

CABINET

Government Waste Strategy Delivery Tuesday 20th May 2025

Report of Chief Officer – Environment & Place

PURPOSE OF REPORT				
To consider and approve a different delivery model for waste and recycling operations, to deliver the outcomes required by the governments national waste strategy.				
Key Decision	X	Non-Key Decision	Referral from Cabinet Member	
Date of notice of forthcoming key decision		22 nd April 2025		
This report is public				

RECOMMENDATIONS OF Cabinet Member for Environment

- (1) In order to deliver the outcomes required by the national waste strategy, that Cabinet agree a delivery model for waste collection from 31st March 2026.
- (2) Cabinet chooses which of the three extensively modelled options within the report to support, taking into account a range of factors including the need to reduce waste, increase recycling, provide a service that meets the needs of our residents and that is financially viable.
- (3) Subject to recommendations 1 and 2, Cabinet approves the capital investment of wheelie bin recycling as included in the development section of the Capital Programme, with a provisional operation commencement date of 1st April 2026.

1.0 Introduction

- 1.1 The Council is required to deliver on the statutory elements of waste and recycling collections as outlined in the government waste strategy and as part of the Environmental Protection Act 1990, and Waste Regulations 2011.
- 1.2 The Governments Resource and Waste Strategy aims to establish a circular economy, where products are used again or for longer through reuse, repair and recycling. The strategy outlines a number of key ambitions including doubling resource productivity and eliminating avoidable waste by 2050
- 1.3 The strategy aims to bring forward major changes through three key areas including extended producer responsibility (EPR) which requires companies to cover the full

cost of packaging recycling, delivering a consistent collection project from local authority's businesses and organisations for all waste materials, and the introduction of a deposit return scheme (DRS) on single use plastic and metal drinks containers.

- 1.4 The national approach to waste management is to build systems and processes which work towards a hierarchy of waste management, of prevention, reduce, re-use, recycle, recover and disposal.
- 1.5 The national strategy requires authorities to collect the following waste / recycling streams - plastic, paper and card, glass, metal, food waste' garden waste and residual
- 1.6 Business food waste recycling was implemented on 31st March 2025, with domestic food waste to be implemented by 31st March 2026 and a deposit return scheme (DRS) in 2027. Collection of plastic film from the kerbside is also to be implemented by 31st March 2027.
- 1.7 To assist local authorities in the implementation of the national strategy, government have released capital and revenue burden funding. Lancaster City Council received one-off capital burden funding of £1.462M which will be used for vehicles and food caddies. A further £0.989M to be received in 2025/26 in respect of revenue burden funding for to cover expenditure such as staffing, day to day vehicle costs, marketing and education.

2.0 Background

- 2.1 The Lancaster district is 222sq/m and covers as far as the borders of South Cumbria, North Yorkshire and Wyre. It includes a wide mixture of settlements from very dense urban to very sparsely settled rural. Lancaster City Council is the Waste Collection Authority (WCA) and Lancashire County Council is the Waste Disposal Authority (WDA).
- 2.2 Lancaster City Council currently collects residual waste fortnightly in 240ltr wheelie bins, with paper and card, and plastics and cans being collected separately in 55ltr boxes, from 63,649 properties, of which 600 are registered Housing of Multiple Occupancy and 340 properties within flats.
- 2.3 The budgeted net cost for delivering the household waste collection service for 2025/26 is currently c.£3.8M.
- 2.4 Garden Waste is collected on a fortnightly subscription basis in 240ltr wheelie bins. In the 2024/2025 financial year, this generated £1.094M in income which assists significantly in offsetting the total cost of the wider service. The garden waste delivery model will not be changed as a result of this report.
- 2.5 Lancaster City Council currently collects around 9,000 tonnes of recycling per annum and has a recycling rate of 36%, which is in the bottom quartile both nationally and regionally. This represents a steady decline from a peak of 41% in 2015/16. In comparison, the district's current residual waste collection is around 32,000 tonnes, equating to around 538kg per household, which again is in the bottom quartile both

nationally and regionally. Under the new government strategy, a baseline recycling target of 60% has been set by 2035 with an ambition to half all residual waste sent to landfill or incineration by 2042.

- 2.6 The district's current contamination rate for recycling is 10.6%. Incidents where the contamination rate exceed trigger levels include dense plastics, film, sanitary, textile and electrical components within the recycling waste streams. In the Lancashire 12 region, the overall recycling rate for 2022/23 stood at 42.8%. Blackburn with Darwen and Pendle recorded the lowest rates at 29.6%, while Chorley led with 46%, closely followed by South Ribble at 45.6%. Blackpool also performed well, achieving a recycling rate of 45.5%. Comparatively, the North West average was 45.3%, while the national average for England stood at 41.7%.
- 2.7 Following the announcements by government, domestic food waste recycling is mandated to be collected weekly from 31st March 2026 as a driver to lower residual waste and increase recycling rates nationally. The strategies main focus outlines the ambition to work towards a circular economy and zero waste.
- 2.8 In anticipation for the implementation of the strategy, work has been undertaken in the form of partnership with County Council to undertake a full scale review of waste management to understand the total cost of waste from generation to disposal. The primary aim of this work was to understand the total costs of both collection and disposal. The report established that the Lancaster district direct residual collection costs were £22.18 per property, per year, due to the vast geographical area. Recycling collection costs per property ranged from £8.35 to £27.19 per annum for similar reasons. By undertaking this study and collaboration with county these metrics will help to identify areas of improvement contributing to improved performance through shared knowledge and best practise.
- 2.9 Internal surveys on the Geographic Information System (GIS) collated patterns of residual and recycling rates in Lower Super Output Areas (LSOA) across out district to better understand which approach works best for residents.
- 2.10 Other studies included a comprehensive waste composition audit to help understand the amount of food waste product within the districts residual stream, that can be diverted into food waste recycling. This assisted in gaining thorough understanding of behaviour across the five main demographics across the district. This report highlighted that over 19% of the districts residual waste could be diverted through current recycling channels. The report also identified that 28% by weight could be recycled through a dedicated food waste recycling collection.
- 2.11 A fully funded study was undertaken with WRAP (Waste & Resources Action Programme) to deliver a baseline study of our current collection methods in relation to cost, fleet requirements and workforce capacity. Following this, several future models were developed in order to forecast the future costs and efficiencies associated with variations in collection frequency, fleet variations and receptacle capacity.
- 2.12 GIS analysis and route optimisation works have been undertaken of all future modelling options to further reinforce the most effective and efficient delivery model which support residents needed, increased recycling targets and the financial challenges faced by the authority

- 2.13 The internal and external analysis has identified a number of options for consideration and eliminated things which will not work. This work offers confidence in the success of the options outlined within the report. Following the detailed works and modelling, a capital investment business case relating to moving to wheelie bin recycling provision has been submitted as part of the budget setting process for 2025/26 financial year. Investment in this area for residents will allow for operational planning improvements, flexibility of service, improved health of our staff (eg less Musculo-skeletal injuries), and a standardisation of vehicles. It is believed that wheelie bin provision investment will lead to a reduction in both short term and long term sickness within the service.
- 2.14 Moving to wheelie bin recycling will also allow for standardisation of fleet, which is expected to result in a capital saving of approximately £0.040M per vehicle compared with the current specification. This could affect up to 10 refuse collection vehicles (from all our stock or on the 25/26 replacement programme of 13 vehicles).
- 2.15 Following the options appraisal works, the options 1 and 2 outlined within section four of this report, are forecast to increase the districts recycling rates by 10-20% with consistent education and enforcement activity. At present it is too early to offer more specific targets until implementation has taken place and further analysis can take place.
- 2.16 Given the nature of our district, alternative service arrangements for those most in need, including medical and assisted collections, will continue to be offered.
- 2.17 Alternative arrangement consideration will also be given to those who do not have space for wheelie bins, and communal collection points will continue to be considered for developments such as housing of multiple occupancy.
- 2.18 Once implemented, work will continue to further optimise and strive for financial savings, as we gain more detailed insight regarding food recycling participation rates and the impact deposit return scheme (DRS) will have on kerbside collections when it is introduced in 2027.
- 2.19 A fully worked up communications strategy is drawn up between Lancashire County Council and all districts within the region to ensure messaging is continuous and wide reaching to inform our residents through various channels. Campaign objectives will aim to raise awareness, drive behaviour change and build confidence in the changes being made. The strategy will deliver consistency across the County whilst being flexible enough to all district authorities to personalise aspects to reflect local matters.
- 2.20 Measuring the impact of implementation to allow for ongoing adjustment and refinement will be key. Bespoke data systems will be used to provide new key performance indications around percentage reduction in residual waste, increased tonnage of recyclable materials and participation rates in food waste recycling. These metrics will allow for continuous adjustments to the operations ensuring that targets are met across the district.

3.0 Food Waste Collection

- 3.1 As detailed in section 1.6 of the report, the weekly collection of domestic food waste must be introduced across the whole district by 31st March 2026.
- 3.2 Due to supplier lead-in times, work has already begun in preparation for the introduction of food waste recycling. Thirteen districts within Lancashire have undertaken joint procurement of 7 litre kitchen caddies and 23 litre food caddies in anticipation for the changes, which has offered savings in respect of equipment and delivery costs. Options for further joint procurement opportunities surrounding vehicles will be explored over the coming months once the specifications have been finalised.
- 3.3 An internal project team has been established to calculate the number of teams required to deliver proposed collection schedules and the initial estimates are 7 teams will be required. A HGV vehicle will be required for each team and an additional vehicle will be required to supplement downtime needed for regular vehicle checks and respective maintenance. Latest specification estimates expect the vehicles to cost approx. of £0.0150M each.
- 3.4 Each team will require one vehicle, one driver and two refuse collector and associated cover for annual leave, sickness, training etc. For 7 teams it is estimated that an additional 8 vehicles, 11 drivers and 22 loaders will be required to deliver the service.

4.0 Wheelie-Bin Recycling

- 4.1 As detailed in section 2.12 of the report, a capital investment business case relating to moving to wheelie bin recycling provision has been submitted as part of the budget setting process for 2025/26 financial year. This is included within the 'Schemes Under Development' section of the Capital Programme approved by Council on 26 February 2025.
- 4.2 The capital amount earmarked for purchase costs and delivery is £2.208M. The annual revenue costs for minimum revenue provision (MRP) and borrowing costs is £0.196M and this has been included in the future projections of the approved general fund revenue budget.
- 4.3 By introducing wheelie bin recycling throughout a majority of the district, this will allow for alternative collection cycles to be considered. The options appraisal section of this report considers 3 selected alternate methods and details the advantages and disadvantages of each method.
- 4.4 Further consideration of the financial costs of each option are included within the financial implications section of the report.

5.0 Options and Options Analysis (including risk assessment)

- 5.1 Each option presented in the report has been investigated, modelled and forecast

based through a number of pieces of work with a focus on a solution that offers an increase in recycling rate, operational efficiency, resident participation increase and financial benefit.

- 5.2 Option 1 would move the districts residual collection frequency to three weekly at the same time as introducing weekly food waste recycling. Wheelie bin investment could offer alternate fortnightly recycling frequencies for residents whilst offering increased capacity to recycle greater volumes. This option offers a potential financial saving with the reduction of fleet vehicles and associated costs. Modelling forecasts an increase in recycling rate, but offers significant risk in regard to resident understanding and participation, and also regarding operational planning issues as it offers its complexities. This option, due to its complexities, offers risk with the number of missed, or none presented bins likely to increase at which point this would involve cost increases on collection.
- 5.3 Option 2 would see the district having waste frequencies that would include three weekly collections of residual and recycling streams, with weekly food waste recycling. It is modelled on wheelie bin recycling investment to increase capacity and recycling rate. It is understood that this option will offer a higher recycling rate for the district, offers operational planning benefits and is easy to understand for the resident. The cost of this option is similar to current operations and therefore doesn't offer a financial efficiency.
- 5.4 Option 3 represents consideration to introduce food waste recycling weekly as mandated by government, but keep other collection methods as they are now, including boxes for recycling. Whilst this option will reduce the burden on the capital investment programme, it will stifle the district's ability to increase its recycling rate, offer no incentive for residents to participate in food waste recycling and will work against the authorities' priorities on zero waste to landfill.

	Option 1: Three weekly residual, alternate recycling (4 weekly per stream), plus food waste	Option 2: Three weekly residual, three weekly recycling per stream, plus food waste	Option 3: Keep current collection method plus food waste
	Residual bin – 3 weekly DMR ¹ bin – 4 weekly Paper bin – 4 weekly Food caddy - weekly	Residual bin – 3 weekly DMR ¹ bin – 3 weekly Paper bin – 3 weekly Food caddy - weekly	Residual bin – 2 weekly DMR ¹ box – 2 weekly Paper box – 2 weekly Food caddy - weekly
Advantages	<ul style="list-style-type: none"> • Potential cost savings with a forecasted reduction of 1 vehicle • Increase in recycling rate 	<ul style="list-style-type: none"> • Increase in recycling rate versus current and small increase in rate • Provide consistent collection frequency across all streams • Provides a more operationally straightforward service 	<ul style="list-style-type: none"> • No resident interruptions to service • Calendars remain the same • Crew familiar with current collection system • No system updates

		<ul style="list-style-type: none"> • Reduction in missed bins • May help with crew familiarity doing same rounds each week • Easier to understand for residents 	required
Disadvantages	<ul style="list-style-type: none"> • Complex calendar system (every other week requires multiple streams to be presented at kerbside) • Operational challenges associated with complex service configuration • System updates required • Introduction of new calendars • Resident communication initiative required 	<ul style="list-style-type: none"> • No Cost savings • System updates required • Introduction of new calendars • Resident communication initiative required 	<ul style="list-style-type: none"> • Difficult to increase recycling rate with status-quo • No cost savings • Lower participation rate in food waste recycling • Works against council priorities
Risks	<ul style="list-style-type: none"> • Exponential increase in missed bin reports • Deterioration of resident perception • Impact on program adoption through negative feedback • Residents may see change in frequency as negative 	<ul style="list-style-type: none"> • Introduction of changes may lead to small rise in missed bins until program is settled in • Residents may see change in frequency as negative 	<ul style="list-style-type: none"> • Funding implications with no increase in recycling rate

¹ DMR - Dry Mixed Recycling (glass, plastic and cans)

6.0 Officer Preferred Option (and comments)

- 6.1 The options available to the Council are outlined in paragraphs 5.2 to 5.4 of the report and all offer advantages and disadvantages. Any decision moving forward should consider a balanced approach to residents whilst taking into account the national strategy, financial position of the authority and operational efficiency.

Option 2 is the officer preferred option – to approve the proposed policy to move towards designated weekly food waste recycling, three weekly residual waste collections and three weekly recycling of current streams. It is felt that this will contribute to a smoother operation and be kinder to the public in knowing what is required on their behalf. It is anticipated that recycling rates will increase and therefore contribute to the national strategy.

7.0 Details of Consultation

- 7.1 As part of the phase one fit for future projects a Waste Strategy Group was set up between officers and Councillors to review the services current operations and consider options available for the future of waste services. This group will continue to meet through the 2025/26 financial year to oversee implementation of changes and to identify where possible efficiencies and savings can be identified.

8.0 Conclusion

- 8.1 Should the preferred option be approved, Council services will be able to start the implementation work stream as set out in the report and look to articulate the changes to residents.

RELATIONSHIP TO POLICY FRAMEWORK

This report assists the authority in complying with the national policy framework as set out within the Government Waste Strategy

There is also clear links to the Corporate Priorities 2024-2027 – including ambitions 1.5 reducing waste, 3.2 quality open space, 4.1 value for money, 4.3 investing in our skills and facilities, 4.5 innovative public service and 4.6 openness

CONCLUSION OF IMPACT ASSESSMENT

(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)

The changes which need to be implemented due to the government waste strategy highlight positive and challenging outcomes. Delivering food waste recycling reduces landfill or incineration needs and moves towards more sustainable disposal methods such as composting or anaerobic digestion. Socially, these practices highlight sustainable practices and community awareness around the generation of waste.

Challenges to the delivery of the change include logistical management of the service and robust infrastructure to support the community. This has been identified and will be mitigated by engagement and working with partners and stakeholders to maximise the benefits.

LEGAL IMPLICATIONS

Amendment to waste collection is necessitated by the need for weekly separate food collection from 31 March 2026.

The Environmental Protection Act 1990 is the primary Act concerned with residential waste collection and recycling. S45A of the 1990 Act was removed by the Environment Act 2021 and substituted with a new s45A, 45AZA-45AZG. The new provision makes it clear under no circumstances may certain dry waste streams (glass, metal, plastic, paper and card) may be collected mixed with other recyclable waste streams (food waste). This is to minimise or prevent contamination of dry recyclable materials by food or garden waste. It also makes it mandatory that food waste must be collected from households at least once a week.

Advice should be taken from the Council's procurement and legal team on any procurement/contractual matter arising from Cabinet's decision on this matter.

FINANCIAL IMPLICATIONS

As detailed in the report, the Council has received £1.462M in respect of capital burden funding to be used towards the implementation of weekly food waste collection within the district. An appraisal of how the service will operate has been undertaken by an internal project team and it is estimated that 7 teams will need to be established to fulfil the delivery needs of the service. The capital expenditure requirement is as follows :-

Food Caddies	£0.293M
New Vehicles (estimate)	£1.200M

The amounts listed result in a shortfall of the government funding received by £0.031M and will need to be found from compensating savings (see below).

The Council has also been notified that it will receive a transitional resource grant payment of £359,936 under Section 31 of the Local Government Act 2003. It is intended to cover the following :-

- Officer time for procuring food waste containers and vehicles
- Communicating service changes with residents
- Distributing food waste containers to households
- Developing and optimising new food waste collection rounds
- Project management tasks associated with a service change of this nature

The project team have considered this transitional resource and are working towards an 18 month programme to deliver the necessary outputs.

With regard to ongoing revenue, the Council has received an initial allocation of £0.989M from the government (pEPR payment) for the weekly collection food waste. An amount of £0.225M has been included within the approved 2025/26 revenue budget to assist in being ready to deliver the service by 31 March 2026. It has been assumed that the annual pEPR amount will continue at a similar level and uplifted for annual inflation.

By introducing 7 rounds the estimated full year revenue costs, effective from 1st April 2026 are as follows :-

Salary Costs	£1.219M
Vehicles	£0.100M
Training, Education & Marketing	£0.025M
Sundry Expenditure (including PPE)	£0.015M
TOTAL	£1.359M

Therefore, it is deemed that the annual pEPR payment is deemed insufficient to cover the annual revenue costs of providing the service by c.£0.350M annually. The additional cost will add further pressure to the general fund structural deficit and will need to be built into future budget rounds.

The introduction of wheelie bin recycling within the district provides a number of advantages to service delivery.

There are potential capital savings of c.£0.040M per vehicle due to a new specification of vehicle being required. This is relevant for 8 vehicles within the current fleet of which 5 are due to be replaced this year (2025/26) and these savings could initially be used to offset the capital overspend as detailed above. The vehicles have an estimated useful life of 6 years so the annual revenue savings could amount to £0.008M per vehicle in minimum revenue provision (MRP) and borrowing costs.

The capital amount earmarked for purchase costs and delivery is £2.208M. The annual revenue costs for MRP and borrowing costs is £0.196M and this has been included in the future projections of the approved general fund revenue budget. Both Options 1 and 2 would incur the afore mentioned charges.

Option 1 would reduce the number of rounds by 1 and subsequently provide both capital and revenue financial savings. These are estimated to be c.£0.300M capital and £0.110M revenue due to the loss of 1 driver and 2 refuse collectors which would be managed through the reducing the resources required to deliver food waste collection. Further annual revenue savings of £0.062M in respect of MRP and borrowing costs would also be achievable

Options 2 and 3 are estimated to be cost neutral as the same number of rounds are required to deliver the service.

However, it must be noted that options 1 and 3 could result in increased back-office costs due to the complex nature of how the rounds will be formulated. These costs are unquantifiable at this point in time.

OTHER RESOURCE IMPLICATIONS

Human Resources:

operational delivery will require recruitment in both HGV and Loader positions. Service HRBP is currently working with service to look at internal learning and development opportunities for existing staff, prior to external recruitment

Information Services:

Operational support will be needed to the purchasing and setting up of digital provision including phones, emails and in cab devices

Property:

No resource implications identified at this time

Open Spaces:

No resource implications identified at this time

SECTION 151 OFFICER'S COMMENTS

The paper splits the Council's response to the Government Waste Strategy obligations into 2 areas.

Food Waste Collection

Currently the government requires the Council to offer the opportunity to every household in the District by March 2026, to achieve this requires a full collection rollout. As highlighted within the Financial Implications, although funding will be received via the pEPR grant it is insufficient to cover the annual revenue costs of providing the service by approximately £0.350M per annum. This represents a further pressure on the general fund and will need to be built into future budget rounds. The Service will look to refine the scheme and manage efficiencies through initiatives such as revised route planning once take up is known, public education etc. This will however require user and operational data which will only be known once the scheme has matured over time. Given the reputational risk to the Council from Government and residents the options available to comply with the requirements are limited.

Recycling

There paper does however provide 2 options in regard to the collection of recycling material.

- The introduction of three weekly residual, weekly recycling per stream, plus food waste (Officers Preferred Option) or
- Retain the current method plus additional food waste.

Although the officer's preferred option does incur significant Capital Expenditure around the purchase of wheelie bins it provides the opportunity to align with other Council's operational processes and should aid a smooth transition.

The operational advantages as well as the ease and clarity to residents needs to be considered against the additional capital and revenue costs noting that the service will seek to refine the operating model as the scheme matures.

MONITORING OFFICER'S COMMENTS

The report sets out the legal framework being introduced. The legislation places a new obligation on the council in relation to the collection of food waste. The options enable the council to manage this new obligation appropriately

BACKGROUND PAPERS

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