



Cabinet 15.04.2026

Item

Public



Introduction of Weekly Food Waste Collections

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Cabinet Member (Portfolio Holder):	Cllr David Vasmer		

1. Executive Summary

1.1 The Environment Act 2021 came into force in April 2021 and sets out a framework for long term environmental goals. It also established new legal duties for local authorities and powers for the government to take action to address various environmental challenges, all seen as a significant step in the UK achieving a more sustainable and greener future.

1.2 The Simpler Recycling Legislation came into effect in March 2025 and aims to standardise recycling across England. It includes the statutory requirement that all Waste Collection Authorities, including Shropshire Council, must provide weekly food waste collections from all households from 31 March 2026. This requirement is designed to allow households to dispose of odorous organic waste on a frequent basis. As a new legislative requirement, this is considered to be a “new burden” on local authorities, thereby requiring appropriate funding to be made available.

1.3 As such, Government has provided funding for initial implementation and capital costs of the scheme. Funding for significant and additional annual revenue costs were initially understood to be provided by specific grants to Local Authorities. More recently, the Department of Environment, Food and Rural Affairs (DEFRA) has confirmed that funding will be provided through Council’s General Grant allocated through the fair funding formula confirmed through the final local government funding settlement in February 2026

1.4 Setting food waste collection to one side, Shropshire’s funding settlement amounted to a reduction in real terms from the previous year in the face of ongoing demand and price pressures for other statutory services. No evidence is available of how funding for weekly

food waste collections has been included within the settlement or of the value associated to providing this service to all households each week.

1.5 Over a number of months, Council officers have worked with both DEFRA and the current waste management provider Veolia ES Shropshire, to find the most cost-effective solution to deliver a legally compliant weekly food waste service. The current PFI contract with Veolia is complex and ends in 2039. The current PFI waste management contract does not provide currently for the universal service and requires negotiation of existing contractual arrangements or the creation of alternative arrangement incurring cost to the Council.

1.6 There has been ongoing dialogue with DEFRA since 2023 through formal responses and monthly meetings where the council have raised concerns regarding the mechanism and amount of revenue funding that would be available to operate the service in the long term. All indications were that this would be through new burdens funding. Because of the assumption that specific government funding would be forthcoming, the Council's request for Exceptional Financial Support had not included the costs of this new burden.

1.7 On the 29th January 2026, the Economy and Environment Overview and Scrutiny reviewed a number of options to progress with the scheme, especially in the context of the absence of any revenue funding from Government to fund new additional revenue costs, contractual constraints and opportunities within the current collection and disposal contract with Veolia. A number of recommendations were made to Cabinet in respect of continued lobbying of Government for appropriate funding and affordability.

1.8 Since that time, further discussions have taken place with the contractor and some options put forward to Scrutiny Committee at the time have been assessed and are no longer considered to be practical at this time. Additionally, the lack of current availability of an In Vessel Composter (IVC) is an impediment to the disposal of the food waste once it has been collected. While an IVC is contracted to be built by the contractor, this is by the end of the contract in 2029 and will need special consideration as the project moves forward.

1.9 It is now understood that a number of other local authorities are also struggling to launch their own local arrangements for weekly food collections for 31st March 2026 because of a number of factors including affordability, contractual arrangements, time required to mobilise and geography (e.g. rurality) of the councils concerned. In some cases, they have applied for exemptions to the legislation.

1.10 Given the ongoing uncertainty, there still remains a need for the Council to plan for a future rollout of a compliant scheme and to assess when this may be mobilised, subject to funding.

1.11 This report sets out proposals for planning for the delivery of this regulated service and the approach to funding the new requirement for weekly food waste collections in Shropshire for all households.

2. Recommendations

Cabinet notes:

- a) the new legislative requirement to provide weekly food collection from 31 March 2026 for every home in Shropshire**
- b) that compliance with the new arrangement has not been possible at this time as a result primarily of contractual and financial constraints**
- c) the comments from The Economy and Environment Overview and Scrutiny Committee at its meeting on 29th January 2026 as set out in the report**
- d) the initial capital and revenue funding already available to the Council to support design and implementation**

And instructs the Service Director for Place Shaping:

- e) to undertake further work with the current contractor to assess the full costs and timing of a fully compliant scheme**
- f) To update a complete risk assessment of the plan moving forward**
- g) Separately to consider the need for an application to DEFRA for exemption from the regulatory requirements on the basis of rurality and contractual complexity.**
- h) to write formally DEFRA to confirm the Council's position and plans to design and assess the full cost of the project and the likely timescales involved, again subject to affordability**
- i) To report further to Cabinet in July 2026 updating them on progress.**

The Report

3. Background

3.1 The Environment Act 2021 came into force in April 2021 and sets out a framework for long term environmental goals and established new legal duties and powers for the government to take action to address various environmental challenges and is a significant step in the UK achieving a more sustainable and greener future.

3.2 Improved consistency in recycling collections relates to the standardisation of recycling collections to ensure that there is consistency in the types of materials accepted for recycling, the collection methods and the overall effectiveness and efficiency of the whole process. The principal aims are to increase recycling rates, reduce contamination as there will be clear and consistent messaging and conserve valuable natural resources whilst reducing greenhouse gas emissions.

3.3 The Simpler Recycling Legislation came into effect in March 2025 and aims to standardise recycling across England and includes the requirement that all households are required to have a weekly food waste collection from 31 March 2026

3.4 In December 2022 DEFRA wrote to all Local Authorities regarding the implications of the introduction of separate food waste collections on existing long-term contracts setting out relevant criteria for a potential transitional period insofar that, Councils in these contracts not already collecting food waste would not have to introduce weekly food waste collections until the end of their contract and a list of these are set out within the Environment Act 2021(Commencement No9 and Transitional Provisions) Regulations 2024.

3.5 At the time it was assumed that the revenue funds the Council expected to receive would be sufficient to comply with the legislation. Not least, this was supported by the fact that fortnightly collections of food with garden waste were already included within the existing contract as was the provision of a new IVC. These assumptions now require a thorough overhaul.

3.6 The council will request a retrospective 'transitional period' whilst it works towards a longer-term solution. Other local authorities are in a similar position with a recent BBC news article suggesting that more than a quarter of councils will miss the deadline set.

4. Financial Implications

4.1 The Council has received funding of £835,945 to cover the cost of transitional activities leading to the start of weekly food waste collection from every household in the County.

4.2 Total ring-fenced capital funding for capital costs of delivering the scheme (including vehicles, project management,) totals £3,627,036. This funding is one off fund and no further capital funding (e.g. for future replacements of facilities) has been indicated.

4.3 It is anticipated that the annual unbudgeted costs to be incurred in a fully compliant scheme will be in excess of £3.8m per annum and subject to a negotiated position being agreed with the contractor.

4.4 As detailed in the MTFs cabinet paper dated 21 January 2026: 'The Provisional Local Government Settlement has been calculated based on the outcomes from the Fair Funding Review undertaken in the summer of 2025 and has resulted in the consolidation of several other specific grants previously received.

4.5 The intention of the Fair Funding Review was to accurately reflect the costs involved in providing services in local government. Following consultation, the government has decided to remove all remoteness related funding to the Area Cost Adjustments except for Social Care, and as a result, the provisional settlement is £4.4m less than had originally been anticipated. Combined with the loss of Rural Services Delivery Grant in 2025/26, this has resulted in a total loss of funding of £13.3m for Shropshire residents. This anticipated loss of funding was reflected in the Council's application for 2026/27 exceptional financial support. Government do not take into account the cost for delivering across a very large rural county and have not adequately funded this additional financial and ongoing revenue pressure to council and its residents.

5. Risk Assessment and Opportunities Appraisal

<i>Risk</i>	<i>Response</i>
1) Council has no agreed delivery strategy for the statutory requirement for weekly food waste collections and a failure to implement new legislation could lead to enforcement action, fines or legal challenge	<p>A) We have been part of the DEFRA food waste project for over three years and have raised the issue regarding the Councils financial position with the project lead officer and our Waste Infrastructure Development Programme (WIDP) transactor. We have made clear to them that the Council is not in a position to make any financial commitment until we receive the required funding; and we will write to them formally and request adequate financial support</p> <p>B) We will apply for a retrospective transition in accordance with the Environment Act 2021(commencement No9 and Transitional Provisions) Regulation 2024 to safeguard the council if we cannot resolve the budget gap and or capacity issue.</p> <p>C) This would allow the council to delay the implementation of a weekly food waste collection until the end of the existing contract from April 2039</p> <p>D) This requirement would be included as part of the specification for a new waste collection contract, this element has several</p>

	potential providers in a competitive market, and the savings achieved should be sufficient to incorporate a weekly food waste service at no additional cost
2) Capital costs - there has been no capital funding for the additional infrastructure cost including transfer stations additional storage bays, permit variation around storage time, additional RCV and staff parking/ welfare etc. Under our contract with Veolia this will fall under the qualified change in law and therefore this cost will fall upon the council, and the expectation is that this will be significant.	<p>A) We have raised this issue with our WIDP transactor, DEFRA colleagues and through the recent consultation. DEFRA have confirmed that, we can make representations for funding regarding an area not already covered through an appeal.</p> <p>B) Requesting full details of cost from Veolia will ensure that we have a comprehensive understanding of actual contract costs.</p> <p>C) We have procured technical consultancy support for the whole of the contract and can carry out a full and detailed analysis of these costs to ensure we have a robust argument if we appeal to DEFRA.</p>
3) Revenue pressure: The implementation of a weekly food waste collection is unaffordable to the council	<p>A) Continued modelling with the Provider which may start with a fortnightly collection; other models need to be considered such as 3 weekly collections to mitigate budget pressure</p> <p>B) DEFRA is written to with a request that this is new burden is adequately funded.</p>

6. Climate Change

6.1 There are no climate change issues arising directly as a consequence of the report although they will need to be considered in detail as part of future planning

7. Overview and Scrutiny

7.1 The Economy and Environment Overview and Scrutiny committee on the 29 January 2026 discussed some of the challenges and possible options related to implementing a food waste collection scheme.

7.2 The Economy and Environment Overview and Scrutiny committee on the 29 January 2026 discussed some of the challenges and possible options related to implementing a food waste collection with the below responses:

Following debate, the Committee did not reach a unanimous view. A vote resulted in an equal split (4–4) between the following two recommendations:

Recommendation 1 (supported by four members):

To recommend Option 1 (“Do nothing”), on the basis that:

- The Council wishes to deliver Option 3 (“Weekly food collection by introducing a fortnightly separate collection of food waste only”) in full but cannot responsibly implement the statutory requirement without the necessary ongoing revenue funding from Government.
- The Council should therefore not introduce a new unfunded statutory service and should maintain its current arrangements until Government meets its new burdens obligations.

Members supporting this recommendation considered it essential to make a stand against unfunded mandates.

Recommendation 2 (supported by four members):

To recommend Option 2 (“Introduce a fortnightly collection of food waste to all households collected with garden waste” using the existing garden waste rounds and new caddies), on the basis that:

- This provides universal access to food waste disposal for all households.
- It represents a practical and deliverable transitional arrangement while Government funding remains unresolved.
- It demonstrates progress towards compliance with statutory requirements without immediately incurring the full cost of a weekly service.

Unanimous Additional Recommendation:

Regardless of the preferred option, the Committee unanimously agreed to recommend that Cabinet:

- Undertake urgent and sustained lobbying of Government, including Defra, MHCLG, local MPs, the County Councils Network and other affected authorities.
- Seek clarity and appropriate ongoing revenue funding to deliver weekly food waste collections as required in legislation.
- Work collaboratively with other Councils facing similar challenges to present a coordinated position.

7.3 Since then Committee meeting Officers have started to make contact with some local authorities to understand their challenges and next steps. Additional challenges have arisen with the current contract and the proposal to transition and start a fortnightly collection, and officers will continue to work at future model.

8 Conclusions

8.1 The implementation of the requirement to provide weekly food waste collections to all households in Shropshire from April 2026 is not achievable due to the issues outlined in the report.

8.2 Council officers will continue to work with the current Provider Veolia to look at how a phased approach can be implemented with minimal impact on the Council’s budget given the current financial challenges and potential capacity issues.

8.3 The Council will continue to look at how it will fund weekly food collections and seek a response from DEFRA on how they can support this challenging position given the new burdens the council has responsibility for without being provided with adequate budget.

8.4 The waste PFI contract adds additional complexity and there has been a significant amount of work undertaken to date to fully understand the actual costs whilst continuing to find the most cost-effective solution.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Local Member: *ALL*

Appendices