



## ENVIRONMENT, CLIMATE EMERGENCY AND TRANSPORT COMMITTEE

Tuesday, 11 March 2025

<b>REPORT TITLE:</b>	<b>CONTRACT VARIATION FOR SEPARATE FOOD WASTE COLLECTION</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF NEIGHBOURHOOD SERVICES</b>

### REPORT SUMMARY

The Council entered a contract with Biffa Waste Services Limited, which commenced on 30th August 2007 for waste collection, recycling and street cleansing services (“the Contract”).

This report outlines the variation to the Contract to modify the services provided under the Contract, to include separate weekly food waste collections from all domestic dwellings in the borough of Wirral from 1 April 2026.

The report supports the Council Plan: Wirral Working Together 2023-27, specifically the Protect our Environment theme.

The proposed variation to the Contract affects all Wards within the borough and is a key decision.

### RECOMMENDATION/S

The Environment, Climate Emergency & Transport Committee is recommended to:

1. Approve the variation of the current contract with Biffa Waste Services Ltd for separate food waste collections for indicative start date of 1 April 2026, pending readiness of Merseyside Recycling Waste Authority (MRWA) transfer and treatment solutions.
2. Authorise the Director of Neighbourhoods Services to jointly procure the required food waste vehicles and caddies to enable separate food waste collections for households as part of the Liverpool City Region Waste & Resources Partnership.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

- 1.1 To set out the approach and next steps to proceed with the variation of the services provided under the current contract with Biffa Waste Services Ltd. The Council are working collaboratively with the Merseyside Recycling Waste Authority (MRWA) to collect and treat food waste from 2026.
- 1.2 The Council is the lead member of the Liverpool City Region (LCR) Waste & Resources Partnership. Project management resource has been assigned to support the region's Partnership Manager and all 6 Council partners to successfully jointly procure food waste bins, caddies and vehicles required to enable separate food waste collections for households. It is felt that the partnership joint procurement will provide a more efficient approach to procurement as there will be one procurement exercise instead of 6. This approach also ensures there is a coordinated approach to manufacturing pipeline.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 **Do nothing** - This is not an option as the commencement of food waste collections are required in response the statutory requirement as of 1 April 2026.

### **3.0 BACKGROUND INFORMATION**

- 3.1 The Council, as a Waste Collection Authority, has a statutory duty to collect household waste and to carry out street cleansing activity. The Council's current contract with Biffa Waste Services Limited ("Biffa") for the delivery of waste collection and street cleansing services, expires in August 2027, with no further option to extend. As such, the Council commissioned Eunomia Research and Consulting Ltd (Eunomia) to support a full review of its waste collection and street cleansing contract, to thoroughly assess the options for waste collection and street cleansing service provision from August 2027.
- 3.2 Under the Environment Act 2021 (Commencement No. 9 and Transitional Provisions) Regulations 2024, all relevant Councils are required to put in place weekly separate food waste collections. Food waste collections from schools and municipal buildings are included within the contract variation order to begin in 2026.
- 3.3 The Contract with Biffa ends in August 2027. Since the mandatory start date for food waste collections begin during the current contract period with Biffa, a variation of the current contract is therefore required. The Council notified Biffa that it would require a modification of the Contract to include the additional food waste collection services, to ensure the Council is ready for the start of food waste collections from April 2026. The Council is working collaboratively with the MRWA to collect food waste from 2026.
- 3.4 Work has been undertaken by Council officers and Senior representatives from Biffa to review and scrutinise costs associated for the introduction of food waste

collections from schools, municipal offices and domestic properties. This has involved regular fortnightly 'Food waste Logistics' meetings with both Senior Biffa representatives and Council officers. There is also an internal 'food waste task and finish' group who have worked together to prepare the contract variation. This has included the review of procurement and legal implications.

### 3.5 Working as a Partnership:

- 3.5.1 Whilst the legal responsibility for collection and treatment of food waste sits with each respective district partner, the roll-out is being managed through a collective project plan and delivered by a weekly 'food waste working group' made up of a range of operational representatives from each Partner organisation.
- 3.5.2 In January 2024, Department for Environment, Food and Rural Affairs (DEFRA) allocated capital monies to Councils to fund the vehicle and caddy purchasing requirements for food waste collections. The revenue funding allocation for food waste collections is still awaited. As previously noted, it is felt that this partnership approach to a joint procurement will provide a more efficient process as there will be one procurement exercise instead of 6. This approach also ensures a coordinated approach to the manufacturing pipeline. This is vital, given that many Councils are all trying to procure food waste bins/caddies and vehicles at the same time.
- 3.5.3 Procurement preparation is now at an advanced stage (ready to go to market). It should be noted that whilst there are benefits associated with this joined up approach, collective procurement processes also have a range of risks associated. These risks are detailed within the internal programme risk register and the regional risk register. Mitigations of risks have been sought at both an operational and a regional Partnership level. Lead in times for procurement of food waste vehicles is understood to have reached 12-months, from order to delivery.

## 4.0 FINANCIAL IMPLICATIONS

- 4.1 The current contractor, Biffa, have confirmed the increase to the waste and street cleansing contract for providing a food waste collection service from 1<sup>st</sup> April 2026. This includes all residential properties within the Borough. Schools waste collection will be introduced from September 2026 at an additional cost. As well as the contract increase, there will be one of costs for mobilisation, prior to commencement of the collections. Mobilisation will include, initial vehicle checks, driver and loader training and new cab technology, and new caddies and bins will need to be assembled and delivered.

### 4.2 Table 1 – Revenue Financial Data

	Set up Year £	Set up Year £	Subsequent, Standard Year £	Subsequent, Standard Year £
<b>Standard in-year costs:</b>				
Providing a food waste collection service	2,831,725		2,831,725	
School collection service	108,291		185,641	

	<b>2,940,0166</b>	<b>3,017,366</b>
<b>Start up (one off) costs:</b>		
Mobilisation Costs	71,388	
New caddies/delivery	324,989	
	<u>396,377</u>	<u>0</u>
<b>Total costs</b>	<u><b>3,336,393</b></u>	<u><b>3,017,366</b></u>
 Funding sources:		
Budget Growth - MTFP 26/27	(2,000,000)	(2,000,000)
New Burdens Funding (DEFRA)	TBC	TBC
One off funding (Core Council funding)	(400,000)	
<b>Total Funding</b>	<u><b>(2,400,000)</b></u>	<u><b>(2,000,000)</b></u>
 <b>Cost/funding variance</b>	<u><u><b>936,393</b></u></u>	<u><u><b>1,017,366</b></u></u>

- 4.3 The transitions funding has still not been confirmed by DEFRA but is expected March 2025.
- 4.4 The procurement of the caddies/bins and appropriate vehicles, is being managed through the Liverpool City Region Waste & Resources Partnership with early indications that the capital costs are in the region of £4.5m. These figures are subject to change. The Partnership joint procurement approach will ensure a more efficient approach to procurement i.e. one procurement exercise instead of 6 separate exercises. It will also ensure a coordinated approach to the manufacturing pipeline. Wirral Borough Council has been awarded £2.4m Capital Funds from DEFRA as new burdens funding. When the capital costs are clearer, there may be a possibility there will be a shortfall in funding that would need to be met. Indicatively, borrowing of £1.000m over an 8-year period would increase revenue costs in the region of £0.160m per annum.

## 5.0 LEGAL IMPLICATIONS

- 5.1 The Council is required by the Environmental Protection Act 1990 to provide collections of household waste.
- 5.2 The Council has a duty of care under Section 89 (1) and (2) of the Environmental Protection Act 1990, to keep specified land clear of litter and refuse, and to keep public highways for which they are responsible to keep clean.
- 5.3 The Environment Act 2021 placed new requirements on the Council to collect a wider range of materials from households, including food, plastic pots, tubs and trays, and other packaging.
- 5.4 The variation to the Contract will comply with regulation 72(1)(e) of the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules.
- 5.5 The Procurement Act 2023 will come into full force and effect on 24th February 2025, replacing the Public Contract Regulations 2015 (PCR2015). However, where a

framework agreement has been set up before 24th February 2025, any awards under that framework will be managed and governed by PCR2015 until the end of the last contract awarded under the framework agreement during the term of the framework agreement. The purchase of vehicles and caddies will be managed and governed by PCR2015.

- 5.6 Dependent upon Committees approval to the recommendation for delegated authority to the Director of Neighbourhoods, the Officer Decision Notices for both the purchase of the food waste bin/caddies and vehicles will remain on the Forward Plan until the successful supplier has been evaluated and contracts are ready to award.

## 6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 All necessary resource and technical implications, including staffing, ICT and assets have been taken into consideration when reviewing and completing this Food Waste Contract Variation.
- 6.2 Mobilisation and implementation costs and initial investments requirements will be determined and developed as part of a preferred option to be selected by this Committee.
- 6.3 The recommendations do not affect directly employed staff. Variation of the contract will be managed internally from within existing directorate structures.

## 7 RELEVANT RISKS

- 7.1 Information on the key risks faced by the Neighbourhood Services Directorate and the organisation and the associated mitigations and planned actions are set out in the Corporate, Directorate, and Refuse Collection & Street Cleansing Review Programme's risk register. The review of risk and mitigation oversight is managed via the contract review board in liaison with the Council's Audit & Risk Compliance Team.
- 7.2 Proactive project risk management and issue resolution has been undertaken within the context of the corporate risk management methodology. This has included the Council's Strategic Contract Review Board conducting several deep dive review exercises. Significant risks detailed below (a more detailed copy of the risk and issues log is available upon request):

Category	Risk	Mitigations/Controls
Financial	Resources aren't adequately determined and allocated, considering the Council's other interdependencies running concurrently alongside the Refuse project which include	- A robust contingency and monitoring plan is completed via the monthly Project Assurance Monitoring (PAM) reports.

	<p>major regeneration projects and other key Local plan priorities.</p> <p>The Council MTFP and budget pressures could result in inadequate ongoing funding available when preferred options are agreed to fully implement the new solution.</p>	<ul style="list-style-type: none"> <li>- Effective project management to closely control the variables.</li> <li>- Inclusion of accounting for changes in scope, increase in key internal, directorate priorities, reduction in budgets leading to unsuccessful completion of the project.</li> <li>- Sufficient reserves.</li> <li>- Advice from Eunomia Consulting Ltd.</li> </ul>
Political	<p>Changes to the Political landscape and/or changing statutory guidance.</p> <p>National guidance received in December 2024: this risk remains high despite guidance received from Government. Sanctions/enforcement is still yet to be clarified and communicated.</p>	<ul style="list-style-type: none"> <li>- Ensuring that key officers attend all relevant Governmental workshops and briefings to keep abreast of the Political landscape.</li> </ul>
Financial	<p>Not receiving new burdens funding in time. There will be a significant impact if the Council does not receive clarification of the revenue funding with sufficient notice to implement the new food waste service.</p>	<ul style="list-style-type: none"> <li>- Keeping abreast of all Government announcements.</li> <li>- Representation from internal finance officers on the Refuse Project Board.</li> </ul>
Economic	<p>Not having identified land available for storage of food waste caddies and vehicles.</p>	<ul style="list-style-type: none"> <li>- All options are being reviewed with regeneration colleagues.</li> <li>- A report is going to Corporate Property Board in February 2025.</li> </ul>

Economic	Not building food waste into a broader service change programme	<ul style="list-style-type: none"> <li>- Decision register signed off by Partnership regards 'whole service change'</li> <li>- Phasing for all districts to be reviewed in the New Year (2025)</li> </ul>
Economic	Delay to vehicles and caddy procurement due to a bottleneck of orders.	<ul style="list-style-type: none"> <li>- This is mitigated via the task and finish group with all members of the LCR waste &amp; resources partnership.</li> <li>- Early commencement of all the required documentation has been key to ensure orders are placed within ample time for delivery, to start food waste collections in 2026.</li> </ul>
Economic	Planning permission delays for Transfer Loading Stations (TLSs)	<ul style="list-style-type: none"> <li>- Early engagement with LCR Chief Planners</li> <li>- MRWA/Member of Partnership attended the Chief Planners meeting in January 2025 and will continue to do so.</li> </ul>
Financial	Inadequate levels of staffing/recruitment challenges to run a new service.	<ul style="list-style-type: none"> <li>- Contract/early strategic approach with agencies.</li> <li>- 'Grow our own' style apprenticeships</li> </ul>

## 8 ENGAGEMENT/CONSULTATION

- 8.1 The preparation of the Food Waste Contract Variation has been reviewed within the monthly Refuse Programme Strategic Project Board meetings.
- 8.2 There is a monthly communications and engagement workstream which is chaired by a Communications and Marketing Officer within the council's Corporate

Communications and Marketing team. This workstream will develop all communication materials to support the project and inform Wirral residents prior to, and during the roll out domestic food waste collections. The group links in with LCR Waste & Resources Partnership Comms and Engagement Subgroup. Representation from the Corporate Communications and Marketing team is also present on the monthly strategic board meetings. All communication materials will be funded by the New Burdens funding from DEFRA.

- 8.3 Officers are engaging regularly with the LCR Joint Waste Partnership Manager, to establish connections with the LCR Zero Waste Strategy and collection system modelling options.

## **9 EQUALITY IMPLICATIONS**

- 9.1 The commissioned services will be compliant with the Public Sector Equality Duty as contained in section 149 of the Equality Act 2010.
- 9.2 An equalities impact assessment will be undertaken as part of the mobilisation plan for the commencement of food waste collections.

## **10.0 ENVIRONMENT, BIODIVERSITY AND CLIMATE CHANGE IMPLICATIONS**

- 10.1 Food waste contributes to climate change and environmental degradation in two ways; through release of gases (such as methane) from its breakdown in landfill and through waste of the energy and resources required to produce wasted food. Reducing food waste would mean fewer greenhouse gas emissions.
- 10.2 Separate collections of food waste from every household will prevent contamination of other waste which could be usefully recycled, as well as ensuring that in the future food waste can be sent to anaerobic digestion facilities generating sustainable energy to power homes and businesses rather than needlessly lost to landfill.
- 10.3 The approach to the future contract and service delivery model for refuse collection and street cleansing is an integral part of the Council's response to the Environment and Climate Emergency Declaration and Environment & Climate Emergency Policy.
- 10.4 The vehicles being procured for Wirral Borough Council are diesel powered but with the option to convert to Hydrotreated Vegetable Oil (HVO) in the future. The collections, treatment and disposal produce gas emissions. To better enable the Council to profile and reduce scope 3 emissions, including that from waste, a requirement for annual reporting of carbon emissions will be incorporated into the contract variation and any future contracts.

## **11.0 COMMUNITY WEALTH IMPLICATIONS**

- 11.1 The Community Wealth principles will be completed as part of the tender process.



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**BACKGROUND PAPERS**

Environment Act 2021 - <https://www.legislation.gov.uk/ukpga/2021/30/contents/enacted>  
DEFRA Simpler Recycling - <https://www.gov.uk/government/consultations/consistency-in-household-and-business-recycling-in-england/outcome/government-response>

**TERMS OF REFERENCE**

This report is being considered by the Environment, Climate Emergency & Transport Committee in accordance with section (g) of its Terms of Reference, in relation to waste and as waste collection authority, litter authority, including but not limited to dealing with litter, street cleansing, abandoned vehicles and dog fouling, and the Council’s relationship with Merseyside Recycling & Waste Authority (MRWA) as the joint waste disposal authority.

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Environment, Climate Emergency and Transport Committee - Outline Business Case (OBC) report	15 July 2024
Environment, Climate Emergency and Transport Committee - Full Business Case (FBC) report	27 January 2025