Report to the West Area Committee

17 March 2025

Wards: Boothferry, Derringham, Pickering Newington & Gipsyville and St Andrews & Docklands

Waste collection service options report

Report of the Director of Regeneration

Report Status:
This item is not exempt
Therefore exempt reasons are not applicable

This is a key decision. The matter is in the Forward Plan

Ref. 0010/25

1. Purpose of the Report and Summary

1.1. This paper provides members with an update on the requirements of new government recycling and waste reforms and the implications of future national proposals including legislative change. The report covers the implications of:

- Simpler Recycling – The government's new framework for local authority waste collection in England;
- Extended Producer Responsibility (EPR) – This requires the producers of packaging waste to fund the cost of collection, treatment and disposal currently borne by local authorities once it becomes waste;
- A proposed Deposit Return Scheme for single use drinks containers from 2027;
- The UK Emissions Trading Scheme and proposal for its scope to be extended to cover Energy from Waste facilities from 2028; and
- Producer responsibility for Waste Electrical and Electronic Equipment (WEEE) and the potential for kerbside collection of WEEE to become a requirement in the future.

1.2. The report sets out options for the separate collection of food waste from households and sets out the council's statutory obligations in terms of commercial waste collection and the management of waste produced at all council buildings.

1.3. The report requires a decision on how to collect food waste from all households including flats on a weekly basis from April 2026 which is now a statutory requirement.

1.4. The report sets out the funding available, the cost implications, required budget allocation and approval to procure the requisite vehicles through our existing fleet contract with Kingstown Works Limited (KWL).

2. Recommendations

2.1. That the council introduces a weekly brown bin collection of food and garden waste to households with gardens and a weekly collection of food waste from all other households from April 2026.

2.2. That Cabinet note and authorize the application of the revenue funding of £2m set aside as a contingency within the approved 2025/26 budget and the potential requirement of around £4M proposed for inclusion within the 2026/27 budget to be funded through a combination of transitional grant and EPR monies

2.3. Cabinet approves the application of revenue budget provision to the procurement and lease back of requisite vehicles through our existing fleet contract with Kingstown Works Limited (KWL).

2.4. That Cabinet note the need for development works to accommodate the expansion of fleet and staff at Stockholm Road depot and to request a further report setting out the detail and cost implications for subsequent Cabinet approval.

2.5. Cabinet note the future financial implications of the Emissions Trading Scheme and estimated financial implications from 2028.

3. Reasons for Recommendations

3.1. Weekly food waste collection to all households is a statutory requirement from April 2026. A comingled collection of food and garden waste in the same brown bin is the recommended option as it is the lowest cost option in the short term, assuming no change to any other bin collection.

3.2. This option is also thought to be the most deliverable in terms of procurement timescales for vehicles, bins and caddies given all English authorities will be procuring during the same time frame.

3.3. The cost of the new service has been modelled financially and significant additional funding is required to deliver such an increase in frequency of food waste collection and to roll out collections of recycling and food waste to flats.

4. Key Organisational Impacts

4.1. The council is statutorily required to provide a weekly collection of food to all households from April 2026.

4.2. As an organisation with more than 10 employees the council is also required to segregate the prescribed range of recyclables and food waste at all council owned or managed buildings such that those waste streams are either recycled or composted from April 2025.

4.3. Building Location Managers are required to ensure that arrangements are in place to facilitate these collections.

4.4. The report contributes to the council's priority to create a healthy, safe and environmentally friendly city.

4.5. The proposal forms a part of the council's response to the climate and nature emergency, a shared ambition within the Community Plan.

4.6. There are no equality impact issues as the proposal is to increase the current food waste service frequency from weekly to fortnightly collections.

5. Consultation

5.1 The proposal to introduce weekly collections of food to all households will impact on all wards and the report has therefore been subject to consultation with Area Committees and the council's scrutiny commission.

6. Background

6.1 The Government launched its Resource and Waste Strategy in December 2018. Entitled "Our waste, our resources: a strategy for England", the document set out the Government's plans to maximise the value of resource use and to minimise waste and its impact on the environment. Consultations were launched focusing on three key and linked areas for the reforms: extended producer responsibility, the introduction of the deposit return scheme for drinks bottles and containers and consistent recycling collections for households and business in England. All three of these reforms will have an impact on the recycling, waste collection and disposal services that the council offers.

6.2 The following list provides a timeline of key requirements in response to the Government waste reforms:

- Apr 25 – Food waste and recycling collection services required in all council buildings
- Apr 25 – Commercial waste service offer for food waste required
- Apr 26 – Recycling collection services required to all households including flats
- Apr 26 – Weekly food waste collection service required to all households including flats
- Apr 27 – Collections of mixed flexible plastics to all households and commercial waste customers required

6.3 Numbers 1-3 are in progress and no decisions are required corporately although support for internal roll out and adoption will be required. The way we deliver

number 4 is the key focus of this report. It is critical that March 25 is the latest point for a decision due to the procurement timescales for new vehicles. A more detailed timeline including other significant milestones is attached at Appendix 1.

Extended Producer Responsibility (EPR)

6.4 Extended producer responsibility (EPR) is concerned with the principle of the "polluter pays." This reform is significant for local authorities as it makes the producers of household packaging responsible for collection and disposal costs of the packaging they collect at the kerbside, household waste recycling centres and in street litter bins, net of any income received for the material collected. EPR also has a focus on producers making packaging easier to recycle with clearer and consistent labelling and ensuring that packaging has a minimum level of recycled content.

6.5 The EPR scheme is due to go live on 1st October 2025 and with the first payments to local authorities estimated to take place from March 2026.

6.6 Payments to local authorities will be based on an assessment of whether an authority's waste collection service is deemed "efficient" and "effective." but the council has received notification that funding in 2025/26 will be no less than £6m. Future ongoing revenue will be subject to what constitutes "efficient" and "effective" but in principle this producer pays principle has brought significant funding to the council to help develop and improve waste collection services.

Deposit Return Scheme (DRS)

6.7 DEFRA have also confirmed that a deposit return scheme for drinks containers will be deferred to October 2027. The scheme to be rolled out in England will target plastic and metal drinks containers up to 3 litres in size, including multipacks. Glass is not included as a target material for the scheme in England. The Government believe that a deposit return scheme will achieve a 70% collection rate in year 1, 80% in year 2 and 90% in year 3. They maintain the scheme will capture 90% of the available material from year 3 onwards through reverse vending machines and in store return points.

6.8 The level of deposit for items targeted by the DRS scheme is yet to be determined. Given that the DRS will likely divert a significant proportion of the drink related packaging within the blue bins scheme, it would not be prudent to change this collection scheme until the impact of DRS is known i.e. after October 2027.

Consistent Recycling Collections now known as "Simpler Recycling"

6.9 The Government published the requirements of its Simpler Recycling proposal at the end of November 2024. The reforms require all councils in England to collect the same recyclable waste streams for recycling or composting from households.

The recyclable waste streams include paper and card, plastic, glass, metal, food and garden waste. All non-household municipal premises in England must make arrangements to have the same set of recyclable waste streams (with the exception of garden waste) collected for recycling or composting. Under the new regulations there will also be a new requirement to collect plastic films and flexibles from both households and businesses from April 2027.

6.10 Under the new legislation, waste collection authorities in England must arrange for a weekly collection of food waste from households. All non-household municipal premises in England must arrange for the separate collection of food waste and to present their waste in accordance with the regulations.

UK Emissions Trading Scheme (ETS

6.11 The UK emissions trading scheme known as ETS is a system of carbon reduction and trading for UK businesses in energy intensive sectors. The UK ETS is run by the UK ETS authority which consists of the UK Government, Scottish Government, Welsh Government and the Department of Agriculture, Environment and Rural Affairs for Northern Ireland. In 2019, the UK made a legally binding pledge to reduce its greenhouse gas emissions to net zero by 2050. By imposing a cost on carbon emissions, the UK ETS is intended to create a financial incentive for industries to decarbonise. From 2028, the UK ETS authority will include energy from waste and waste incineration facilities without energy recovery. The expectation is that operators of such facilities will pass costs through to their customers and many of these will be local authorities. This will incentivise them to reduce the fossil fuel content of residual (black bin) waste. This has significant potential implications for the council in that a proportion of the residual waste generated in Hull is sent for incineration within the UK. The European Union has also announced their intention to include waste in their emissions trading scheme. This will also have an impact on the council as a proportion of residual waste is exported into Europe as refuse derived fuel (RDF) as feedstock for energy from waste plants.

6.12 The Government launched a consultation in December 2023 with the purpose of seeking views on potential reforms to a producer responsibility system for Waste Electrical and Electronic Equipment (WEEE) with a view to increasing levels of separately collected WEEE for reuse and recycling. The Government have indicated it is their intention that producers and distributors of electrical and electronic products finance the full net cost of collection and proper treatment of products. They have identified that this is likely to take the form of UK wide kerbside collections of both small WEEE and larger bulky items. This will have an impact on the recycling and waste collection services the council offers. There is no current indication as to when this requirement may be implemented but is shared for context at this stage.

6.13 The overarching aims of these government reforms are to deliver on its net zero carbon commitment by 2050 and to achieve a national recycling rate of 65% by 2035. The current national performance is 43.3% and Hull's performance was 46.5% in 2023/24. The government have also committed to a waste reduction target for residual (black bin) waste. Their aim is to reduce residual waste per capita by 50% by 2042 compared to 2019 levels. There are currently no proposed statutory targets for local authorities.

7. Issues for Consideration

7.1 An options appraisal funded by the Waste and Resources Action programme (WRAP) has been undertaken to look at different collection options for the household waste collection service. This report focuses on the options for food waste collection as the council currently delivers the requirements of the Simpler Recycling scheme. The 2 options for weekly food waste collection are:

- To collect comingled every week in the same bin
- To collect separately via a weekly food caddy service and a fortnightly brown bin garden waste service

7.2 The key service change is the need to collect food waste from households on a weekly basis. In simple terms this means either increasing the brown bin collection frequency to weekly or collecting food and garden waste as separate services. A summary of the options assessment outputs is attached at Appendix 2. It is important to note that the costs are for comparison purposes only as they don't represent the full cost of the service but provide an accurate representation of the comparative cost between options.

7.3 In terms of recycling, the council already collects the required range of commodities so there is no statutory need to review the blue bin service. However, where all dry recyclable commodities are collected in the same bin (comingled collections) there is a requirement on councils to provide an assessment to demonstrate that an alternative collection model isn't viable, on the grounds of either technical practicability, economic viability or environmental performance. Although this isn't thought to be a significant risk, alternative recycling collection options have been modelled should they need to be considered in the future.

Context

7.4 The priority focus is on introducing weekly food waste collections. But, all authorities across England are required to implement from the same date so we anticipate acute supply chain difficulty in 2025/26. Therefore, a move to separate organic waste collections brings with it greater delivery risk as a new fleet of bespoke vehicles and caddies would be required. To deliver weekly comingled organics, our key delivery risk is expansion of the standard Refuse Collection Vehicle (RCV) fleet which should be a much lower risk.

7.5 The council is in contract until end of March 2030 for the processing of comingled organics (garden and food waste). A move to segregated collections would require a variation to the existing contract and be subject to agreement with the incumbent contractor but initial discussions have confirmed this will be accommodated at no extra cost to the council. Whilst this is viable it would mean that food and kitchen waste are collected separately, but mixed and processed together at the same facility for the duration of the contract.

7.6 Whilst all options are theoretically deliverable from April 2026 there are potential barriers and risks in terms of both timing of any service change and their viability from a practical and public acceptability perspective. So, the options need to be viewed in terms of what we need to do from April 2026 and what we might want to do post March 2030 after our contractual obligations for waste treatment expire.

Key findings - Comingled organics

7.7 Comingled weekly collection in the brown bin is the easiest option to implement and the most deliverable in the timescale. It only requires standard additional RCVs whereas most authorities are starting with no existing food waste collection and will likely opt for a separate food waste collection that requires alternative vehicles. This is where we believe the supply crunch will be most acute. Comingled organics will also require modest investment in caddies compared to the alternative. Caddy supply chain will also likely be severely affected.

7.8 This option also has no treatment contract issues to resolve and has no negative change for residents as the brown bin service stays the same, it just increases to a weekly frequency. The key negative point here being the need for a 240-litre wheeled bin collection on a weekly basis throughout the winter months which is clearly unnecessary from a capacity perspective.

7.9 Based on the modelling for this option we will require an additional **13 vehicles and 32 staff** (excluding spares, sickness and leave cover etc) as a minimum to operate the service on a daily basis.

Separate food and garden waste collections

7.10 This option will require a new fleet of bespoke kitchen waste collection vehicles and procurement of large 23 litre caddies for all households. This has potentially greater delivery risk in terms of supply chain. This option also requires a contractual variation and a comprehensive communications campaign to remove food waste from the brown bin collection that would become a garden waste only bin.

7.11 We estimate this option will require an **additional 18 vehicles and 36 staff** (excluding spares, sickness and leave cover etc) as a minimum to operate the service on a daily basis.

7.12 Whilst the comingled service should be easier to implement and collection costs less than separate food and garden waste collections, longer term there could be an overall cost saving for separate collections as the disposal costs are estimated to be cheaper. This is because the model assumes that food waste would be sent to anaerobic digestion and garden waste to windrow composting. So, higher collection costs but lower disposal costs make this option £0.59m/year cheaper than a comingled collection service. However, this saving could only be realised from April 2030 onwards once the current organic treatment contract expires.

7.13 So, regardless of option, from 2026 to 2030 the minimum cost of providing weekly food waste collections has been modelled at between £3.2 to £3.5m.

7.14 Collecting separately has the benefit of increased levels of food waste capture and higher recycling and carbon performance.

7.15 It's important also to remember that we anticipate what is in effect a carbon tax on sending waste to EfW from 2028 so the better performing recycling/composting options will better mitigate cost pressures from 2028 onwards.

8. Options and Risk Assessment

8.1 In the short term, the key requirement is delivering a weekly food waste service. This is either option 1 or 2 with option 1 being least change and option 2 being a change to collection but delivering better overall recycling performance and at a cheaper cost. However, the collection cost for option 2 is significantly higher than option 1 and it is the waste treatment costs in option 2 that bring the whole service costs down. This can only be achieved from 2030 onwards when the current contract expires. Adopting this collection system from 2026 would therefore actually be more costly than option 1 as the waste would still be delivered to the current In-vessel composting operator.

8.2 To help comparison, the pros and cons of the two options are listed below:

Weekly comingled organics

- Residents familiar with the scheme, just additional frequency
- No contract issues with Wastewise
- Will use standard RCVs so should minimise competition with other LAs in procurement
- Utilises existing supply of brown bins

- Captures less kitchen waste than with separately collected organics based on other English LA comparators
- May lead to an increase in the amount of garden waste collected due to the weekly frequency
- Overall least upheaval and easiest transition
- Weekly collection capacity is excessive, particularly in the Winter months but complies with the requirements

Separate food and garden waste collections

- Captures more kitchen waste than with comingled organics based on other English LA comparators
- Bigger contribution to overall recycling and carbon performance due to higher diversion from the residual (Black bin) waste stream
- Lower cost option by £0.59m per year but only if sending food waste to AD which isn't possible until Apr 2030 onwards. Prior to 2030 this option would cost c£0.25m more
- Service transition is a much bigger undertaking and significant resident communications campaign required to divert food waste from the brown bin – A major challenge
- Greater procurement risk requiring bespoke kitchen waste vehicles and 23 litre caddies for all households
- Offers the opportunity to move to chargeable garden waste collections which can generate significant savings/income in the future
- Although food and garden waste will be collected separately, in the short term, they will be delivered to the current composting facility and processed together

8.3 Based on all the factors, Option 1 is the recommended option from April 2026 with a view to reconsidering all other alternatives from April 2030 onwards.

8.4 Option 2 is not recommended at this time as it would result in a significant service change to all residents. This would require additional an additional 23L caddie for every household currently using a brown bin to facilitate a separate food collection, specialist vehicle requirements as well a larger communications programme. In addition, the food and garden waste would then need to be mixed at the in-vessel composter used to process the organic waste.

Funding

8.5 The government have already confirmed and the council has received capital funding of £1.495m for the introduction of weekly food waste collection. We also anticipate additional transitional funding and ongoing revenue funding from April 2026 but as yet have not had confirmation of the amounts. We anticipate an update on funding levels before the end of the financial year.

8.6 In addition to this, on 30th November 2024 we received confirmation that in 2025/26 we would be receiving an additional £6m revenue funding for year

2025/26 from the Extended Producer Responsibility (EPR) placed on producers of waste packaging. This is an estimated figure for 25/26 and is the least the Council will receive subject to an adjustment, but we don't expect a significant change to the initial estimate. Future revenue funding under the extended producer responsibility scheme will be subject to an assessment of the council's service effectiveness as assessed by an independent scheme administrator. It is clear that moving forward the team will need much greater business insight in terms of data gathering to protect/justify our annual EPR funding settlement. This data will include metrics such as waste composition, contamination rates pre and post sorting, participation rates, income generation, peer review and benchmarking. Further clarity is required as to what will contribute to a positive assessment of collection effectiveness and efficiency, but given the council's history of high performance compared to other LAs with a similar demographic this bodes well moving forward. However, by continuing to collect via a fully comingled dry recyclable system, this may pose a future financial risk if deemed an inefficient method although this is thought to be unlikely. This should become clearer as the scheme matures.

8.7 As previously referred, we also anticipate a significant additional financial pressure from 2028 when the Emissions Trading Scheme (ETS) is expanded to include Energy from Waste. This will mean that the cost of waste treatment will increase based on the carbon content of general waste and we anticipate the cost to the council could be between £1 to £2m per year from 2028. So, in considering future waste collection options, higher recycling performance means less general waste to EfW and therefore some mitigation against the ETS from 2028, the benefit of which is not factored into the options appraisal. It is expected that that the significant EPR funding received on an annual basis will off-set these pressures in future years but the funding picture remains unclear.

Costs

8.8 The modelling report only covered the direct cost of fleet, staff and disposal and doesn't cover the additional costs such as supervision, IT, PPE, communications, education and business intelligence as referred to at paragraph 8.5 above. The requirement to introduce communal recycling and food waste collections for flats across the city will bring with it a significant additional management burden to ensure the 2000+ household communal waste compounds are managed and maintained with contamination and waste storage issues quickly addressed and proactively rather than reactively which could become a major burden in the form of contact centre contact and complaints.

8.9 An actual estimated cost model has been developed to cover the full cost of the recommended option and the ongoing revenue cost is estimated to be c£4m in 2026/27 but these will be reviewed during 2025/26 such that they can be built into the 2026/27 Budget.

8.10 There will also be a significant need for funding in 2025/26 as we transition the various requirements such that we are fully operational from April 2026 and plan to roll out a series of trials across the year that will help optimise the city wide roll out in 2026/27. At this stage, it is estimated that the cost in 25/26 is £2m.

Key dependencies

8.11 Depot space is already at a premium and no option can be accommodated on the existing depot footprint at Stockholm Road. Parking for an additional 18 large refuse collection vehicles and parking for 50 staff will need to be accommodated.

8.12 The additional staff numbers will put significant further pressure on already inadequate mess and toilet facilities so an urgent review of depot layout and internal and external investment is required factoring in the council's wider priorities including fleet electrification, green energy, transport expansion and plans for the former McBride's site.

8.13 Waste contracts all end on March 31st, 2030. A change to the way organics are collected can be accommodated but a move to an alternative dry recyclable collection regime would have financial implications if indeed the contractor was minded to contemplate a variation.

8.14 The national demand for new caddies and vehicles is likely to present supply chain difficulties but the team are already engaged with incumbent suppliers and KWL to deliver within the timescale. Lead times for vehicles are thought to be deliverable on the basis of a decision by March 2025.

8.15 It is anticipated that East Riding of Yorkshire Council will change their mixed food and garden waste brown bins from a fortnightly collection to a weekly collection in line with the recommendations for Hull City Council as set out in this report.

9. Comments of the Monitoring Officer (Town Clerk)

9.1 The Environment Act 2021 introduced a wide range of new measures for local authorities. Parts of the legislation did not come into force at the commencement of the Act. The Secretary of State had powers to make regulations to introduce elements of The Environment Act 2021 later. It was confirmed late last year that weekly food and garden waste collections would be required and new requirements to collect food waste from businesses.

9.2 There are separate decisions being made around the Procurement of services for the Council to be compliant with the new amendments. The recommendations in this report are therefore supported. (PG)

10. Comments of the Section 151 Officer (Director of Finance and Transformation)

10.1 The contents of the report are noted. The recommendation to implement Option 1 of a weekly brown bin collection combining food and garden waste from April 2026 is supported as this appears to be the optimum delivery model and value for money option. The operational and financial resourcing model continues to

be developed and includes a mobilisation and training period; the estimated cost for 2025-26 is £2m has been included within the approved 2025/26 Budget and has been funded from within the £6m funding allocated regards the implementation of Extended Producer Responsibility (EPR). The full implementation from April 2026 will require a higher level of funding and it is expected that EPR and other associated funding streams will be considered as part of the 2025 Spending Review. The re-tendering of the current waste contract and the complexities of the various associated waste funding steams will form an important part of MTFP deliberations over the coming years. (WL)

11. Comments of the Assistant Director OD & HR and compliance with the Equality Duty

11.1 The content of the report is noted. Staffing impacts of the changes have been articulated within the report and there are no equality impacts arising. KH

12. Comments of Overview and Scrutiny

12.1 This report is due to be considered by the Communities Overview and Scrutiny on the 13th of March 2025. Any comments or recommendations agreed by the Commission, will be tabled at Cabinet, for consideration alongside the final report. (Sc8605 – AS)

13. Comments of the Portfolio Holder for the Environment (Councillor Quinn)

13.1 The requirement to collect household food waste on a weekly basis from April next year requires a decision now in order to prepare to get staff, vehicles and infrastructure in place.

Two realistic options have emerged from our modelling and analysis, and there are pros and cons to both.

I support Option 1 to make current brown bin collections weekly and continue with weekly food caddie collections for those without a brown bin. This is the option that has the least risk and challenge to implement, and also fits our current contract for food waste recycling. Option 2 would require developing a whole new collection system, and providing households with an additional bin to separate food and garden waste, only to mix them together again for composting until our current food waste processing contact ends in 2030. This would be an inefficient system to implement at this stage.

Moving to weekly Brown bin collections is the most logical option at this stage. It is the first step of many and leaves open the option of further improvements to recycling collections over the coming years.

Chris Jackson – Corporate Director Regeneration Services

Contact Officer: Paul Thomas Telephone No.: 2776

Officer Interests: None

Background Documents: -

Waste modelling options assessment November 2024 – Available on request

Implications Matrix

This section must be completed and you must ensure that you have fully considered all potential implications

This matrix provides a simple check list for the things you need to have considered within your report

If there are no implications please state

I have informed and sought advice from HR, Legal, Finance, Overview and Scrutiny and the Climate Change Advisor and any other key stakeholders i.e. Portfolio Holder, relevant Ward Members etc prior to submitting this report for official comments	Yes
I have considered whether this report requests a decision that is outside the Budget and Policy Framework approved by Council	Yes
Value for money considerations have been accounted for within the report	Yes
The report is approved by the relevant Director/Assistant Director	Yes
I have included any procurement/commercial issues/implications within the report	Yes
I have considered the potential media interest in this report and liaised with the Media Team to ensure that they are briefed to respond to media interest.	Yes
I have included any equalities and diversity implications within the report and where necessary I have completed an Equalities Impact Assessment and the outcomes are included within the report	Yes
Any Health and Safety implications are included within the report	N/A
Any human rights implications are included within the report	N/A

I have included any community safety implications and paid regard to Section 17 of the Crime and Disorder Act within the report	N/A
I have liaised with the Climate Change Advisor and any environmental and climate change issues/sustainability implications are included within the report	Yes
I have considered how the decision may contribute or impact on culture and heritage within the city.	N/A
I have included information about how this report contributes to the Community Plan/ Area priorities within the report	Yes
I have considered the impact on air quality, carried out an appropriate assessment and included any resulting actions or opportunities necessary to improve air quality in the report.	N/A