


Agenda Item No:	12	
Committee:	Cabinet	
Date:	26 February 2024	
Report Title:	Acceptance of Capital Funding for the Provision of Domestic Food Waste Services	

Cover sheet:

1 Purpose / Summary

- 1.1 To consider and agree the acceptance of first stage capital funding provided by Defra for the implementation of weekly domestic food waste collections from March 2026.
- 1.2 To highlight that at present we cannot confirm if the formula Defra is using to calculate this transitional funding will be sufficient to cover all the costs incurred.

2 Key Issues

- 2.1 As part of the Government's plans to increase recycling, reduce waste to landfill and unify waste services across the country, weekly domestic food waste services will be implemented from March 2026.
- 2.2 This statutory duty was placed on English authorities to collect food waste on a weekly basis through The Environment Act 2021.
- 2.3 We have been informed that Defra intends to make a capital grant payment under Section 31 of the Local Government Act 2003 towards the capital expenditure required for equipment and vehicles.
- 2.4 The indicative amount Fenland is to receive is a first stage payment of at least £826,815. This will be received in March 2024 if agreed and signed off by March 1 2024. An appeals process is expected to generate further capital funding towards these changes.
- 2.5 We are informed that the net revenue costs associated with providing this new statutory service and transitioning to it will be covered through New Burdens doctrine, and that this will initially be performed using a formula with an appeals process.
- 2.6 Further information and reports will be shared with members and portfolio holders as this work progresses, including service design, implementation, and an updated Waste Strategy for approval.

3 Recommendations

- 3.1 Members consider and accept this funding offered towards the necessary capital expenditure for these service changes acknowledging that there are conditions placed upon this funding and the use of equipment purchased.
- 3.2 To delegate the sign off of the financial, legal and all other agreements to the Council's Section 151 Officer in consultation with the Finance Portfolio Holder.

- 3.3 Members to note that at this point confirmation of the final funding amount has not been forthcoming from Defra. It is expected that the first instalment of funding will be in the region of £826,815.
- 3.4 To delegate to the Finance Portfolio Holder and Section 151 officer the ability to accept future capital and revenue allocations in regards to the introduction of a Food Waste Service and enter in to any associated agreements.
- 3.5 Members to note that given the number of authorities going to market for these vehicles and materials at one time, that there is the risk that the funding provided by Defra does not completely cover the costs of transitioning to this additional statutory waste service.
- 3.6 Members to note that New Burdens doctrine will be applied to the net costs of transitioning to and providing the new service from March 2026.

Wards Affected	All
Forward Plan Reference	Key/12Feb24/02
Portfolio Holder(s)	<p>Cllr Boden, Leader and Finance Portfolio Holder</p> <p>Cllr Murphy, Portfolio Holder for Refuse & Cleansing, Parks & Open Spaces</p>
Report Originator(s)	Mark Mathews Head of Environmental Services
Contact Officer(s)	<p>Paul Medd, Chief Executive</p> <p>Carol Pilson Director and Monitoring Officer</p> <p>Peter Catchpole Director and S151 Officer</p>
Background Papers	

1 BACKGROUND AND INTENDED OUTCOMES

- 1.1 The Government has since 2018 focused through their [Resources and Waste Strategy for England](#) on simplifying recycling and unifying domestic and commercial waste services with the aim of reducing waste to landfill and increasing recycling.
- 1.2 The Council has been given 2 opportunities to provide feedback within an associated consultation process and the original plans have been adapted to allow for a more pragmatic approach to be implemented.
- 1.3 The resultant act of parliament, the Environment Act 2021, placed many new duties on local authorities, including mandating the weekly collection of food waste from domestic premises alongside food waste collections and recycling collections from relevant commercial premises. These duties were placed on English authorities.
- 1.4 As part of the Government's plans, weekly domestic food waste services will need to be implemented from March 2026.
- 1.5 Along with this there is a requirement to provide commercial food waste services, when requested, from March 2025. With Cabinet's support Fenland already has these commercial services in place.
- 1.6 The Cambridgeshire authorities have for the last year been negotiating with Defra over implementing food waste services to customers. Agreement was only reached in February 2024 and as a result the funding from Defra to implement these changes is arriving later than the majority of other authorities.
- 1.7 We have therefore recently been informed that Defra intends to make a capital grant payment under Section 31 of the Local Government Act 2003 towards the capital expenditure required for equipment and vehicles.
- 1.8 The indicative amount Fenland is to receive is a first stage payment of at least £826,815. This will be received in March 2024 and we are being asked to agree to the funding conditions and sign this off by March 1 2024.
- 1.9 A further appeals process is in train with the aim to generate further capital funding towards these changes where officers disagree with Defra's modelling approach.
- 1.10 We are informed that the net revenue costs associated with providing this new statutory service, and transitioning to it, will be covered through New Burdens doctrine, and that this will initially be performed using a formula with an appeals process.
- 1.11 With all the Cambridgeshire authorities making this transition at one time we will ensure that all opportunities for savings through shared procurement of similar equipment and resources is made through the RECAP partnership along with learning from Peterborough City Council, who already have food waste services in place.
- 1.12 As with all of Fenland's successful large scale change projects, further information and reports will be shared with members and portfolio holders as this work progresses, including service design, communications, implementation, and an updated Waste Strategy for approval.
- 1.13 This work will be a large-scale cross-team project managed alongside the existing transformational work already in place.

2 REASONS FOR RECOMMENDATIONS

- 2.1 Defra have placed a deadline on signing off this transitional funding of March 1 in line with the rest of the country.
- 2.2 Without this funding there will be an unsustainable increase on Fenland's capital forward plan which will impact the Medium-Term Financial Plan to implement the new service which will be a statutory requirement.

3 CONSULTATION

- 3.1 No public consultation has been performed by this Council, however the public, businesses and the industry were invited to take place in each stage of the Defra consultations over the past 3 years.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None. This is a statutory service for which capital expenditure is required and is being provided by government.

5 IMPLICATIONS

5.1 Legal Implications

The agreement requires the authority to commit to certain requirements and conditions. Nothing here is extraordinary for this type of funding.

5.2 Financial Implications

Whilst Defra is providing funding to all authorities to fund this transition, this is created using a model and there is the risk that demand increases the cost of the required resources. If this is the case there is the risk that the funding provided does not completely cover the necessary spend required.

New Burdens funding has been promised to cover both the transition to the new service but also the ongoing revenue costs of providing the service.

Moving food waste materials out of residual waste bins should see a reduction in the future capital needs of our residual waste collections.

5.3 Equality Implications

There are no equality implications.

7 SCHEDULES

SCHEDULE [1]
[Defra Letter 12 February 2024]



Department
for Environment
Food & Rural Affairs

12 February 2024

Ref No 31/7069 Dear Chief Executives,

Food waste collections – capital transitional grant to support the delivery of weekly food waste collections.

On the behalf of the Minister of State for Department for Environment, Food, and Rural Affairs, I am writing to confirm Defra intends to make a capital grant payment under Section 31 of the Local Government Act 2003. I attach a signed Grant Determination Form.

The capital element of funding is for the purchase of food waste bins (this includes internal kitchen caddies, external kerbside caddies and communal bins) and food waste collection vehicles, provided on a non-ring-fenced basis. As we are providing funding that will cover the purchasing of bins, we do not expect local authorities to charge residents for the provision of bins. This grant will be published, as is standard practice, and will therefore be publicly available. Information on how this funding has been calculated was laid out in my previous letter to you, informing you of your indicative funding allocations.

The conditions of the grant are outlined in Annex B. I ask that authorities with waste collection responsibilities provide financial reporting on the spend of this funding. Reporting should be sent to recycling@defra.gov.uk. So that the reporting is not burdensome, we will not be expecting a template to be completed. Therefore, please provide the reporting that is used internally. The first reporting submission is expected by 31 October 2024, with subsequent quarterly submissions until 31 March 2026. If this funding is not exhausted delivering the project, we will request it to be used for delivering waste collection improvements.

Local Authorities must ensure that robust arrangements are in place to manage fraud risk, including ensuring that project deliverers have a robust fraud risk management process and pay particular attention to projects that involve the payment of grants to beneficiaries e.g. businesses. Local Authorities are expected to ensure that all legal and other statutory obligations and consents will be adhered to, which may include, but not solely, state aid / subsidy control, equalities duties,

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procurement, health and safety, and fraud prevention. Local Authorities have prerogative to establish internal governance and assurance arrangements as they see fit to achieve this. Local Authorities will ensure data can be shared for the prevention and detection of fraud by including the following clause in all agreements with companies or external entities: "Data may be shared with other public bodies and enforcement agencies for the prevention, detection and investigation of fraud."

Defra may request documentation from Local Authorities regarding this grant to ensure compliance with this requirement.

Local Authorities should report/make Defra aware of suspected fraud and error within the grant to Defra.

The vehicles that are purchased for food waste collections should not be used for commercial purposes. In the event that you have procured a private contractor to carry out waste collections on your behalf, we advise that this is stipulated in your contracts.

In the event that the sale or income of additional waste and anaerobic digestion raises additional revenue for the authority, we advise that this money is reinvested in waste collection.

Your acceptance of the award of this grant payment will be made by signing below. If you have currently requested a review, we ask that you accept this funding while we assess your request. This will ensure that you receive funding this financial year. Subject to the result of the review, if a local authority requires further funding, then this will be provided separately. No other form of acknowledgement will be accepted. Please do this by 1 March 2024. Please quote the reference number in any future communications relating to this grant.

If you have any questions regarding this letter, please do not hesitate to contact recycling@defra.gov.uk.

Yours sincerely,



Emma Bourne
Director
Resources and Waste

CAPITAL grant determination (non-ringfenced)
Food Waste Collection GRANT DETERMINATION (2024): No 31/7069.

The Minister of State for Department for Environment, Food, and Rural Affairs (“the Minister of State”), in exercise of the powers conferred by section 31 of the Local Government Act 2003, makes the following determination:

1) **Citation**

1) This determination may be cited as the Food Waste Collection Grant Determination 2024 [No31/7069].

2) **Purpose of the grant**

2) The purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred by them.

3) **Determination**

3) The Minister of State determines as the authorities to which grant is to be paid and the amount of grant to be paid, the authorities and the amounts set out in Annex A.

4) **Grant conditions**

4) Pursuant to section [31(3) and] 31(4) of the Local Government Act 2003, the Minister of State determines that the grant will be paid subject to the conditions in Annex B.

5) **Treasury consent**

5) Before making this determination in relation to local authorities in England, the Minister of State obtained the consent of the Treasury.

6) **UK Government Branding**

7) The Grant Recipient shall at all times during and following the end of the Funding Period:

7.1 comply with requirements of the Branding Manual in relation to the Funded Activities;
and

7.2 cease use of the Funded by UK Government logo on demand if directed to do so by the Authority.

8) **Branding Manual** means the HM Government of the United Kingdom of Great Britain and Northern Ireland 'Funded by UK Government branding manual' first published by the Cabinet Office in November 2022 and is available at

<https://gcs.civilservice.gov.uk/guidance/marketing/branding-guidelines/> including any subsequent updates from time to time.

Signed by authority of the Minister of State for Department for Environment, Food, and Rural Affairs.

Emma Bourne
Director
Resources and Waste
12 February 2024

ANNEX B

9) GRANT CONDITIONS

1. Grant paid to a local authority under this determination may be used only for the purposes that a capital receipt may be used for in accordance with regulations made under section 11 of the Local Government Act 2003.

2. The Chief Executive and Chief Internal Auditor of each of the recipient authorities are required to sign and return to the team leader of the Resource and Waste Division of the Department for Environment, Food, and Rural Affairs a declaration, to be received no later than 1 March 2024, in the following terms:

“To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to Food Waste Collection Grant Determination No 31/7069 have been complied with”.

3. If an authority fails to comply with any of the conditions and requirements of paragraphs 1 and 2, the Minister of State may-

- a. reduce, suspend or withhold grant; or
- b. by notification in writing to the authority, require the repayment of the whole or any part of the grant.

4. Any sum notified by the Minister of State under paragraph 3(b) shall immediately become repayable to the Minister.