



## Review of Food Waste Agreements

<b>Committee</b>	Gloucestershire Joint Waste Committee
<b>Committee Date</b>	<b>18<sup>th</sup> June 2019</b>
<b>Significant Decision</b>	No
<b>Responsible Officers</b>	<b>Wayne Lewis, Gloucestershire Joint Waste Team</b> <a href="mailto:wayne.lewis@gloucestershire.gov.uk">wayne.lewis@gloucestershire.gov.uk</a>
<b>Main Consultees</b>	Gloucestershire Waste Collection Authorities.
<b>Purpose of Report</b>	To update the joint committee of an upcoming decision by Gloucestershire County Council (GCC) to terminate existing Food Waste Collection and Delivery Arrangements in place with Waste Collection Authorities (WCAs), and to conduct discussions with a view to entering in to new agreements.
<b>Recommendations</b>	<b><i>It is recommended that the Committee:</i></b> <ol style="list-style-type: none"><li>I. Notes the content of the report;</li><li>II. Endorses the principles set out in paragraph 2.1 relating to future agreements; and,</li><li>III. Considers what involvement it wishes to have in future discussions between GCC and WCAs on this matter.</li></ol>
<b>Resource Implications</b>	GCC is seeking to reduce current levels of expenditure on Food Waste Collection and Delivery Arrangements, meaning there is potential for reduced income to WCAs in future. Any potential financial impact on the local authorities involved will form an important part of the planned discussions to take place over the next 12 months.

## 1. Background

1.1 GCC has separate Food Waste Collection and Delivery Arrangements in place with each Gloucestershire WCA. Under the agreements WCA's are required to collect and deliver food waste separately from residual waste. The agreements reflect a commitment by each of the parties to develop and maintain a high level of service performance, and set out a mechanism by which a performance-based payment is made by GCC to each WCA. This payment is based upon the principle of sharing the savings resulting from reduced landfill, and recognises the investment made by the WCAs in delivering food waste for separate treatment. The payments are discretionary under the Environmental Protection Act s52(A)2.

1.2 Some differences exist between the current Food Waste Collection and Delivery Agreements. The performance targets set and the level of payments made by GCC varies. This has resulted in a wide disparity in the payments made to each WCA per tonne of separately collected food waste. This is shown in table 1.

Table 1: Food Waste Collection and Delivery Agreements

	Date of Agreement	Performance Payment Cap	Total Payment (2018/19)	Total Food Tonnage (2018/19)	Payment £ / tonne
Cheltenham Borough Council	1 <sup>st</sup> January 2011	£100k	£93k	3,128	£29.63
Cotswold District Council	1 <sup>st</sup> November 2008	£250k	£159k	3,679	£43.19
Forest of Dean District Council	1 <sup>st</sup> June 2011	£100k	£100k	2,520	£39.68
Gloucester City Council	1 <sup>st</sup> February 2010	£100k	£88k	3,405	£25.75
Stroud District Council	1 <sup>st</sup> February 2016	No limit	£378k	5,123	£73.86
Tewkesbury Borough Council	12 <sup>th</sup> April 2010	£100k	£100k	2,727	£36.67
Total			£918k		

1.3 A performance payment cap of £100k per year is in place with Cheltenham Borough Council, Forest of Dean District Council, Gloucester City Council and Tewkesbury Borough Council, whereas Cotswold District Council has a performance payment

cap of £250k per year. The agreement with Stroud District Council does not contain a performance payment cap. It uses a different payment mechanism to the others, based upon the residual waste arisings per head of population (whereas all other agreements have a payment based upon absolute tonnages generated).

1.4 GCC now wishes to terminate the existing agreements, providing 12 months notice with a view to establishing new agreements with each WCA. The future agreements should continue to provide an incentive to recycle food waste and reduce residual waste, but be more equitable than the current agreements, and also be more financially sustainable to GCC. A cabinet decision will be taken on 19 June.

## **2. Future Agreements**

2.1 Officers from each Gloucestershire local authority and the Joint Waste Team (JWT) have met to give some early consideration to the principles on which future agreements should be based. There is consensus that the agreements should:

- Be equitable;
- Reward good performance;
- Incentivise continuous improvement; and
- Acknowledge that different levels of performance may result from social demographic factors.

It is acknowledged that GCC wishes to reduce the total cost of this discretionary payment, but also that the current payments provide an important contribution to separate food waste collections, which in turn help to reduce residual waste (and related disposal/treatment costs).

2.2 The JWT will develop potential payment systems with the aim of fulfilling the criteria set out in paragraph 2.1. Each WCA will be consulted on the potential approaches before a recommendation is made to GCC (in consultation with its Chief Executive) on the adoption of new agreements.

2.3 Members of the GJWC are asked to endorse the principles set out in paragraph 2.1 and to consider what role the joint committee should take in the upcoming discursive period.