

Blaby District Council
Council

Date of Meeting	19 November 2024
Title of Report	Food waste new burdens capital allocation - Capital Programme Addition to 2024/25 This is a Key Decision and is on the Forward Plan.
Lead Member	Cllr. Nigel Grundy - Neighbourhood Services & Assets
Report Author	Neighbourhood Services Group Manager
Strategic Themes	All Themes: Enabling communities and supporting vulnerable residents; Enhancing and maintaining our natural and built environment; Growing and supporting our economy; Keeping you safe and healthy; Ambitious and well managed Council, valuing our people

1. What is this report about?

- 1.1 This report provides Members an update on additional planned expenditure against the Capital Programme for the second quarter of 2024/25 for the procurement of food waste vehicles.

2. Recommendation(s) to Council

- 2.1 To approve an additional £970,000 to the capital programme to allow 7 vehicles and food waste receptacles to be procured.

3. Reason for Decisions Recommended

- 3.1 To ensure that the Council has adequate capital resources in place to meet its new legal obligations to implement separate weekly food waste collections from March 2026.
- 3.2 To reflect additions or other changes to the Capital Programme that have occurred in the 2nd quarter of the year.

4. Matters to consider

4.1 Background

As part of the national waste reforms all local authorities in England are legally required to provide a separate weekly food waste collection service to all its residents by 01 April 2026.

Defra have already provided a capital allocation to Blaby District Council of £920,000 for the provision of food waste collection vehicles and food waste receptacles for residents' food waste.

Soft market testing of suitable vehicles has taken place and provisional prices obtained for 7 vehicles in the 7,500kgs category which operate on Hydrotreated vegetable oil (HVO) fuel. Each vehicle has an approximate price of £105,000 depending on the level of ancillary equipment included and procurement framework fees.

Due to the food waste implementation being a national initiative it is expected that demand for food waste vehicles will increase thereby requiring orders to be placed in this financial year in order to stand the best chance of obtaining the vehicles in time for the planned implementation date.

Failure to place orders in a timely manner risks significant price increases and increases in lead times which could result in not having vehicles arrive in time for the scheme implementation date.

As part of the soft market testing prices and information were also sought for electric vehicle equivalents. The capital costs of the electric equivalent is approximately £300,000 each and three times the capital costs of the HVO equivalent. Defra have confirmed they will not be providing capital costs for electric vehicles.

Aside from the costs of a fully electric food waste vehicle being three times that of the HVO complaint version, operating on HVO fuel provides for a 90% reduction in CO2 emissions compared to diesel fuel. According to some manufacturers the vehicle category is not as developed in the 7,500kgs market as it is in the general car or bus and bin lorry market. Until more advancements are made in this category there is a risk over the reliability of the after sales support market.

With regards to food waste receptacles a full procurement has taken place jointly with other Leicestershire district council partners in order to provide where possible uniformity in type size and colour of container for operational efficiency - this amounts to £235,000 of capital.

The total capital requirement is as follows:

Food waste vehicles @ £105,000 each	£735,000
Food waste receptacles	£235,000
TOTAL	£970,000

To provide the greatest degree of certainty that the required assets will arrive in a reasonable time before implementation date orders for vehicles and caddies are to be placed before 31 December 2024.

5. What will it cost and are there opportunities for savings?

5.1 Details are set out in the preceding paragraphs.

6. What are the risks and how can they be reduced?

6.1

Current Risk	Actions to reduce the risks
Costs of vehicles may increase significantly as the deadline for implementation of food waste collections gets closer	Seek to place order as early as possible to guarantee lead times for delivery prior to implementation.
Vehicle may not be delivered in time for scheme start date.	Place orders by 31 December 2024 to ensure delivery within 12 months.
Containers may not be delivered in time for scheme start date.	Joint procurement of containers completed. Orders to be placed by 31 December 2024 to ensure delivery ahead of scheme start date.
Public acceptance of not procuring electric vehicles	Provide explanation as in section 7.1 to reiterate the challenges around public finance, EV infrastructure at the depot, and a so far under developed market in this vehicle category in addition to HVO fuel being used as a substitute to fossil fuel.
Insufficient space at the depot to accommodate new vehicles and temporary storage of containers	A review of the existing depot layout is being undertaken to provide adequate vehicle parking and container storage. Cost estimates are being obtained for an amended layout including potential expansion of depot footprint.

7. Other options considered

- 7.1 Consideration was given to purchasing electric vehicles but given the costs were three times as much as the HVO equivalent, an under developed market in this category causing concern around reliability of performance and service, uncertainty around the timescales in which to deliver electric infrastructure charging at the depot, and Defra's position not to provide funding for electric vehicles, and HVO obtaining 90% reduction in emissions compared to the diesel fuel equivalent the option of purchasing fully electric food waste vehicles was discounted.

8. Environmental impact

- 8.1 In preparing this report the author has considered the impact on the environment and there are no areas of concern. Officers delivering the projects within the Capital Programme are asked to consider environmental impacts in each case. The Council's fleet transition has begun with the addition of a mini electric sweeper and an end of life bin lorry being converted to fully electric. It will continue as we develop the infrastructure and subject to available funding.

9. Other significant issues

It is likely that the Blaby District Council vehicle depot located in Whetstone will need to be extended to accommodate the new food waste vehicles. Cost estimates are being obtained for the works and once these are known approval for the required additional expenditure will be sought either through Cabinet Executive or Full Council dependent on the value.

- 9.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.

10. Appendix

- 10.1 None.

11. Background paper(s)

- 11.1 None.

12. Report author's contact details

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