

Report to: Cabinet Meeting: 10 June 2025

Portfolio Holders: Councillor Simon Forde – Climate & the Environment  
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Director Lead: Matt Finch – Communities & Environment

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Report Summary	
<b>Type of Report</b>	Open Report / Key Decision
<b>Report Title</b>	Procurement of Vehicles for the Rollout of Domestic Kerbside Food Collection Service
<b>Purpose of Report</b>	The report outlines the vehicle requirements to prepare for the domestic food waste collections which start in October 2027. These collections will be a statutory service.
<b>Recommendations</b>	<p>That Cabinet approve:</p> <ul style="list-style-type: none"> <li>a) a Capital budget of £1,304,750 financed by the £1,093,049 Capital Grant received in 2024/25 and the remaining £211,701 Revenue Contribution to Capital from the Revenue Grant received for the purchase of 8 food waste collection vehicles and 55,071 bins;</li> <li>b) the allocation of the remaining Revenue Grant of £1,215,299 (of the £1,427,000) to the Residential Food Waste Reserve in the event of additional costs; and</li> <li>c) the Revenue Budget increase from 2027/28 where possible, funded from Food Waste Reserve, in anticipation of an increase in the establishment by 18 new employees from 2027/28.</li> </ul>
<b>Alternative Options Considered</b>	<p>Consideration was given to collect food waste using alternative collection methodology. Collection modelling was carried out to assess the viability of collecting using an entirely new fleet of split bodied vehicles or collecting alongside source separated recycling materials from the kerbside each week in a new fleet of recycling vehicles.</p> <p>These options were both discounted due to the significant capital expenditure required (estimated to be around £3m and £4m respectively) and the issue of needing to re-establish the 7-year fleet replacement schedule as an entire new fleet that is</p>

	the same age would otherwise need replacing at the same time.
<b>Reason for Recommendations</b>	The proposal aligns to Objective 5 of the Community Plan as we develop plans for a weekly food waste collection. There is a statutory requirement to provide a kerbside food waste collection service from October 2027.

## **1.0 Background**

- 1.1 In 2018, the former Government laid its plans to revolutionise the way local authorities collected and managed recyclable waste through the National Resources & Waste Strategy. This has since been reviewed and is now being progressed under the title of 'Simpler Recycling'. One of the key parts of this strategy is the move to create consistent waste and recycling collections across the UK and to mandate local authorities to collect food waste on a weekly schedule from April 2026. All Waste Collection Authorities in Nottinghamshire have had a transitional arrangement agreed for food waste which means it will start 18 months later.
- 1.2 For Newark & Sherwood, this will mean as well as the current materials of plastic bottles, food and drink cans, aerosols and paper and card, items such as foil, food and beverage cartons and plastic tubs, pots and trays will also be acceptable in the silver bin mixed with the existing range of materials. It will also mean that we will have to provide all domestic properties access to a new weekly kerbside food waste collection.
- 1.3 For several reasons, there have been delays to implementing this policy but with recent payments being made by central Government to local authorities, we are now able to plan and budget for how these changes will impact NSDC.
- 1.4 The most notable changes and timescales for how we will collect waste and recycling going forward are:

### **April 2025**

- Trade waste customers with 10 or more employees will be obliged to separate food waste and arrange for this to be collected separately.
- These businesses will also be required to separate and arrange collections for an extended range of recyclable materials.
- Schools and educational establishments are also required to separate and arrange collections for an extended range of recyclable materials.

### **April 2026**

- All households will be able to add an extended range of materials in their silver bin such as food and beverage cartons, plastic tubs pots and trays and clean foil. These can be mixed with the items we can already accept.

### **April 2027**

- All other commercial premises (with nine or less employees) will be required to recycle the full range of materials and separate any food waste for collection.
- All domestic and commercial premises will be able to recycle plastic film (soft plastics) from the kerbside such as bread bags, crisp packets and bubble wrap. There are still discussions taking place to determine the best way of implementing this.

## **October 2027**

- All households and schools will be able to access weekly food waste collections from the kerbside.

## **2.0 Proposal/Details of Options Considered**

- 2.1 Food waste collections will be taking place from October 2027 and plans have been drafted to determine round sizes, vehicle numbers, disposal points, bin colours, staff requirements and depot requirements. Discussions with Nottinghamshire County Council and Veolia are still taking place to determine the viability of varying the environmental permit to allow food waste to be taken to Veolia's transfer station on Brunel Drive but this is currently looking unlikely.
- 2.2 The current disposal option put forward, but Nottinghamshire County Council is an Anaerobic Digestion (AD) facility operated by 'Bio Dynamic' in Colwick. This is a 44-mile round trip from our depot so the travel time to tip there will account for a significant proportion of the working day.
- 2.3 To maximise efficiency and have as much operating time as possible, we intend to only make this journey once per day. Therefore an 11-tonne vehicle will be required to ensure that all of the food waste collected from a round each day can be confined to one load.
- 2.4 Previous collection modelling carried out by Wrap (Waste & Recycling Action Programme) in 2022 suggested that we may need 9 food waste vehicles to be able to cover the district each week plus 1 spare.
- 2.5 A waste composition analysis was carried out in 2024 and data suggests that, on average, each property would typically produce around 4kg of food waste per week. However, we know that participation in food waste schemes are never 100% and districts that are comparable to Newark & Sherwood District Council would typically expect to collect from around 45% of properties with those residents not wishing to take up the new service having the option to opt out prior to the delivery of caddies. However, this will not impact on the requirements of the vehicles. We are currently assessing options of supplying compostable food caddy liners for residents. Studies suggest that supplying these will result in an increase in participation rates (and therefore tonnage collected) but by liners, there will be an ongoing revenue burden of over £100,000 to consider.
- 2.6 In light of the data that we have available and to ensure that we getting best value for money, the proposal is that we purchase 7 food waste vehicles and 1 spare. Based on current property numbers and anticipated participation levels in the scheme, this would be enough to complete each round in one load. There should be enough capacity (weight) to be able to deal with a higher than anticipated capture rates or participation rates.
- 2.7 We also have over 60 schools in the district that will be expected to comply with the new government initiative and as this is classified as household waste, these will also need to be serviced by the 7 vehicles.

- 2.8 It is important to note that whilst the modelling and data that we have available is very useful, there is still a degree of uncertainty around the figures and they are based on some assumptions so if, after the scheme launched, it becomes apparent that the food waste collections are working at or close the limit of what we can reasonably expect them to work, it is proposed to have a budget available to place an order for an additional 1 or 2 vehicles.

### **Leased Land**

- 2.9 A report was taken to Cabinet on 10 December 2024 to approve the first phase of the redevelopment of Brunel Drive and Farrar close, to ensure there is space for the additional vehicles which is currently expected to be complete by November 2025. A small parcel of land at Farrar Close is leased and in the agreement, it states any new plans for the site should be discussed with the landlord. Having concluded the discussion with the landowner, it has become apparent that since 2003, the rental has not been increased in line with the agreed rent reviews. Therefore, the annual rent payable has been increased from £11,500 to £31,520. This has also been backdated to 2017, for which provision has been made in the 2024/25 accounts.

### **Funding**

#### **Capital Funding**

- 2.10 In January 2024, Newark & Sherwood were awarded £983k from central government to facilitate the introduction of food waste collections. This funding is intended to fully fund the purchase of the required quantity of collections vehicles and collection caddies for every household in the district. However, the value of the award was less than our own initial forecasted capital requirements of £1.6m and it has therefore been challenged. Some additional information was required (and has been supplied) and we were notified in March that an additional £109k was to be awarded.

#### **Revenue Funding**

- 2.11 In November 2024, Newark & Sherwood were awarded £1.427m from central government as part of their new Extended Producer Responsibility initiative which covers April 2025 to March 2026. Going forward, the award will be made quarterly and is a proportion of the funds raised by packaging producers to cover the cost of collecting and processing this waste and is calculated based on the volume of packaging collected as well as local property data including the rurality and deprivation of the district.
- 2.12 It is worth considering that the aim of this initiative is to incentivise producers to put less packaging on the market and look at alternative, more sustainable alternatives. If the extended producer responsibility is successful and the amount of waste reduces, it would be reasonable to assume a gradual year on year reduction in payments to local authorities. The last 4 years of data has shown a small but consistent reduction in recyclable material being collected each year despite housing growth.

## **Risks**

### **Vehicles**

- 2.13 The financial uncertainty that remains creates several risks, but the timescales involved in ordering the vehicles would be considered the most significant. As the move to weekly food waste collections will affect around 50% of local authorities across the country, the demand for the vehicles has been unprecedented and it is recommended that we order the vehicles sooner rather than later.
- 2.14 This proposal would secure today's prices and enable us to store the vehicles for a period of time and then register them when required in order to preserve the warranty period.
- 2.15 Modelling work that had been carried out only 3 years ago had costed the vehicles at around £80,000 however over recent months the cost has risen exponentially and the cost of suitable vehicles is now expected to be in the region of £125,000 - £130,000.
- 2.16 The expansion of the fleet will require an amendment to the operator's licence for Brunel Drive. The fleet size will be significantly higher than when the licence was initially awarded 20 years ago and it is possible that VOSA may wish to visit the site to establish our capabilities to accommodate the additional vehicles.

### **Local Government Reorganisation (LGR)**

- 2.17 The plans to reform the way that local authorities operate will inevitably affect waste operations.
- 2.18 There is a working group including members of all local authorities in Nottinghamshire which has been looking at the various elements of implementing the food waste service.
- 2.19 The launch date of October 2027 was agreed with DEFRA as a transitional arrangement in advance of the LGR announcement and as we are stilling awaiting confirmation of what the new local government landscape will look like, it is not practical to wait for the this before securing the vehicles that we need to meet our statutory obligations. It should also be considered that inflation and competition for vehicles as reasons to press ahead to ensure that we obtain best value for money.
- 2.20 There is potential for partnership working for other elements of the food waste delivery project such as the joint procurement of caddies or communication campaigns as the lead times for these will fall closer to the 'go live' date and there should be some clarity with what the newly formed local authorities will look like by then.

### **Other Options Considered**

- 2.21 The collection modelling carried out by Wrap in 2001 appraised different options of collecting refuse, recycling and food waste.

These included;

- Replacing the entire fleet of recycling vehicles and start a new weekly source separated collections service (plastics, cans, glass etc presented and sorted manually at the kerbside). This would include a section for food waste (image 1).

- Replacing the entire fleet of refuse and recycling vehicles and using brand new split bodied vehicles to co-collect food waste (image 2).



Image 1



Image 2

- 2.22 Either of these options would be prohibitively expensive and it would create an issue to re-establish the staggered fleet replacement programme that we have in place now.
- 2.23 The source separated option also does not complement the existing recycling disposal infrastructure.

### 3.0 **Implications**

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection; Digital & Cyber Security; Equality & Diversity; Financial; Human Resources; Human Rights; Legal; Safeguarding & Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

### **Financial Implications FIN25-26/2001**

#### 3.1 **Trade/Commercial Food Waste Collections:**

- 3.1.1 In 2024/25 1 new 11 tonne Food Vehicle was purchased for £124,198 financed by the Capital Reserve, ready for use in April 2025.
- 3.1.2 The 2025/26 Revenue budget has been revised to reflect the increase to the establishment of 1x NS7 Driver at the cost of £40k including oncosts.
- 3.1.3 The running costs for a new Vehicle should be minimal in its infancy months and will be absorbed by existing budgets and built into future budgets. It is estimated that the new bin costs will be in the region of £12k (£20 x 600 240l bins) and will initially be absorbed by the Business Unit.

#### 3.2 **Residential Food Waste Collections:**

### **Capital**

- 3.2.1 The capital costs are detailed below.

		2026.27
NSDC		YEAR 0
<b>CAPITAL</b>	<b>DETAIL</b>	<b>£</b>
<b>Vehicles</b>		
	8 (inc 1 spare) x Food Waste Vehicles @ up to £130k per vehicle	1,040,000
<b>Containers</b>		
	x 55,000 COMBINED 23L @ £3.30 + 7L Bins @ £1.15	244,750
<b>Communication</b>		
	Communication Wrap x 8 Vehicles	20,000
<b>TOTAL CAPITAL COSTS</b>		<b>1,304,750</b>

- 3.2.2 The total Capital cost for 2026/27 is projected to be £1,304,750, down from £1,392,500 reported in May 2023. This decrease is due to the reduction in the number of vehicles from 10 to 8, although the cost per vehicle has risen from £90,000 to up to £130,000.
- 3.2.3 The cost of the 23L and 7L bins is now expected to be £244,750, a decrease from the £467,500 reported in May 2023.
- 3.2.4 Additionally, the cost of communication wraps on vehicles has been revised down from £25,000 (10 vehicles at £2,500 each) to £20,000 (8 vehicles at £2,500 each).
- 3.2.5 The Council received £1,093,049 from the Department for Environment Food and Rural Affairs (DEFRA) in 2024/25 to facilitate the introduction of food waste collections. This means, the Council needs to finance the remaining cost of £211,701.
- 3.2.6 The Council also received notification that £1,427,000 would be receivable from Government as part of their new 'Extended Producer Responsibility' (EPR) initiative. This is a revenue grant, and it is proposed that £211,701 is used to finance the Capital funding gap above as a revenue contribution to Capital (RCCO). The remaining £1,215,299 be proposed to be transferred to the Councils' reserve to assist with future funding of the operations, for either Revenue and/or Capital from October 2027 and building a provision for the cost of replacing the vehicles at the end of their useful life.

## Revenue

- 3.2.7 The table below illustrates estimated annual revenue cost for running the food waste service and shows the change since the last Cabinet report in May 2023. For the purposes of this report, Year 1 shows a full 12months cost; however, as the operations commence Oct 2027, only 6 months will be budgeted for in the first year of operation.

	NSDC	May-23	Jun-25
REVENUE	DETAIL	£	£
<b>One Off:</b>			
<b>Containers</b>			
	Food Waste Liners - 1 FREE roll per Household (half year only)	143,000	-
<b>Communication</b>			
	Communication	59,750	99,000
<b>On going:</b>			
<b>Vehicles</b>			
	MRP & Interest for ALL Capital associated	265,351	-
	Vehicle Running Costs	203,500	181,250
<b>Staffing</b>			
	Drivers & Loaders	716,747	704,900
	Fitter/Mechanic	42,010	54,340
<b>Containers</b>			
	Replacements Bins	21,709	12,240
<b>Contingency</b>			
	System updates for rounds, R&R for Vehicles, Clothing & uniforms PPE and other unforeseen	-	25,000
<b>TOTAL REVENUE COSTS</b>		<b>1,452,067</b>	<b>1,076,730</b>

- 3.2.8 Annual revenue costs have decreased to an estimated £1,076,730 from the £1,452,067 that was reported in May 2023 with the cost of MRP being removed as there is now no need to borrow to purchase the vehicles, saving £265,351 per year.
- 3.2.9 The Bin Liners have been removed saving £143,000 (was just a one-off cost in year 1). Communication one off cost in year 1 has increased to £99,000 from the £59,750 reported in May 2023. Revised leaflet cost x household numbers assumed at 55,000.
- 3.2.10 Vehicle Running Costs have been revised based on a similar vehicle size to £25k per vehicle from £22k per vehicle, and 2 less vehicles; x 7.25 vehicles. £181,250 from the £203,500 that was reported May 2023.
- 3.2.11 Staffing costs have decreased. It was assumed that we would use a 7.5 tonne vehicle where LGV Licence was not required and therefore not needing to hire drivers on NS7, however this has now changed, and the size of the vehicle would be 11 tonnes. We have revised the 24 operatives to 9 Drivers and 9 Operatives (18 in total). Costs are now £704,900 from the £716,747 that was reported in May 2023. In addition to the operatives there is a mechanic that we have revised the salary figures on using 2027/28 plus the £5k Market Supplement currently in place from other mechanics. Now £54,340 from the £42,010 reported May 2023.
- 3.2.12 Replacement Bins has been revised down to £12,240 from £21,709 using the revised figures for the 23l + 7l bins.
- 3.2.13 A contingency budget to cover R&R, Software round updates, PPE, and any other unforeseen costs has been included, following lessons learnt from the Glass Recycling scheme of £25,000 per annum.
- 3.2.14 Inflation has been revised to 2% from 5% each year. Salaries remain with 3% inflation. It is debateable whether the inflation should just be 2% on vehicles, given transport inflation falls outside of the scope of general inflation, but this can be refined during budget setting.



3.2.15 2027/28 financial year has been calculated using a full 12 months; this may be revised down depending on start dates of new employees. The table below illustrates the Revenue impact on the MTFP for the future residential food waste collections (albeit year one shows a full year cost, this will be revised closer to the time when more accurate costings will be available):

		2027.28	2028.29	2029.30	2030.31	2031.32
NSDC		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
REVENUE	DETAIL	£	£	£	£	£
<b>One Off:</b>						
<b>Communication</b>						
	Communication (assumption - leaflets)	99,000	-	-	-	-
<b>On going:</b>						
<b>Vehicles</b>						
	Running Costs per Annum on 7.25 Vehicles @£25k per vehicle	181,250	184,880	188,580	192,350	196,200
<b>Staffing</b>						
	Drivers x 9 & Loaders x 9 for 9 Vehicles 18 in total @NS5/NS7	704,900	726,050	747,830	770,260	793,370
	Fitter/Mechanic x1 @NS9 £42,010	54,340	55,970	57,650	59,380	61,160
<b>Containers</b>						
	Replacements x 2,750 (5%) COMBINED 231 @£3.30 + 71 Bins @ £1.15	12,240	12,480	12,730	12,980	13,240
<b>Contingency</b>						
	System updates for rounds, R&R for Vehicles, Clothing & uniforms PPE and other unforeseen costs. This can be revised when in practice.	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00
<b>TOTAL REVENUE COSTS</b>		<b>1,076,730</b>	<b>1,004,380</b>	<b>1,031,790</b>	<b>1,059,970</b>	<b>1,088,970</b>

## FUNDING

	Capital	Revenue
<b>Grant received by 31 March 2025</b>		
DEFRA	1,093,049	260,040
<b>Grant Due:</b>		
DEFRA		97,323
Extended Producer Responsibility*		1,215,299
Extended Producer Responsibility	211,701	
<b>Total Grant</b>		
	<b>1,304,750</b>	<b>1,572,662</b>

\*£1,427,000 total grant expected, less £211,701 committed to Capital as per paragraph 3.1.8

3.2.16 From 2027/28 the EPR grant is expected to meet the cost of the operations; EPR is expected to be an annual grant however, it is not currently known how much grant will be allocated each year. Of the total £2,877,412 funding received, £1,304,750 will be used for Capital and the remaining £1,572,662 will be in a reserve and drip fed into revenue as required should the EPR grant not cover the total cost of running the service.

3.2.17 In 2024/25 The Council received £260,040 New Burdens funding from DEFRA for the delivery of containers and project management and has been made aware that a further £97,323 is due to be received in 2025/26 for the Procurement and Communications of the new operations. These funds are and will be transferred to the Residential Food Waste Reserve until they are required.

3.2.18 The rental at paragraph 2.9 will result in a large payment for backdated rent, expected to be £94,500. Provision has been made to cover that payment in 2024/25's accounts and the budget will be increased accordingly during the 2026/27 budget setting process.

### 3.3 Legal Implications - LEG2526/582

The introduction of a weekly food waste service to all households is a statutory requirement. From 31 March 2026, waste collection authorities must provide weekly food waste collections from all households unless a longer transitional arrangement is agreed; this is the case for Nottinghamshire as set out in the report. Cabinet is the appropriate body to consider the content of this Key Decision.

### 3.4 Human Resources Implications - HR2526/1834 SL

There is a proposed increase of 18FTE from 2027/28 to deliver the new service. This is some way off into the future and therefore our data analysis on growth of the organisation as it currently stands won't be the same at the time, however, at the end of 2024/25 the establishment was 577.9 FTE.

The increase in 18 FTE represents growth of around 3%. As this is a new statutory service there will be a requirement to increase staffing to deliver it.

Closer to the time it will be necessary to review the management of the service and whether management responsibilities can be absorbed by the existing structure and whether the Job Evaluation of those management posts requires a review.

Recruitment of new staff will be carried out in line with the procedures in place at the time giving due consideration to issues of Equality, Equity, Diversity and Inclusion.

The current O licence holder will need to reapply for their licence; however, this does not impact on their employment.

### **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None