

UPDATE REPORT - NEW GOVERNMENT GUIDANCE ON RECYCLING AND WASTE STRATEGY and PLANNED SERVICE CHANGE.

1. RECOMMENDATIONS

It is recommended that:

- 1.1 Officers proceed to take the necessary decisions to implement the service changes for refuse collection, recycling and food waste collections as set out in Section 5 of this report, in readiness for a commencement of the new service in Summer 2025.
- 1.2 The procurement process to acquire the necessary vehicles, wheeled bins, food caddies and other containers, including ancillary services in order to deliver the new service, is commenced.
- 1.3 Officers continue to discuss the long-term provision for dry recycling with Hampshire County Council and partners.
- 1.4 The financial implications of the new service set out in the report be noted, with further clarity to come back to the Cabinet pending the Local Government Finance Settlement and completion of procurement activity to secure firm pricing.

2. INTRODUCTION

- 2.1 In the face of some uncertainty about the longer-term position regarding both Government guidance and the timeline for provision of the required recycling infrastructure in Hampshire, Officers had been preparing proposals for the rollout of service change as agreed in the NFDC Waste Strategy.
- 2.2 On 21st October, DEFRA released a response to the “Consistency” consultation from May 2021, which has provided some clarity. This report sets out the detail of the DEFRA announcements, and how this affects both our planned service change and the infrastructure requirements in Hampshire.

3. BACKGROUND

- 3.1 NFDC has been working on a new approach to waste and recycling services, including development of a new Joint Municipal Waste Management Strategy (via Project Integra) in October 2021 and the NFDC Waste Strategy 2022-27, approved by Council in July 2022. Engagement with the public on our new NFDC strategy took place between November and December 2021. The strategy agreed a range of service changes.
- 3.2 In addition, there have been ongoing discussions with Hampshire County Council (HCC) regarding the development of a new materials recycling facility (MRF). This includes discussions around financial arrangements for the new MRF, such as how the income from sale of Dry Mixed Recycling (DMR) will be shared.
- 3.3 Furthermore, Councils across England have long awaited further guidance and clarification from the government on national waste strategy since the ascent of the

Environment Act in 2021. On Saturday 21st October 2023, guidance was finally issued by DEFRA, details of which are outlined below.

4. UPDATE ON “SIMPLER RECYCLING”

4.1 In September 2023, the Prime Minister made a keynote speech about climate policy, which included a pledge to make recycling as simple as possible for householders. As a result of this, Defra’s stream of work known as “consistent recycling” was rebranded as “Simpler Recycling” and Councils were advised to await further announcements. This further information arrived on 21st October 2023.

4.2 This has provided clarity on the following:

- **By 31 March 2026**, all local authorities in England must collect the same recyclable waste streams for recycling or composting from households. The recyclable waste streams include (see appendix 1 for full details):
 - Paper and card
 - Plastic packaging including bottles, pots, tubs, trays, cartons (plastic film and flexibles will be required by March 31, 2027)
 - Glass packaging; bottles and jars
 - Metal including tins and cans, foil and aluminium packaging and aerosols
 - Food waste – must be collected weekly
 - Garden waste
- **By 31 March 2025** (i.e. 12 months earlier) all non-household premises in England (such as businesses, schools and hospitals), must make arrangements to have this same set of recyclable waste streams (with the exception of garden waste) collected for recycling or composting. This excludes micro-firms who have fewer than 10 full time equivalent employees, who have until 31 March 2027.
- **Co-collection of dry recyclables** – previous consultations had shown a strong Government preference for collecting some or all recycling streams separately from each other. This obligation has been removed, which provides the option to allow all dry recyclables (paper and card, plastic, glass and metal) to be collected together in one recycling bin (known as co-mingled collections). This can be done without the requirement of a formal written assessment.
- **Frequency of collection of residual waste** – DEFRA propose requiring local authorities to collect residual (non-recyclable) waste at least fortnightly. However, it should be noted that this is not a recommendation but is noted as a ‘backstop’ standard.
- **Collection of garden waste from households** – Local authorities will be required to provide a garden waste collection service where it is requested. They can continue to choose to charge for this service.

4.3 The Government has confirmed that delivery of these new duties will be funded through a combination of the following measures:

- Reasonable ‘new burdens’ funding to local authorities to provide weekly food waste collection from households. Funding will include capital costs (such as vehicles and containers), as well as transition costs (such as vehicle re-routing,

communications and project management) and, potentially, support for ongoing service costs (such as collection and disposal costs). Capital funding (for vehicles and containers) will be paid to local authorities in the current financial year. See section 6.1 for further information.

- Extended Producer Responsibility (EPR) payments will be provided to local authorities, with packaging producers responsible for the costs of collecting and managing packaging waste through efficient and effective services. This includes the collection of additional packaging materials for recycling, such as plastic films. See section 6.4 for further information.

4.4 With the above announcements, DEFRA also launched two consultations, both running for 4 weeks with a closing date of 20 November:

- Exemptions and Statutory Guidance for Simpler Recycling in England
- Additional Policies Related to Simpler Recycling in England.

These were both short and straightforward consultations. The key aspects that Defra sought comment on were:

- Exemption to allow the comingled collections of dry recycled materials
- Exemption to allow the mixing of garden waste and food waste
- The back stop standard on the frequency of residual waste

The NFDC response to these consultations advocated that local authorities are best placed to make decisions about the way waste and recycling is collected in their individual areas, and it therefore supported measures that enabled this. Additionally, NFDC highlighted the impact of the requirement for businesses to expand their recycling collections by 31 March 2025. This short lead time will put pressure on local authorities that offer business waste collection services (such as NFDC) to consider the impact on those services in a short space of time.

5. IMPACTS ON OUR CURRENT WASTE STRATEGY

5.1 Our existing plan to change service provision has been in place for some time, to reflect our waste strategy. The proposed changes included the below (please note the move to wheeled bins for garden waste is not shown below as this service change is already underway):

- 180 litre wheeled bin for refuse collection, collected fortnightly.
- 180 litre wheeled bin for glass, plastic and metal collected fortnightly*
- 90 litre reusable bag for paper and card, collected fortnightly*
- 25 litre caddy for food waste, collected weekly (with additional 5l caddy provided for internal use)

5.2 The Government announcements have told us that we must expand our range of dry recycling (see appendix 1) and collect food waste separately by March 2026. The collection of “twin stream” recycling as described above and indicated by the (*), was agreed as a common approach by all Hampshire authorities in the Joint Municipal Waste Management Strategy (JMWMS) in 2021/22, in response to Government direction at that time. However, these most recent announcements suggest that the separation of paper and card from other recyclables may no longer be required.

- 5.3 Since the agreement of the JMWMS, HCC has been working towards provision of suitable transfer stations and a new MRF that will handle twin stream material. There have been ongoing discussions about the financial arrangements for dealing with contamination, income from sale of DMR, and residual waste disposal costs. This was set out in a “Inter Authority Agreement” (IAA) which HCC has asked Waste Collection Authorities (WCAs) in Hampshire to sign up to by 31 October 2023.
- 5.4 At the time of the Government announcement, NFDC was part of a small WCA negotiating group which was in place to take these discussions forward, to ensure that we support the wider objectives of the whole waste system in Hampshire whilst maintaining clarity as to our statutory responsibilities as a waste collection authority. By the 31 October, no WCAs had approved the IAA, with WCAs taking a firm stance on the introduction of new charging mechanisms from HCC which were considered inappropriate. HCC has since written to all local authority leaders in Hampshire to inform them that as per their Cabinet paper July 2023, HCC will retain income derived from the sale of kerbside dry mixed recycling from April 2024. However, they are no longer pursuing compensation for high levels of contamination found in kerbside collected dry recyclables, and instead will seek to work with WCAs to reduce the current contamination levels. NFDC had already prepared for this outcome via its MTFP.
- 5.5 In light of the recent Government announcements, HCC have also written to all WCAs to request that they carry out work to determine the optimal recycling system for Hampshire authorities, so that Waste Disposal Authorities can determine how best to manage the resultant collected materials. This would include review of alternatives to the previously agreed twin stream system. They have stated a deadline for the completion of this work and for all Hampshire authorities to reach an agreement by 1 March 2024.
- 5.6 The outcome of this work is likely to impact upon the proposed new MRF, and with a 2-year build programme, a new MRF won’t now be ready until at least 2026.
- 5.7 The challenge now is to rollout the large part of our service change in 2025, to comply with Government deadlines, but to retain flexibility to allow for a potential “phase 2” change once the new MRF is ready. As such, the interim service would look like this:
- Elements that remain as per original waste strategy proposal:
 - 180 litre wheeled bin for refuse collection, collected fortnightly.
 - 25 litre caddy for food waste, collected weekly (with additional 5l caddy provided for internal use)
 - Elements that are different to original waste strategy proposal:
 - 240 litre wheeled bin for our existing DMR mix i.e. paper, card, plastic and metal, collected fortnightly
 - 55 litre box for glass collection, collected monthly.
- 5.8 The increased capacity of the recycling wheeled bin from 180L to 240L is to account for the inclusion of paper and card in with the dry mixed materials. It will also allow for additional recyclable materials to be added, as and when disposal infrastructure allows. The container sizes shown above will be the “standard” sizes, but smaller containers for households producing smaller quantities of waste/recycling will also be available. The Council’s waste collection policy, approved earlier in 2023, details how larger capacity containers can also be provided, in line with agreed criteria.

- 5.9 Glass would need to be collected separately for the time being, whilst we await the outcome of discussions on new/alternative MRF provision.
- 5.10 This service would not allow for collection of expanded recycling i.e. plastic pots, tubs trays, cartons and foil, because a new MRF will not be ready for March 2026 (the Govt deadline for changes). Discussion will need to be had with HCC and with DEFRA regarding the implications of this.
- 5.9 The benefit of this interim approach is that we could flex and adapt in future, i.e. a move to either twin stream or fully co-mingled would be possible.
- 5.10 The requirements for collection of non-household recycling (as outlined in 4.2) will be subject to further review, due to the challenge that, under pre-existing plans, NFDC will not have the ability to collect the required materials for recycling from these premises by March 2025.

6. FINANCIAL IMPLICATIONS

Funding

- 6.1 New burdens funding will be provided to local authorities to provide weekly food waste collections from households. Funding will include capital costs (vehicles and containers), transition costs (vehicle re-routing, communications, project management), and ongoing service costs (staff, fuel etc). All funding will be based on modelled costs rather than a process of reimbursing LAs for actual expenditure, so there is no guarantee that funding will provide full cost recovery.
- 6.2 New burdens payments for Capital costs will be made through section 31 grants. The level of new burdens payments that each local authority will receive will be set out in letters sent to each local authority under section 31 of the Local Government Finance Act 2003. This letter is expected during November, and capital funding will be paid to LAs in the current financial year (2023/24).
- 6.3 Defra have advised that transition cost funding will be provided from 2024/25. Funding for ongoing food waste service costs (staff, fuel etc), will not be available until 2026, and is subject to Defra securing monies from HM Treasury. This funding therefore isn't going to be available until after the proposed service change is made in 2025. The timing of transition funding has not yet been made clear but would logically be available in 2025 when councils will be making the switch.
- 6.4 As described earlier, the collection of packaging is intended to be funded in future by Extended Producer Responsibility payments. Initial estimates are that local authorities in England will collectively receive payments in the region of £900 million per annum for managing household packaging waste. Financial modelling is currently under way to refine this estimate in readiness for the implementation of EPR for packaging. Payment amounts will be confirmed by November 2024, and LAs will receive their first payment by the end of December 2025. Unfortunately, the council does not have a reliable estimate of the quantity of funding for NFDC.

Expenditure

- 6.5 In preparation for the original waste strategy, the Council worked with a specialist consultant to carry out work on the business case for service change. Using desktop modelling, they were able to estimate the cost of the preferred option, primarily focussing upon staff, vehicles, fuel and container costs, as well as income. This

information was used as the basis for a comparison with current service costs, also taking account of other cost areas such as support services, overheads, communications, and personal protective equipment.

- 6.6 The cost of the food waste service has been reassessed following recent salary increases and rising vehicle prices. This shows an expected increase in annual food waste collection costs from the previous July 2022 estimate of £1.61m to £1.85m. This £1.85m includes the depreciation of vehicle and containers, equating to £250k. As described earlier this depreciation amount should be funded via new burdens funding, but other ongoing costs will not be funded until 2026, should Defra secure it from HM Treasury.
- 6.7 The 2022 analysis showed that the cost of the waste and recycling service, excluding the food waste service, would reduce once the service change is fully rolled out. Work on revised service costs beyond 2025 is continuing. It is not expected that the relative position of the new service will change i.e. it will continue to operate at a lower cost than the current service, but this work will be completed in due course once we are able to proceed with detailed project planning, confirm Defra funding, and work with HCC on the infrastructure rollout timeline. The following table demonstrates the lack of overall clarity at this time with regards to the revenue position:

	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)
Expend: Waste and Recycling Service	nil	TBC	TBC (likely saving)
Expend: Food Waste Collection	nil	TBC	+1,850
New burdens revenue funding: Food Waste	nil	nil	TBC
Funding: EPR	nil	TBC	TBC

- 6.8 When the Council set its budget for 2023/24 in February 2023, the MTFP included an indicative capital programme to 2025/26. This included forecast capital spend in 2025/26 associated with the new waste service roll out totalling £4.908 million for containers and £5.840 million for associated vehicles. The capital requirements for the waste and recycling service have now been re-assessed and they show the following:

	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)
Vehicles	885	3,730	453
Containers	1,025	4,550	nil
Total	1,910	8,280	453
New burdens capital funding: Food Waste	TBC	TBC	TBC

6.9 The above numbers are still subject to procurement and detailed service rollout planning. In particular, the split in funding across financial years may be subject to further refinement. The nature of procurement timelines and manufacturer lead times means that some orders for vehicles and containers may be needed before the end of the current financial year.

6.10 Transition funding, to support additional staffing and communications will be required in both 2024-25 (£190k) and 2025-26 (£570k). As outlined in 6.1, it is anticipated that transition funding for food collections will be provided, but this is yet to be confirmed.

7. CRIME & DISORDER, DATA PROTECTION IMPLICATIONS

7.1 There are none.

8. ENVIRONMENTAL IMPLICATIONS

8.1 As detailed in the original waste strategy report, the new service will increase recycling levels, reduce waste, and reduce emissions associated with the management of the New Forest's waste and recycling.

9. EQUALITY & DIVERSITY IMPLICATIONS

9.1 Equality Impact Assessments were conducted as part of the waste strategy approval in 2022. The proposals in this report are not fundamentally different to those in the strategy itself.

10. CONCLUSIONS

10.1 Since approval of the waste strategy in 2022, our timetable for service change has been subject to some flexibility, due to the timeline for required infrastructure and the ongoing uncertainty on the Government's position and funding. It was agreed to bring the date for the commencement of the new wheeled bin garden waste service forward, to commence in April 2024. This is going well, with subscriptions opening in October and at the time of writing being at over 17,000 households.

10.2 Now that we have received reliable direction from DEFRA, we must be seen to act as quickly and effectively as possible. As described earlier, service changes will require completion by March 2026. Making the service changes in full during 2025 gives the council the best opportunity to improve its performance, provide a better service to householders and to fully enact its waste strategy. Therefore, the proposal is as follows:

- Officers proceed to take the necessary decisions to implement the service changes for refuse collection, recycling and food waste collections as set out in Section 5 of this report, in readiness for a commencement of the new service in Summer 2025.
- The procurement process to acquire the necessary vehicles, wheeled bins, food caddies and other containers, including ancillary services in order to deliver the new service, is commenced.
- Officers continue to discuss the long-term provision for dry recycling with Hampshire County Council and partners.

- The financial implications of the new service set out in the report be noted, with further clarity to come back to the Cabinet pending the Local Government Finance Settlement and completion of procurement activity to secure firm pricing.

11. OVERVIEW AND SCRUTINY PANEL COMMENTS

The Panel noted the Waste Strategy update and acknowledged the dynamic situation regarding implementation. Some members raised concerns over the current, unknown funding as well as aspects of the different, possible recycling plans. The Panel also posed questions on the MRF, the Council's waste removal fleet and wheelie-bin/glass recycling capacity. Several members were keen to encourage that conversations continued between DEFRA, NFDC and HCC, to obtain clarity on the situation as soon as possible. The Panel looked forward to receiving a further update from Officers in due course.

12. PORTFOLIO HOLDER COMMENTS

I welcome the Government's recent announcements, as they have added clarity on residual and food waste collection frequency, options on recyclable collections together with timelines and what we are required to do. The aims of our original waste strategy remain, as we strive to increase recycling, reduce waste and protect our climate. There is still some uncertainty around funding and infrastructure, but we know enough to move forwards in our planning for much-needed service change and I look forward to providing further updates in February next year.

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Background Papers:

Joint Municipal Waste Management
Strategy:

[Report](#)

[Strategy](#)

NFDC Waste Strategy:

[Report](#)

[Strategy](#)

Waste and Recycling Collection Policy:

[Report](#)

[Policy](#)

Appendix 1 - Kerbside Domestic DMR Collection changes for NFDC

Materials required @kerbside by <u>31 March 2026</u>	Currently collected by NFDC @ kerbside?	Will eventually be included in Deposit Return Scheme once introduced?
Glass bottle and jars	YES	NO
Steel and aluminium tins and cans*	YES	YES (up to 3 litres, drink only)
Steel aluminium aerosols	YES	NO
Aluminium foil, food trays, tubes	NO	NO
Plastic bottles made of polyethylene terephthalate (PET), polypropylene (PP) and high-density polyethylene (HDPE)	YES	YES (up to 3 litres, drink only)
Pots, tubs, and trays made of PET, PP, and polyethylene (PE)	NO	NO
PE and PP plastic tubes larger than 50mmx50mm	NO	NO
Cartons for food, drink, and other liquids	NO (we have banks, but this is not compliant)	NO
Plastic film packaging and plastic bags made from mono-polyethylene (mono-PE), mono-polypropylene (mono-PP) and mixed polyolefins PE and PP. (From 31 March 2027).	NO	NO
All paper and card except: <ul style="list-style-type: none"> • Paper and card that contains glitter or foil • Paper that is laminated • Stickers and sticky paper • Padded lined envelopes • Books • Wallpaper 	YES	NO