

FOOD WASTE MANAGEMENT ARRANGEMENTS
WDA/43/24

Recommendation

It is recommended that:

1. Members note the changes required to management of separately collected food waste;
2. Members approve the proposal to install appropriate infrastructure at existing MRWA waste transfer locations to enable handling of food waste to be separately collected from Liverpool City Region's Councils in accordance with the new legal obligations;
3. the final decision on the siting of the preferred location of a facility in Huyton be delegated to the Chief Executive in consultation with Authority Chairperson.

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FOOD WASTE MANAGEMENT ARRANGEMENTS
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Report of the Chief Executive Officer

1. Purpose of the Report

- 1.1 To inform Members of the legal changes to collection of food waste from households.
- 1.2 To recommend that Members approve the proposal to install appropriate infrastructure at existing MRWA waste transfer locations to enable handling and management of household food waste separately collected by Liverpool City Region's Councils from the statutory date.
- 1.3 To seek Member approval that the final decision on the siting of the preferred location of a facility in Huyton be delegated to the Chief Executive in consultation with Authority Chairperson.

2. Background

- 2.1 In October 2023, the government announced a range of changes to waste collections under the general policy heading termed 'Simpler Recycling'. These changes aim to improve national recycling rates by a number of measures which include the requirement for separate collection of household food waste by Waste Collection Authorities (WCAs).
- 2.2 The new legislation defines three sources for mandatory separate food waste collections, with different collection implementation dates, as follows:
 - Relevant non-domestic premises (such as residential homes) and commercial premises – from 31 March 2025
 - Households – from 31 March 2026
 - Micro-firms (less than 10 people) – from 31 March 2027
- 2.3 This report focusses on the need for MRWA to prepare for receiving household food waste from 31 March 2026.
- 2.4 MRWA, as the statutory Waste Disposal Authority (WDA) for Merseyside, provide waste disposal services (including transfer, transport and treatment) to the District Councils of Merseyside, plus to Halton through a

Merseyside Waste Disposal Authority

20TH September 2024

separate agreement. MRWA are therefore required to provide the statutory services to Merseyside's District Councils (as WCAs) for the management of any separately collected food waste.

- 2.5 Across the Liverpool City Region (LCR), only St Helens currently separately collect household food waste. Food waste for all other Councils is collected within the residual bin, but a separate household food waste collection will be required to be provided by all Councils by 31st March 2026.
- 2.6 MRWA currently provides its waste disposal and management services through two major contracts:
 - Resource Recovery Contract (RRC) – with Merseyside Energy Recovery Ltd., operated by Suez – transports and treats collected residual waste
 - Waste Management & Recycling Contract (WMRC) – with Veolia (ES) Merseyside & Halton Ltd. – amongst other services, this contract manages the transfer, transport and treatment of household collected waste including dry mixed recyclables and food waste.
- 2.7 Under the terms of the WMRC, food waste (termed 'kitchen waste' in the contract) which is separately collected by Merseyside's WCAs is an 'Exclusive Contract Waste'. That means that where separately collected, MRWA are obliged to direct the WCAs to deliver the food waste into the contract facilities and Veolia are obliged to manage the food waste in accordance with the contract.
- 2.8 Food waste collected by Halton is not defined as an Exclusive Contract Waste. Halton are therefore not obliged under the terms of the existing contract to deliver any of their separately collected household food waste into the Veolia facilities but can do so if they choose. The infrastructure design through the proposal outlined in this report will ensure account is taken of Halton's future preferences and sufficient handling capacity created to deal with their potential deliveries.
- 2.9 The WMRC commenced in May 2009 and is due to expire in May 2029, with an option to extend the Contract Period by up to 5 years. The future of the services currently provided through the WMRC (including food waste management) beyond May 2029 is the subject of the separate future services (or 're-procurement') project.

- 2.10 Since the commencement of the WMRC, only Sefton and St Helens have historically collected food waste and only in relatively minor amounts. As such, the facilities and operational arrangements for the dedicated handling of food waste have not been put in place but in light of the new general legal obligation will now be required to be provided.
- 2.11 Food waste within existing collections constitutes on average of approximately 32% by weight of each residual bin (based upon the most recent Waste Composition Analysis report, January 2022). Whilst difficult to predict with any degree of certainty, it is estimated that the new obligations may result in the potential for some 50,000 tonnes of household food waste per annum to be diverted from the residual bins into separate kerbside food waste collections across the Liverpool City Region. MRWA must therefore prepare to handle and treat at least this quantity of separately collected household food waste.
- 2.12 The only food waste treatment facility operating in the north-west does not currently have the capacity to accept the estimated quantity of household food waste arisings. Veolia are therefore exploring options outside Merseyside where such capacity may be available from the statutory date of March 2026. This could involve long haulage distances pending development of any closer options.
- 2.13 It is important to note that the proposed arrangements will only be formally contracted through the WMRC until May 2029 (or the date of any subsequently agreed extension). A separate piece of work will be undertaken as part of the current future services review exercise (the 're-procurement' programme) which will consider services and the Authority's estate in a holistic manner with a view to overall systemic changes that may be agreed under future arrangements. As such, the arrangement proposed can be considered temporary and will be subject to review and potential amendment from 2029. Any approved infrastructure and operational changes required for the new separate food waste collections will be subject to a formal WMRC contract variation.

3. Options

- 3.1 MRWA have been working with the contractor, Veolia, to explore a range of potential options to enable the handling of separately collected food waste at existing transfer locations (in Bidston, Huyton, Gillmoss and Southport). Each option has a range of 'pros and cons' and present a

variety of challenges in terms of financial and operational delivery. The headline options considered have included:

- *Handling separate food waste within existing transfer station halls*

Pros:

- No dedicated separate planning permission required
- No impact on limited external space
- No need for new build capital expenditure

Cons:

- All transfer halls are already under significant capacity and waste separation pressure, this option would negatively impact operations generally (especially during contingency management)
- Not all facilities are capable of retrofitting to the standards to enable acceptance of any commercial food waste WCAs may collect (thereby limiting their ability to do so).

- *Deposit collected food waste into dedicated external containers (skips with hydraulic lids) sited on concrete pads*

Pros:

- No impact on existing transfer station operations
- Allows acceptance of both household and commercial food waste collected by WCAs
- Can be implemented relatively quickly (subject to availability of containers)
- Lower initial capital cost than a dedicated facility build

Cons:

- Significant increase in transport requirement, especially for disposal at distance beyond Merseyside boundaries – resulting in higher operational costs & greater carbon impact
- Limits Councils' options for collection vehicle types to only those that can tip at height into containers
- Veolia have expressed concern about their ability to effectively manage anticipated tonnages (c. 50k tonnes) through this option.

- *A 'hub & spokes' model, with containers at 3 sites and a dedicated transfer hall at one site (potentially Gillmoss or Huyton) – a version of the above option*

Pros:

- As the above option, but with the reduced impact on bulk transport to treatment outside Merseyside

Cons:

- As above, although with reduced transport impact

- Reliance on just one 'hub' transfer site increases risk of contingency management should that hub become unavailable for any reason
- *Construction of dedicated transfer buildings at each of the four existing transfer station locations*

Pros:

 - No impact on existing transfer operations, and potentially reduces operational pressure within each facility (resulting in improved resilience and contingency management)
 - Allows full flexibility for District Councils to choose collection fleet that best suits local needs
 - Allows full flexibility for District Councils to collect and deliver commercial food waste
 - Provides some operational resilience for food – should one facility be unavailable, others can be used
 - Temporary, modular building options allows for cheaper capital cost than traditional (brick/steel frame) options, and can be readily removed and re-used in future

Cons:

 - May require dedicated planning permission at each site
 - Timescale for implementation longer than for containers (with planning being a key controlling element).

- 3.2 On detailed consideration of the above options and the 'pros and cons' of each, the first three are considered to present such challenges for efficient operational delivery that they have effectively been ruled out for further progress.
- 3.3 The final option – being the construction of dedicated transfer buildings at each of the four existing transfer locations – is considered the only reasonable option to take forward for development at this stage. This option offers the most flexibility for the District WCAs, minimises the impact on existing transfer station operations, provides optimal system resilience for food collections, is most operationally deliverable for Veolia and strikes the best balance between a robust 'permanent' solution and one which may be subject to change with the future services development.
- 3.4 Veolia have developed outline plans for each location, drafts of which are provided in Appendix 1 to this report.

Proposal summary

- 3.5 The proposed infrastructure is required to be both robust enough to handle the anticipated tonnages of food waste in compliance with the relevant legislation, whilst also recognising that the optimal solution may change from 2029, and therefore needing to be flexible for future needs.
- 3.6 Veolia have therefore proposed the installation of buildings that are semi-permanent in nature, robust enough for the proposed use but with the flexibility to be dismantled and relocated if required. This fits with the essentially interim nature of this proposed solution pending the outcome of the future services review, whilst also being cheaper than a conventional brick/steel frame build.
- 3.7 An outline of the currently proposed siting (for Bidston, Gillmoss and Southport) and the building structure is provided at Appendix 1. Three siting options are proposed for Huyton, which remain subject to further detailed review. A decision will be required on the preferred Huyton siting option in the next stages, and this report asks that the authority for the final decision be delegated by Members to the Chief Executive (in consultation with the Authority Chairperson) after an appropriate, more detailed siting options review.
- 3.8 Whilst on existing waste operational facilities (with pre-existing planning approvals), new infrastructure proposals may require specific planning approval for their implementation. In this regard, pre-planning applications have been submitted to the respective relevant Planning Authorities, the responses to which will inform the nature of any planning application, background surveys and specific requirements for each facility.
- 3.9 The current total capital costs of the proposal are estimated at c. £2.5m. These costs include for planning applications, background planning surveys and Veolia's infrastructure build costs. Final costs will be subject to an agreed design with Veolia and a formal build pricing process. £2m for this project has previously been allocated and approved by Members within the existing capital programme budget (Authority report WDA 29/24, February 2024). Any necessary additional cost (once final values are confirmed) will be subject to Member review and approval through the 2025/26 budget setting process (including formal budget approval at the February 2025 Authority meeting).
- 3.10 The operational costs (which will include Veolia's handling, transport and the third-party off-take costs) remain subject to further discussion and development but will replace any cost which would otherwise have been

incurred for disposal of food waste within residual bins through the Resource Recovery Contract.

4 Risk Implications

4.1 The following risk analysis has been considered in relation to this report:

Identified Risk	Likelihood Rating	Consequence Rating	Risk Value	Mitigation
MRWA does not have in place facilities to comply with statutory obligations by 31 March 2026	2	5	10	<ol style="list-style-type: none"> 1. Project delivery to be adequately resourced 2. Alternative mitigation plans to be prepared should facilities not be available.
Planning applications for one or more of the requested facilities are not approved	2	5	10	<ol style="list-style-type: none"> 1. Prepare to implement an alternative option at non-approved sites 2. Direct impacted WCAs to facilities with appropriate permissions
Facilities are built, but Councils do not deliver in the short-term (e.g. due to a delay in vehicle supply chains)	2	2	4	<ol style="list-style-type: none"> 1. Work closely with the LCR Waste Partnership to ensure timely delivery of whole project

5 HR Implications

5.1 Subject to Member approval of the recommendation, appropriate staff resources will be allocated from internal teams to ensure timely and effective delivery of this project.

6 Legal Implications

6.1 New obligations set out in amendments to the Environmental Protection Act 1990 and the Separation of Waste (England) Regulations 2024 will

require District WCAs to separately collect household food waste from 31st March 2026.

- 6.2 MRWA are legally obliged to provide services to Merseyside's WCAs for disposal of waste they collect, which includes separate collection of household food waste. This proposal will satisfy that legal obligation.

7 Environmental Implications

- 7.1 Diversion of food waste from the residual waste stream to a separately collected food stream will result in changes to tonnages of waste transported by either rail (as residual, to Wilton EfW, which will reduce) or by road (as food to third party food waste treatment, which will increase).
- 7.2 This will affect the overall carbon impact of transported wastes, the precise impact being subject to the nature of final offtake arrangements (impacting distance of transport of collected food waste), arrangements which remain subject to discussion with Veolia.

8 Financial Implications

- 8.1 Capital funding of a total of £2m for the food waste project has been previously allocated and approved by the Authority (Authority report WDA 29/24 MRWA Budget 2024/25, February 2024).
- 8.2 The total project costs (which will include planning applications, surveys, infrastructure and potential facility impacts for Veolia) are currently anticipated to be an estimated £2.5m. The final figure will be subject to agreed facility design and the outcome of an infrastructure design and pricing process. Capital costs in excess of those already approved will be subject to review and approval by Members through the 2025/26 budget process at the Authority meeting in February 2025.
- 8.3 Operational costs for the food waste handling and treatment services are under discussion with Veolia. There will be a reduction in cost through the RRC for any food waste not disposed of through the residual waste disposals stream (along with the opportunity to increase the acceptance of third-party residual waste into the RRC). The net financial impact of this change is therefore subject to review and dependent upon a number of factors including precise tonnage changes upon implementation.

9 Conclusion

- 9.1 Members are asked to;

- i) note the legal changes required to management of separately collected household food waste;
- ii) approve the proposal to install appropriate infrastructure at existing MRWA waste transfer locations to enable handling of food waste to be separately collected from Liverpool City Region's Councils from 31st March 2026 at the latest;
- iii) delegate authority for the final decision on the siting of the preferred location of a facility in Huyton to the Chief Executive in consultation with Authority Chairperson.

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The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.