6.1 Consultation with the Cabinet Member for Climate Emergency, the Cabinet Member for Finance and Value, the Leader of the Council and Senior Leadership team has been undertaken along with a planned wider member briefing on the requirements of the Environment Act 2021. The Health and Environment policy committee considered the policy objectives of a new waste strategy for the Council at its meeting on the 4th July. Questions were raised about; the timescales, cost implications, the need to have certainty of Government intentions before committing and the need to engage and consult with communities and households and ensure that the Council understands how it could make it easier for households to recycle .

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 Winchester City Council has an opportunity to significantly improve its waste and recycling collections and performance, by doing so, reducing its impact on climate change. Any changes will consider current viable environmental benefits and negatives as part of the process.
- 7.2 There is a national requirement to increase the range of dry recycling materials collected and a national requirement to introduce a separate food recycling collection service from households. Both these changes will positively contribute to the environment.
- 7.3 Working towards decarbonising the waste and recycling collection fleet through an initial adoption of use of HVO will have a positive effect on reducing carbon impact and contributing towards the council's carbon target in 2024. HVO traceability and accreditation certificates through the supply process will be required to demonstrate supplier control at the various stages of production to prove genuine sustainability and low carbon.

8 PUBLIC SECTOR EQUALITY DUTY

- 8.1 None based on recommendations in this report

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 Processing of personal data will be involved during the Insight and Behaviour engagement exercise phase. It is unlikely that a DPIA will be required however, this can be kept under review.

10 RISK MANAGEMENT

- 10.1 There is a full project risk register which is a working document and will be reviewed and updated throughout the project life cycle as part of the project governance.

Risk	Mitigation	Opportunities
Financial Exposure	<p>Government funding to support required changes such as introducing a separate food waste service will provide mitigation to the increased costs of new requirements.</p> <p>Any changes to the collection service may increase costs. These costs would need to be fully considered as part of the financial modelling to ensure the most cost effective solution is achieved.</p> <p>Providing free garden waste collections is being considered as part of the Consistency collections consultation, this would have a significant financial impact. It is expected that if this is adopted as a statutory requirement costs would be expected to be met by New Burdens funding.</p> <p>As part of the Inter-Authority Agreement the pay mechanism is being reviewed and early drafts suggest additional costs will be incurred. This is a key risk to the council and</p>	<p>Introducing a new separate food waste collection will have a number of positive environmental benefits.</p> <p>External funding will give Winchester City Council a cost effective opportunity to introduce positive changes to its household collections.</p>

Risk	Mitigation	Opportunities
	<p>needs to be subject to further negotiation as recommended in this report.</p> <p>Introducing HVO is likely to have an increased cost. Just as the contractor currently hedges diesel costs it is intended to negotiate hedged costs for HVO on an annual basis.</p> <p>The Council is holding assets in vicinity of existing depot that could address the requirement to provide additional depot space.</p> <p>Mitigation of these issues will be achieved by delaying decisions on implementation until; confirmation of Government funding is received, better understanding of financial exposure is achieved before entering into the IAA with HCC.</p>	
Exposure to challenge	<p>External legal advice has been commissioned to help steer the process to ensure a robust structure is undertaken.</p> <p>Consultation and engagement with residents is proposed at an early stage of developing the new waste strategy for households ensuring the Council can</p>	N/A

Risk	Mitigation	Opportunities
	<p>demonstrate complying with the Gunning principles when consulting.</p>	
<p>Innovation</p>	<p>Introducing HVO would be an innovative and practical solution compared to diesel subject to agreeing a contract variation and price.</p> <p>This approach is already adopted by other waste collection authorities.</p> <p>Adopting use of HVO as an initial approach allows other more costly and less developed and practical options to be considered at a later date if feasible and economic.</p>	<p>N/A</p>
<p>Reputation</p>	<p>Waste and recycling affects every resident therefore any change can be sensitive. Appropriate engagement with residents and members is being factored into the project timeline at an early stage so as to be taken into account in development of service delivery models.</p> <p>Undertaking the process set out in the report to develop a waste strategy for the future will contribute towards compliance with national and regional</p>	<p>Improving carbon and recycling performance will be assessed as part of development work. Improving carbon and recycling performance would have a positive impact on reputation.</p>

Risk	Mitigation	Opportunities
	requirements.	
Achievement of outcome	A collection system that takes into account environmental benefits, affordability and customer needs and statutory requirements	With the opportunity of external funding it allows an opportunity to review current collection arrangements with the intent to improve the service.
Property	Additional food waste vehicles will need to be stored. The Council has assets in the vicinity that could be deployed to support this additional space requirement.	Other options to be identified
Community Support	The consultation exercise will engage with households and community groups to ensure all interests are reflected and captured.	N/A
Timescales	<p>This report requests approval to undertake a consultation exercise. Further reports will be brought back to cabinet.</p> <p>The new Material Recovery Facility will be operational in summer 2025. Officers are in regular engagement with Hampshire County Council. Any delay will be highlighted early and a contingency agreed.</p> <p>Specialist food waste vehicles have a long lead-in time to procure (18-24 months) therefore starting</p>	N/A

Risk	Mitigation	Opportunities
	the process of how this service might look as part of the future waste strategy as set out in this report will put the Council in a positive position when external funding becomes available and details of requirements are known.	
Project capacity	An external project manager has been commissioned, along with a project team and board. Additional internal resource will be required to support project leads on specialist work areas along with external specialist resource to support delivery.	
Other	None	

11 SUPPORTING INFORMATION:

11.1 Background

11.2 As a council, Winchester has seen the fastest growing recycling performance in the County since 2019. It is one of the best performing authorities in Hampshire in terms of waste and recycling and has an ambition to become one of the best nationwide; minimising its carbon emissions, increasing the amount recycled and reducing the amount of waste produced in the most cost effective way possible.

11.3 The table below shows recycling growth and performance compared to other authorities in Hampshire:

	2018-19 (%)	2020-21 (%)	diff.
Winchester City Council	36.1%	40.5%	4.4%
Rushmoor Borough Council	29.0%	31.9%	2.9%
Gosport Borough Council	23.8%	26.6%	2.8%

Havant Borough Council	30.7%	33.0%	2.3%
Basingstoke and Deane Borough Council	28.3%	30.4%	2.1%
East Hampshire District Council	34.3%	36.2%	1.9%
Fareham Borough Council	33.7%	35.6%	1.9%
Test Valley Borough Council	36.0%	37.6%	1.6%
New Forest District Council	32.9%	34.1%	1.2%
Hart District Council	41.8%	41.7%	-0.1%
Eastleigh Borough Council	41.7%	40.2%	-1.5%

11.4 The current service for households (kerbside properties and flats) in Winchester is:

- a) Alternate weekly collections for refuse (black bin) and mixed dry recycling (green bin) in 240 litre wheeled bins for kerbside and larger bins for flats. This means one week refuse is collected and the next week dry recycling is collected. Plastic pots, tubs and trays are currently not collected. Flats mostly have fortnightly collections but some have a higher frequency.
- b) Food waste is currently collected in with refuse and not recycled.
- c) Glass is collected for recycling every four weeks in a 40 litre black box (introduced in September 2019).
- d) A fortnightly paid for garden waste service (£65 per annum for a large bin or £43 per annum for a small bin) for kerbside properties.
- e) Small Waste Electrical and Electronic Equipment (WEEE) and batteries are collected every week for kerbside properties.

11.5 **The impact of new emerging national requirements**

11.6 In November, the Environment Act 2021 became law. Its priority areas are air quality; water; biodiversity; and resource efficiency and waste reduction. In regard to waste and recycling the Act will help transition to a more circular economy, incentivising people to recycle more, reduce waste, encourage businesses to create sustainable packaging and making recycling easier. These changes will be driven by new legally binding environmental targets.

11.7 The Environment Act 2021 contains three key new policies and therefore allows government to:

- a) Deliver consistent recycling collections across England, including ensuring councils operate a separate food waste collection service from all households and collect a minimum range of dry recycling materials (Consistency Collections).
- b) Expand the use of charges on single use plastics, following the successful introduction of the carrier bag charge and introduce a Deposit Return Scheme (DRS) on plastic and metal drink containers; and

- c) Introduce new Extended Producer Responsibility (EPR) scheme to make producers responsible for the full net costs of managing their products when they are ready to be thrown away.
- 11.8 Deposit Return Scheme (DRS) will provide a mechanism for people to be reimbursed if they take a bottle back to a DRS point. This is likely to remove a portion of this recycling material from the kerbside collection points. Extended Producer Responsibility (EPR) will mean producers will make products easier to recycle and provide funding to local authorities to support the cost of recycling these products.
- 11.9 To enable councils to make the changes required by the Environment Act 2021, it is anticipated by the Government that full funding will be available from government and income from EPR.
- 11.10 Government originally started consulting on Consistency Collections in 2019 with a final response due in 2021. A response has since been delayed but is now expected soon, along with providing statutory guidance and details around funding. This information is expected to inform councils about the details of the requirements set out by the Environment Act 2021.
- 11.11 This response assumes no change to proposals as set out in the Environment Act 2021 (Act 2021), however there are still unknowns around whether Government will mandate free garden waste collections and how this will be funded plus whether or not it will place a mandatory requirement around a minimum frequency (fortnightly) for waste collections.
- 11.12 A core part of the new consistency arrangements requires a minimum set of material to be recycled from households. These core recyclables include glass bottles and containers, paper and card, metals, plastic bottles, plastic pots, tubs and trays and food and drink cartons. Plastic film is expected to be introduced in 2026/27.
- 11.13 Also each household in England will require a mandatory food waste collection, funded by the Government as part of the New Burdens funding. Government also requires a minimum of a weekly food collection but there are currently no details of what properties may require a more frequent service. For Winchester residents this would mean a new (at least) weekly food waste service from households.
- 11.14 There are a small number of authorities in Hampshire that collect food waste, typically from a 23l brown bin, with smaller kitchen caddy provided. However all authorities are awaiting the Government's consistency response, to understand the timing, requirements and funding to go with this new mandatory requirement.
- 11.15 Technically Environmentally Economically Practicable (TEEP) is an assessment that Waste Collection Authorities need to undertake to demonstrate they are exempt from collecting recycling materials separately e.g. dry recycling collected as individual material groups and food separate

from garden waste from households. Under current legislation there is no requirement for a 'TEEP' assessment' to be in writing and waste collectors are able to use a number of different analysis methods to complete this assessment. As a result, types of assessment vary between waste collectors, and inconsistencies in interpretations of the requirements on waste collectors exist. As part of the new government reforms a standardised approach to TEEP assessments across England are planned, to create greater consistency between written assessments and the circumstances in which the exceptions apply.

11.16 The impact of new emerging regional requirements

11.17 Within Hampshire, the Project Integra partners have been working through the implications of what the Act 2021 requires in terms of service change for both the waste collection and disposal authorities. The Joint Municipal Waste Management Strategy (JMWMS) has been revised and by February 2022 was approved by all partner authorities subject to funding and further details from the government.

11.18 Hampshire County Council is investing into a new Material Recovery Facility which will treat dry recycling via a Twin-Stream collection system. Initial assessment showed the Twin-Stream system had a better environmental performance compared to collecting all recyclables separately. It will also accept a wider range of dry recyclables as per the Environment Act 2021 requirements. Therefore the new Material Recovery Facility will require a new collection system for those authorities feeding into it. For Winchester, this would mean pots, tubs and trays (and plastic film later) would need to be recycled through the recycling collections rather than disposed of in the waste.

11.19 The new collection system for dry recycling required by Project Integra will mean Winchester residents will have:

- a) One container for mixed dry recycling including glass and the additional dry recyclables including glass bottles and containers, metals, plastic bottles, plastic pots, tubs and trays and food and drink cartons. Plastic film is expected to be introduced in 2026/27.
- b) And another container for paper and cardboard (fibres).

11.20 How this Twin-Stream system operates is the choice of each local authority, depending upon costs, aspirations and residents' behaviours. For example the frequency these materials will be collected and in what containers etc. is unknown and will be developed following consultation exercise.

11.21 Hampshire County Council and its partners are discussing an Inter-Authority Agreement (IAA) to act as an overarching agreement to set out how the new arrangements will work.

- 11.22 The purpose is to establish clear responsibilities for all partners in relation to operational aspects of waste and recycling services. It is to recognise the statutory functions and update the historic financial arrangements between Waste Collection Authorities and Hampshire County Council as the Waste Disposal Authority. Its objectives are to align with the principles of the proposed national residual waste target, reflect the revised Joint Municipal Waste Management Strategy (JMWMS) key objectives and drive improved and continuous improved performance including recycling, carbon and cost.
- 11.23 It will formalise the relationship between the collection and disposal authorities setting clear binding responsibilities on information sharing, agreed material input specifications, joint working on key additional specialist contracts and highlight and assess the impacts of the Household Waste and Recycling Centre service changes.
- 11.24 The key changes and potential costs are set out below.
- 11.25 **Kerbside residual waste arising target (potential cost c.£200,000)**
- 11.26 A single kg per household (kg/HH) target set for all WCAs to be met by 31 March 2030. The target of 314 kg/HH is the average of the upper quartile (25% top performing) waste collection authorities in 2019/20. Where a WCA exceeds this target the County Council is prepared to share the savings benefit on a 50:50 basis. Where a WCA fails to meet the target the County Council will seek full cost recovery on the disposal costs of the excess tonnage. Current average food waste in Winchester per household is close to accounting for the total residual waste generated above the 314kg target. Therefore, introduction of food waste collection could mitigate that risk.
- 11.27 The County Council is willing to share any savings associated with early achievement of the target ahead of the 2030 timetable.
- 11.28 **Material Income (potential cost c.£500,000)**
- 11.29 The County Council will retain the income from packaging material to reflect the net full cost recovery nature of the County Council's Extended Producer Responsibility payments as a waste disposal authority. There will then be a 50 / 50 split on the remaining income from non-packaging material sales between 1st April 2024 and 31st March 2026. However, after this two-year period the County Council will retain 100 percent of all income. This change is required to future proof the agreement and meet known future budget pressures that the County Council is facing by ending this discretionary payment.
- 11.30 **Contamination Charge (potential cost c.£75,000)**
- 11.31 The County Council will fund the cost of contamination up to the contract rate of the Material Recovery Facility operator and the cost of any additional contamination will be charged to the relevant Waste Collection Authorities on an annual basis. Following previous feedback and in recognition of the fact that the existing infrastructure is limited in terms of the material input

specification the County Council will increase the amount of contamination it will fund by 2.5 percent above the contract rate from the date that the agreement comes into effect from 1 April 2024 until end March 2026, enabling the new Material Recovery Facility to commence operations and for Waste Collection Authorities to transition to the new collection system.

- 11.32 If the timetable for the delivery of the new Material Recovery Facility slips, and thus prevents a Summer 2025 opening, the County Council proposes to delay the removal of the non-packaging material income sharing and the reversion to the contract contamination threshold by a timeframe equal to that of the delays in the Material Recovery Facility opening.
- 11.33 Hampshire County Council is proposing approval of the Inter-Authority Agreement at their cabinet in July 2023 for implementation 1 April 2024. All partners including Waste Collection Authorities need to consider the Inter-Authority Agreement proposals and have been asked by the County Council to decide on committing to the agreement by October 2023.
- 11.34 Once details around cost implications are understood, a report will be brought back to cabinet. Implementation of the Inter-Authority Agreement is planned for 1 April 2024.
- 11.35 The new Material Recovery Facility construction is planned to start late 2023 and planned to be operational summer 2025.
- 11.36 **Public Consultation**
- 11.37 This report seeks authority to undertake a consultation exercise to help inform the Council's waste strategy. It sets out what we can engage on and what has been set out by government as mandatory requirements and regional requirements by Hampshire County Council.
- 11.38 This means introducing a separate food collection service, collecting the core recyclables and introducing a Twin-Stream system will form part of the new waste strategy. It is envisaged that these changes will be made subject to cost, external funding and other factors such as a Technically Environmentally Economically Practicable (TEEP) assessment.
- 11.39 TEEP affects how the dry recycling is collected and separate food collections. Hampshire County Council modelling work regarding the new Material Recovery Facility considered environmental and cost benefits as part of their assessments and it showed that a Twin-Stream system was the most appropriate solution compared to collecting all materials separately. In regard to food, collecting the material mixed with garden waste and therefore seeking an exemption is likely not viable due to the additional cost.
- 11.40 Although the council may be constrained in the service it can deliver due to these national requirements and local treatment infrastructure, it is important that it consults residents on the changes so as to allow the responses from

residents to be considered and help inform the development of the waste strategy.

- 11.41 The consultation exercise will seek residents' views for example around the colour of containers, how many they can or would want to accommodate, what sizes and types would be preferred and the types of accessibility issues. It will also explore those needs and constraints from communal properties. It will also be very important to understand the impact on those who may have accessibility issues/assisted collection etc. Where there are prescribed delivery approaches, residents will be engaged with to ensure we understand their needs. This will include a range of engagement tools including within the communities across the district.
- 11.42 Recycling more will mean less waste is likely to be produced by households and how waste should be collected in the future will need to be considered as part of the exercise.
- 11.43 The outcome of the exercise, alongside national and local requirements, will help shape alternative household collection options and subsequently the new waste strategy.
- 11.44 If approved, consultation is expected to take place during autumn 2023, outcomes from this will be used to inform alternative options that meet the government and local requirements and take into account the consultation outcomes and affordability. This will be brought back to Cabinet in 2024.
- 11.45 **Decarbonising the waste and recycling fleet**
- 11.46 Hydrotreated Vegetable Oil (HVO) which is a paraffinic diesel, with high cetane content, zero sulphur and very low aromatic hydrocarbon content. It is manufactured from hydrotreated waste organic oils (used cooking oils for example).
- 11.47 The Green House Gas (GHG) content of HVO is extremely reduced when compared to DERV. When GHG emissions from the supply chain are factored in, the reduction in GHG emissions compared to a normal road diesel is typically between 88 percent and 94 percent. In other words, 88%-94 percent reduced carbon footprint compared to diesel.
- 11.48 As the combustion is more effective, there is also a marked reduction in pollutant emissions (NO_x, CO and particulates). For HVO to be sustainable and low carbon HVO traceability and accreditation certificates will need to be demonstrated.
- 11.49 Increased costs for introducing HVO is volatile and therefore any agreement would likely need reviewing annually. This also makes securing a price per litre way in advance of implementation difficult and would normally be secured close to point of implementation. Prices for HVO will be sought from the waste contractor to be considered as part of the 2024/25 budget setting cycle.

11.50 **Next steps**

- 11.51 There are significant proposed changes around waste and recycling as described in this report; mostly driven by national requirements, and as a Waste Collection Authority (WCAs), Winchester City Council wants to take this opportunity to improve its household waste and recycling collections.
- 11.52 It is proposed that Winchester City Council undertakes a consultation exercise to enable residents' to have a view on the new waste strategy for household waste and recycling collections.
- 11.53 Next steps include:
- A) Undertake a consultation exercise to help inform a new waste strategy for household properties.
 - B) Develop service options based on the outcome of the consultation, environmental factors and affordability;
 - C) Implement any changes.
- 11.54 This report is about milestone A) consultation. It is a start of a process to gather views to help inform a new waste strategy. It sets out what we can engage on and what has been set out by government as mandatory requirements and regional requirements by Hampshire County Council.
- 11.55 This report is also about noting progress with the Inter-Authority Agreement and the work that will continue with Hampshire County Council to develop the Inter-Authority Agreement and for Winchester to bring back a proposal on the next steps in October 2024.
- 11.56 It is also about decarbonising waste and recycling collections and requesting Winchester City Council enters into negotiations with its waste and recycling collection contractor to draft a contract variation and develop a mobilisation plan for HVO introduction as an initial solution. The council will also work to develop a cost envelope for annual increased costs if HVO was adopted.

12 **OTHER OPTIONS CONSIDERED AND REJECTED**

- 12.1 There are a set of legislative and regional requirements as set out in this report which require a minimum service level as baseline. However, consultation on how these systems operate and what is the right system for the left over waste is important to ensure the impact of the changes on residents is carefully considered and mitigated if necessary and required.
- 12.2 The Council has been offered a model Inter-Authority Agreement by Hampshire County Council to consider and come to a decision by October 2023. The Council could decide not to enter into an agreement and pay a gate fee to deposit waste at the new Material Recovery Facility. This would expose

the Council to considerable risk and cost and thus is not recommended. The Council therefore intends to work with the County Council to better understand the Inter-Authority Agreement proposal and costs, and when better understood report back a proposal to cabinet to seek authority on a way forward.

- 12.3 So as to decarbonise the waste service r alternative fuels such as electric and hydrogen will be considered. Based on the options currently available electric vehicles would require a substantial investment up front including infrastructure such as charging. It is also unlikely that existing electric vehicles will be able to service all of Winchester. Ongoing consideration will be given to electric vehicles and alternatives as the market grows to ensure the best 'greener' solution is achieved and to inform the future strategy.

BACKGROUND DOCUMENTS: -

Previous Committee Reports: -

CAB3328 – 25 January 2022

<https://democracy.winchester.gov.uk/ieListDocuments.aspx?CId=136&MId=2724&Ver=4>

Other Background Documents: -

EIA

APPENDICES:

None