

Report of Director of Environment and Neighbourhoods

Report to Executive Board

Date: 18th July 2012

Subject: Funding application to Department for Communities and Local Government for weekly food waste collections and associated infrastructure

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. This report seeks Executive Board approval to submit a final bid to the Department for Communities and Local Government (DCLG) Weekly Collection Support Fund (WCSF) to obtain funding to support the roll out of weekly food waste collections to approximately 80% of the City's residents.
2. The report provides an overview of the funding bid and, should it be successful, the implications for waste collection services and recycling rates in Leeds, and other areas of environmental performance.
3. The report also provides details of the financial implications for the Council should funding be awarded, in particular during years 4 and 5 of the scheme (2015/16 and 2016/17) when Leeds would be obliged to continue provision of the same level of service despite funding only being available during years 1 to 3 (2012/13 to 2014/15).
4. The report also notes the intention to seek further Member approvals regarding the specific weekly food waste collection service roll-out plans, to include the proposed geographical areas for inclusion within Phase 1, or, in the event that the DCLG bid is unsuccessful, for the pilot of fortnightly residual waste and recycling collections agreed by Executive Board in December 2011.

Recommendations

It is recommended that the Executive Board:

- a) Note the contents of this report and approve the submission of a final bid to the WCSF by August 17th 2012, to fund the roll-out of weekly food waste collections to 80% of residents in the City;
- b) Agree to the continued provision of these weekly food waste collections for at least two years beyond the end of the DCLG funding period (i.e. 2015/16 and 2016/17) as required by DCLG;
- c) Approve additional funding of approximately £4.0m per annum to deliver this service during the financial years 2015/16 to 2016/17, but noting that: the savings in disposal costs (compared to landfill) derived from the development of the Residual Waste Treatment PFI facility would significantly offset these costs; savings of an estimated £2.5m per annum from the fortnightly collection of residual waste and recycling that would accompany weekly food waste collections would also mitigate the costs of food waste collections post 2014/15 (see section 4.4 for further details);
- d) Give authority to the Director of Environment and Neighbourhoods to amend the bid to address feedback from DCLG provided that the proposals remain within the level of funding agreed at Recommendation c) above;
- e) If the bid is successful, agree to a fully funded injection into the Capital Programme of the capital costs included within the final approved bid (currently calculated at £8.15m), and give Authority to Spend up to this amount;
- f) Note officers' intention to seek further Member approvals regarding the specific weekly food waste collection service roll-out plans, including the proposed geographical areas for inclusion within Phase 1, or, in the event that the DCLG bid is unsuccessful, for the pilot phase of fortnightly residual waste and recycling collections agreed by Executive Board in December 2011.

1 Purpose of this report

1.1 The purpose of this report is to secure Executive Board approval for the submission of a final bid for approximately £17.6m of funding from the Weekly Collection Support Fund (WCSF) managed by the Department for Communities and Local Government (DCLG). The report considers the following:

- a) How the funding would contribute to progress against the existing recycling strategy;

- b) How the funding will contribute towards the delivery of the recycling strategy approved by Executive Board in December 2011;
- c) The longer-term financial implications should the bid be successful.

2 Background Information

2.1 DCLG Supporting Weekly Collections Fund

- 2.1.1 The Weekly Collection Support Scheme was announced in February 2012 and is a challenge fund designed to support local authorities to introduce, retain or reinstate a weekly collection of residual waste. It is a three year fund from 2012/13 to 2014/15 with a spend profile of up to £250m over three years: £50m in year one, and £100m in each of years two and three.
- 2.1.2 Through this challenge fund approach, innovative bids have been invited from local authorities that:
 - Guarantee to introduce, retain or reinstate weekly collections of residual waste for five years; and
 - Provide environmental benefits or improvements on current environmental performance; and
 - Demonstrate value for money.
- 2.1.3 The funding is for three years but requires a commitment from the receiving local authority to deliver the new funded service for five years (i.e. 2 years unfunded). The process required submission of an outline bid in May 2012 to be followed by a final bid in August 2012. DCLG and Local Government Association ran workshops to explain the funding application process which officers from Leeds attended.
- 2.1.4 Payments will be in the form of a Section 31 grant which is not ring-fenced. This kind of grant payment allows local authorities greater flexibility in how they go about providing services to their residents. DCLG will not claw back funding awarded under this Scheme in-year. However, in order to minimise risk, funding will only be paid one year at a time. The profile of payments and whether funds are paid in advance or arrears (within the financial year) will be agreed once successful bids have been identified.
- 2.1.5 The Section 151 Officer in the lead bidding authority will be personally accountable for ensuring that funding is spent responsibly.
- 2.1.6 A Technical Advisory Group (TAG) has been formed to assess bids in terms of the evidence and information presented against the criteria, and to determine whether they are deliverable, achievable and realistic, and that sufficient governance and/or infrastructure is in place (or being prepared) to support the proposed project. Where the TAG consider that a bid does not sufficiently demonstrate its feasibility then they will advise the policy team, who may in turn request more information. All local authorities are required to ensure that any submitted bids follow the standard processes and procedures for spending public money.
- 2.1.7 Information supplied by DCLG states that the funding is not available for local authorities who have a weekly residual collection service and are planning to move to a fortnightly collection service. However, there is one exception:

- *'a local authority that had already announced it would move from a weekly to a fortnightly collection without weekly food waste collections, before the Scheme was launched on 3 February 2012, would be eligible to bid to add a weekly food waste collection. This would be the case even if residents are currently still receiving a weekly residual collection. This is because at the time the Scheme was announced it was unclear whether this category of bid would be within the scope of the Scheme.'*

2.1.8 Leeds City Council appears to fall within this definition as the new Recycling Strategy was agreed at the Executive Board meeting on 14th December 2011.

2.1.9 Accordingly, Leeds submitted an outline bid in May 2012 to fund the roll out of weekly food waste collections to 80% of Leeds' residents. The Council has now received constructive feedback from DCLG on the outline bid which will assist with the completion of the full bid. Whilst the Leeds submission will be assessed against the high number of other authorities expected to submit full bids, and in the context of the total funding available nationally, the bid for Leeds is still believed to be eligible when considered against the criteria.

2.1.10 The main difference between the outline bid and the final bid is that the final bid must have been approved in accordance with Leeds' own corporate governance processes, as well as approved by the S151 officer.

2.1.11 The deadline for the final bid is 17th August 2012.

2.2 Current approved strategy

2.2.1 The Executive Board meeting of 14th December 2011 reaffirmed the vision and key principles of the Integrated Waste Strategy for Leeds and in particular approved the following increases to the Council's household waste recycling targets

- To achieve a combined recycling and composting rate of greater than 55% of household waste by 2016 with a long term target to exceed 60%;

2.2.2 The Council has made good progress in recent years, with current performance for 2011/12 at 37.3% as compared to 22.3% in 2006/7. The next phase of service improvements targeted includes the delivery of the following:

- Closing out the few remaining gaps city-wide in basic recycling provision;
- Completing the roll-out of garden waste collections to remaining suitable properties;
- Introducing a pilot of fortnightly recycling and residual waste collections during 2012/13 (which subject to its success would be rolled out to approximately 80% of properties city-wide);
- Increasing the recycling performance of Household Waste Sorting Sites city-wide;
- Increasing the recovery of materials for recycling from residual waste.

However, the achievement of the 55% target by 2016 is dependent on the roll-out of separate food waste collections city-wide. There is a substantial additional cost associated with the introduction of this additional weekly collection of waste, and, in light of current budgetary pressures, this remains a barrier to the delivery of this service and the realisation of the Council's recycling aspirations.

3 Main Issues

Food Waste Collections - Background

- 3.1 A collection service of weekly food waste collections, with fortnightly recycling, garden and residual waste collections is currently provided to 8,400 properties in the Rothwell area of Leeds. The service has been, and remains, a major success and over 2,000 tonnes of food waste have been diverted from landfill since the scheme commenced in late February 2010.
- 3.2 In terms of overall recycling performance, Rothwell registered a kerbside recycling rate of 53%, as reported to Scrutiny Board in the 2010 evaluation report, which compared extremely favourably with the city-wide average of 28% achieved by the standard kerbside collection service. Based on the Rothwell model it is estimated that a roll-out of weekly food waste collections to 80% of properties city-wide would enable the capture of approximately 26,000-30,000 tonnes of food waste per annum, equating to an additional contribution of 8.4% to the overall household waste recycling rate for Leeds.
- 3.3 As noted, the achievement of the 55% target by 2016 is dependent on the roll-out of food waste collections city-wide. However, as noted, the roll out of this service to the rest of the city, even taking into account avoided landfill costs would involve a substantial additional cost to the Council over the existing standard service.
- 3.4 Whilst adding one additional route would, in itself, only cost around an additional £120k-£140k per annum, rolling out an entire new service on a city-wide basis requires a much greater level of physical and human resource to ensure an efficient and reliable service is provided. A city wide roll out would require additional depot infrastructure, operational supervision, and a proactive communication and education programme. Together these costs would be in excess of £4m a year.
- 3.5 The roll-out of this service therefore remains aspirational and would only be possible through securing additional funding such as that potentially available through the DCLG fund.

Proposed Bid

- 3.6 The DCLG Weekly Commitment Fund represents a unique opportunity to acquire funding to offer a weekly food waste collection service to households in Leeds.
- 3.7 A successful bid would deliver a new, weekly kerbside collection of food waste city-wide, to approximately 254,000 households.
- 3.8 As noted, the Council has already agreed to introduce fortnightly collections of recycling and residual waste to up to 40,000 properties in 2012/13, and, subject to securing DCLG funding, the Council would also introduce weekly food waste

collections to these properties, with phased roll-out city-wide over the subsequent two years. The provisional roll-out programme is as follows:

- 2012/13 - 40,000 households (approximate) Phase 1 (pilot) area;
- 2013/14 - phased roll out to 75% of the city;
- 2014/15 – complete roll-out to remaining suitable properties to achieve service to 80% of households.

3.9 It is envisaged that by the end of 2014/15, with the benefit of DCLG funding, 80% of the City will be receiving weekly food waste, and fortnightly SORT and residual waste collections.

3.10 An analysis of route data is currently being undertaken, examining city-wide recycling and residual waste collection performance, including household participation rates and tonnages/ tipping weights. This analysis is intended to identify those areas across the city whose relative recycling and residual waste performance rates make them more suitable for the roll-out of Phase 1 of the weekly food waste collection service, and also for the pilot of fortnightly collections of recycling and residual waste should the bid to DCLG be unsuccessful. A further report will be submitted to Members on the specific areas of the City proposed. The precise boundary, size and property count of the Phase 1 pilot area will be determined as part of the detailed planning and route design stage.

3.11 Irrespective of the outcome of the DCLG bid, the target date for either the roll-out of Phase 1 of the food waste collection service or the pilot of fortnightly collections is February 2013. However, given that the outcome of the DCLG bid will not be announced until October 2012, and given the time needed to secure and mobilise the resources and infrastructure needed to deliver these new services, there are greater risks associated with meeting this deadline in the event that the bid is successful and the Council plans to introduce further food waste collections.

3.12 If successful, the funding will be used for:

- Purchase outright of 20 new vehicles suitable for food waste collections, plus a spare pool of 5 vehicles;
- Introduction of 20 additional food waste collection crews (which would result in the creation of over 100 new jobs);
- Development of an additional collection vehicle depot;
- 2 new gas-refuelling points to support the introduction of gas powered collection vehicles (and the associated environmental benefits);
- 23 litre bins and 5 litre kitchen caddies for 254,000 households;
- Cornstarch liners (3 per week) for 254,000 properties;
- Route development resources, IT support and licences;
- Additional supervisory, communications support staff and other communication materials.

3.13 New vehicles will be purchased to deliver the service. The crews will comprise a driver and two loaders. In the initial weeks of each roll-out of the service a back up vehicle will need to be available to respond to any missed collections.

- 3.14 LCC is committed to reducing its carbon footprint, and is currently looking to expand its fleet of gas-powered vehicles. This fleet would be expanded through this bid and supported by two additional gas-refuelling points at strategic locations in the City.
- 3.15 The City Council refuse and recycling collection vehicles currently operate from two depots, located in the north-west and east of the City, and there is insufficient capacity at these depots to accommodate the extra vehicles and crews outlined in 3.12 and 3.13 above. To deliver this new collection service in an efficient and flexible manner, a third depot is therefore required in the south-west of the City. The Service has already instigated a site search for a suitable site in discussion with Asset Management, concentrating on Council owned sites in industrial areas with good highways access. Initial estimates indicate that the costs associated with redeveloping a vacant site into a depot with associated office, vehicle, welfare and other facilities, and assuming an element of work to address ground conditions, is in the region of £2.8 million. Final costs will depend on the specific site conditions identified through surveys, and any planning requirements. However, an element of cost has been assumed in order to deal with any such issues.
- 3.16 The bid reflects savings due to landfill avoidance. Food processing costs are based on direct-delivery to a local in vessel-composting treatment facility. LCC is actively exploring the feasibility of developing local anaerobic digestion treatment capacity and the aspiration is that this will be the future treatment method for food waste.
- 3.17 The delivery of this new service will require all the collection routes to be redesigned to account for the lower weights of residual waste due to the capture of food waste. The most recent composition analysis has shown that food waste accounts for approximately 27% of the residual waste. Funding is required to provide additional route development resources, an appropriate number of software licences and IT support for delivery.
- 3.18 The bid will also require the creation of additional management and supervisory posts on to the Waste Management structure to ensure effective service delivery.
- 3.19 The aim is to make the new collection service as straight forward as possible for the user. This will be facilitated by the development of new communications materials. Specially trained communications staff using the 'Waste Doctor' approach, will also be used. They will be available on the new rounds to support the public with the enhanced service. They will explain how to use the new food collection bins, the types of waste that are acceptable and how and when to present them for collection. The 'Waste Doctors' will address any issues or concerns raised by the public to ensure that the new service has a high participation rate. This replicates the successful approach used in the Rothwell area where kerbside recycling rates of a minimum of 53% were achieved as compared to the city wide rate of 28% during 2010/11.
- 3.20 The new service will divert approximately 96,000 tonnes of food waste for treatment over the five years that the scheme covers, thus delivering a significant reduction in carbon emissions since this waste would have otherwise been disposed of primarily to landfill. It is projected that these service developments will increase Leeds' overall recycling performance by over 8.4%.

Environmental benefits of the bid

- 3.21 In 2012/13, the initial roll out will be to approximately 40,000 households. It is anticipated that this will divert over 700 tonnes of food waste from landfill (calculated at 1.96kg per household per week). In 2013/14, this service will be rolled out further in phases to an additional 197,250 households, diverting over 16,400 tonnes of food waste, adding 5.4% to the household waste recycling rate. By 2014/15 it is estimated that 26,000 tonnes of food waste will be diverted from landfill, adding around 8.4% to the recycling rate. The total amount of food waste diverted during the three years of funding will be 43,300 tonnes and this rises to around 96,000 tonnes diverted over the five years of the Weekly Collection Scheme. These benefits will naturally continue to be realised beyond the period of the scheme.
- 3.22 The funding bid would also be highly significant in contributing to the delivery of Leeds' commitment to reducing its carbon footprint. In the first instance all food waste collected via this new weekly collection service will be treated by in-vessel composting. In the long term it is envisaged that the food waste will be treated through an anaerobic digestion (AD) process, where the additional environmental benefits of energy generation, biogas and digestate fertiliser will also be realised.
- 3.23 Leeds is currently undertaking a feasibility study into the development of an AD plant in the City, with a view to developing local treatment capacity. This will assess formally the technical, procurement and partnership options that would best enable the delivery of an AD solution for Leeds, and an appraisal of options for use of the biogas resulting from the AD process, including combined heat and power, supply of gas to the grid and production of bio-methane as a vehicle fuel and the associated carbon reductions. Research has indicated that there could be as much as 70,000-80,000 tonnes of food waste per annum arising in the Leeds area from both commercial and domestic sources (i.e. including the tonnages targeted through this bid).
- 3.24 Leeds is keen to explore whether it could act as a catalyst for bringing forward an AD solution for the City by working in partnership with other sectors. The introduction of weekly food collections in Leeds would help to give the market confidence to develop AD capacity in Leeds due to the availability of a guaranteed feedstock.
- 3.25 Leeds is also looking to expand its fleet of gas-powered vehicles. As part of this bid, the intention is to expand this fleet, supported by additional gas-refuelling infrastructure. This will bring the added environmental benefits of cleaner exhaust emissions from the fleet, contributing to an improved air quality and lower carbon emissions within the city. The provision of additional re-fuelling points would also allow further expansion of the gas-powered fleet as older diesel vehicles are replaced.
- 3.26 If the food waste collected is treated by in-vessel composting for all five years of the bid, this would provide an estimated reduction in carbon dioxide emissions of 46,888,154 kg CO₂e. These benefits will increase if during this period, anaerobic digestion treatment facilities become available for the treatment of this waste.

Financial implications

3.27 One of the most significant issues in relation to the bid is the requirement that Leeds continues to fund delivery of the new weekly food collections for two years after the three year WCSF ends. The costs associated with this are estimated at:

- £4.1m for 2015/16;
- £4.2m for 2016/17.

3.28 The proposed Residual Waste Treatment PFI facility is expected to be fully operational by March 2016. In the first full year of operations (2016/17) the Unitary Charge payable to Veolia is estimated to be £3.6m lower than the cost of landfill in that year (assuming the kerbside collection roll-out proposed within the DCLG bid and the resulting residual waste tonnages for treatment). These savings could then be reinvested to provide a substantial proportion of the ongoing funding for the City wide roll out of food waste collection services, which are integral to the Council achieving its 55% recycling by 2016.

3.29 The deliverability of the PFI solution therefore becomes critical to enabling this roll-out. If not successfully delivered, as well as the Council being exposed to the rising costs of landfill reported to the Executive Board on 20th June 2012, there is a significant risk that the Council would be committed to funding a regime of enhanced recycling collection services that it was unable to afford.

3.30 In addition to the savings associated with the PFI solution for residual waste, there are also savings from the roll-out of fortnightly collections of residual waste and recycling that would accompany the proposed weekly food waste collections. These savings are estimated at around £2.5m in a full year. These savings are not incorporated into the bid to DCLG, as they are already reflected in the Council's Medium-Term Financial Strategy and therefore its wider resource planning across all services.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The importance of resident communication and engagement to success of the recycling strategy has been highlighted within this report. The identification of sufficient resources to develop and implement the necessary communications plans is of critical importance, and this has been discussed with the Corporate Communications team.

4.1.2 It is proposed that a series of locality based proactive communication events are undertaken to confirm the prioritisation of areas to receive the fortnightly recycling and residual waste collections discussed at 2.2.4 to ensure that all residents have the required and appropriate access to recycling and any unresolved issues with collections are addressed prior to implementing service changes. As part of this staged consultation process, input into the detailed implementation plans and waste policies will be sought from Members, residents and other relevant stakeholders.

4.1.3 If the bid to DCLG is successful and weekly food waste collections are also to be offered to residents, a similar approach will be adopted. In any future service changes the best practice gathered during the Rothwell model will be replicated as appropriate, and in particular the successful 'Waste Doctor' approach will be utilised.

4.2 Equality and Diversity Cohesion and Integration

4.2.1 If the bid to DCLG's WCSF is successful and funding is allocated to Leeds, a screening report will be completed and an impact assessment undertaken as appropriate in relation to equality.

4.3 Council Policies and City Priorities.

4.3.1 Approval to submit this bid provides an opportunity to secure funding to support delivery of the Council's Integrated Waste Strategy 2005-2035, and would be critical in supporting achievement of the Council's recycling targets.

4.3.2 Funding would also support delivery of the wider aspirations for Leeds set out in the new Leeds Vision, City Priority Plans, Directorate Priorities and Cross Council Priorities. The five new City Priority Plans developed by the Partnership Boards cover the period 2011 to 2015 with the most relevant in relation to the Waste Strategy being:

- Safer and Stronger Communities - including city-wide cleanliness
- Regeneration - including sustainable growth
- Sustainable Economy - including low carbon economy

4.3.3 This also further supports the Council's vision that by 2030 Leeds will be locally and internationally recognised as the best city in the UK.

4.4 Resources and Value for Money

4.4.1 The total cost of the bid to be submitted to DCLG is £17.6m as outlined in Table 1 below:

Table 1

	2012/13 (£000)	2013/14 (£000)	2014/15 (£000)	Bid Total (£000)	2015/16 (£000)	2016/17 (£000)
REVENUE						
Collection (crew + vehicles running costs)	186.2	2,865.1	3,720.7	6,772.1	3,580.5	3,580.5
Food waste liners	144.5	867.1	921.3	1,932.9	921.3	921.3
Disposal costs (avoided)	(34.9)	(929.9)	(1,634.1)	(2,598.9)	(1,700.0)	(1,513.7)
Additional depot running costs	-	256.5	256.5	513.0	256.5	256.5
Supervision and management (incl route development)	346.4	880.7	845.5	2,072.5	845.5	845.5
Communications	120.0	600.0	45.0	765.0	75.0	75.0
Revenue Total	762.1	4,539.5	4,154.9	9,456.6	3,978.8	4,165.1
CAPITAL						
Vehicles		4,050.0		4,050.0		
Bins	137.1	697.8	125.1	960.0	48.9	48.9
Depot		2,791.8		2,791.8		
Gas refuelling stations		350.0		350.0		
Capital Total	171.4	7,889.6	51.8	8,151.8	48.9	48.9
Total	899.2	12,429.1	4,206.7	17,608.4	4,027.7	4,214.0
Weekly Collections Scheme Grant	(899.2)	(12,429.1)	(4,206.7)	(17,608.4)		
Disposal cost savings from PFI					(3,061.5)	(3,591.2)
Net costs	0	0	0	0	966.2	622.8

- 4.4.2 This table also outlines the ongoing revenue commitment required by the Council to comply with the terms of the DCLG scheme. Broadly this is just over £4m per annum for a minimum period of two years. However, as previously discussed in section 3.28 and as shown within Table 1 above, the successful delivery of the Residual Waste Treatment PFI facility can provide a significant proportion of the funding for this.
- 4.4.3 In addition to these PFI savings, by the end of 2014/15 there are estimated savings from the fortnightly collection of residual waste and recycling of around £2.5m per annum to be taken into account. These savings have already assumed within the Council's Medium-Term Financial Strategy.
- 4.4.4 The costs in the bid have been calculated based on the assumptions outlined in section 3 of this report. The most significant element of the revenue costs are the front line operating costs of the 20 new food waste collection routes (crew and vehicles). These collection costs are partially offset by savings in disposal costs. In 2012/13, the cost of landfilling waste averages around £81 per tonne, and this is expected to rise to £100/t by 2015/16 prior to the delivery of the PFI treatment facility. In comparison, the current disposal cost of food waste (via in-vessel composting) is around £30/t.
- 4.4.5 The cost of food waste caddy liners is nearly £1m per annum, assuming an average use of 3 liners per week per Household.
- 4.4.6 As can be seen from Table 1 above, the bid involves a capital element of around of £8.15m. If successful, this amount (or the amount ultimately approved by DCLG) would be need to be injected into the capital programme. Whilst final capital spend would not be known until a procurement exercise is completed, Authority to Spend of the amount included within the approved bid is required..
- 4.4.7 Recent City Council tenders for vehicles have provided the basis of the estimated vehicle costs; whereas the estimated costs of bins and liners have been sourced from the appropriate existing framework contract.
- 4.4.8 Whilst initial work is in progress to identify potential sites for a new depot, the capital costs of a depot are an estimate and assume land in the Council's ownership can be identified and brought into use for this purpose. The estimated revenue costs of a new depot are based upon the costs of the existing depot on Knowsthorpe Way, Cross Green Industrial Estate.
- 4.4.9 The estimated costs of the gas re-fuelling station are taken from the cost of the similar facility installed in March 2011 at the Knowsthorpe Way depot.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 There are no direct legal implications arising from this report. Any decisions to implement service changes such as new or revised collection arrangements will be subject to existing decision making and governance arrangements including potential call in as appropriate.

4.6 Risk Management

4.6.1 The primary risks relating to the proposed strategy are:

- 4.6.1.1 *Disruption to refuse and recycling collection services as a result of the extent of the proposed service changes* – this risk will be managed through effective route planning and trade union and operational workforce consultation;
- 4.6.1.2 *Delays in securing the necessary resources and infrastructure to implement weekly food waste collections within targeted timescales* – assuming there are no delays in the conclusion of DCLG's bid evaluation process, this risk will be managed through robust project management and co-ordination of procurement, asset management, planning and operational activities;
- 4.6.1.3 *Increases in actual capital and revenue costs beyond those projected* – costs included within the bid (and this report) have been developed as robustly as possible, and the Council has previous experience of all of the planned developments on which to base these costings. External factors such as market gate fees for food waste processing (particularly anaerobic digestion), or specific site or planning related issues, are less certain, but this will be closely monitored by the Council's Waste Strategy team.
- 4.6.1.4 *Delays in delivery of Residual Waste Treatment PFI solution* - the PFI project continues to be subject to robust project management by the Council's Public Private Partnership Unit (PPPU). The decision on planning permission remains a key risk, but proposals have been developed so as to maximise the project's likelihood of success. However, delays to the project (whether during the planning or construction phases) could mean that savings from avoided landfill were not realised and Government PFI grant payments were delayed, such that the anticipated funds to offset additional collection costs were not available.
- 4.6.1.5 *Delays in DCLG bid evaluation* – the outcome of the DCLG evaluation process is expected to be announced in October 2012. With the initial phase of the roll-out planned for early 2013, any delays may impact on the Council's ability to mobilise resources and new services according to the phased bid programme, and the potential impact of this on the availability of funding for each of the funding years under the scheme needs to be clearly established with DCLG. The timing of roll-outs included within the bid will be tested again for deliverability by the Council's Project Team prior to submission to DCLG in August 2012.

4.6.2 Detailed identification of risks and mitigations will be undertaken for the individual implementation plans.

5 Conclusions

5.1 Based on the above, it is proposed that the Council submits a bid to the Supporting Weekly Collections Fund to support the roll out of food waste collections to 80% of Leeds households by 2014/15.

- 5.2 If the bid is successful, weekly food collections will contribute an approximate additional 8.4% to the recycling rate, helping to achieve the new Waste Strategy target of 55% by 2016.
- 5.3 The funding will allow weekly food waste collections to be incorporated into the previously agreed pilot phase of fortnightly recycling and residual waste collections to be implemented during 2012/13.
- 5.4 The funding will also provide the feedstock certainty and market confidence required to help facilitate development of an anaerobic digestion solution for Leeds' household food waste in addition to any commercially arising food wastes and thus delivering the associated environmental and renewable energy benefits of this technology for the City.
- 5.5 The requirement for adequate resources for planning, phasing and communications in order to ensure an effective and seamless implementation of a new food waste collection will be fully addressed in the bid to DCLG.

6 Recommendations

6.1 Members of the Executive Board are recommended to:

- a) Note the contents of this report and approve the submission of a final bid to the WCSF by August 17th 2012, to fund the roll-out of weekly food waste collections to 80% of residents in the City;
- b) Agree to the continued provision of these weekly food waste collections for at least two years beyond the end of the DCLG funding period (i.e. 2015/16 and 2016/17) as required by DCLG;
- c) Approve additional funding of approximately £4.0m per annum to deliver this service during the financial years 2015/16 to 2016/17, but noting that: the savings in disposal costs (compared to landfill) derived from the development of the Residual Waste Treatment PFI facility would significantly offset these costs; savings of an estimated £2.5m per annum from the fortnightly collection of residual waste and recycling that would accompany weekly food waste collections would also mitigate the costs of food waste collections post 2014/15 (see section 4.4 for further details);
- d) Give authority to the Director of Environment and Neighbourhoods to amend the bid to address feedback from DCLG provided that the proposals remain within the level of funding agreed at Recommendation c) above;
- e) If the bid is successful, agree to a fully funded injection into the Capital Programme of the capital costs included within the final approved bid (currently calculated at £8.15m), and give Authority to Spend up to this amount;

- f) Note officers' intention to seek further Member approvals regarding the specific weekly food waste collection service roll-out plans, including the proposed geographical areas for inclusion within Phase 1, or, in the event that the DCLG bid is unsuccessful, for the pilot phase of fortnightly residual waste and recycling collections agreed by Executive Board in December 2011.

7 Background documents¹

- Integrated Waste Strategy for Leeds 2005-2035;
- Recycling strategy – report to Executive Board - December 2011;
- Rothwell recycling pilot evaluation - report to Scrutiny Board – July 2010.

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.