

**Date 14<sup>th</sup> February 2023**

Dear Rt Hon Thérèse Coffey MP

We are writing to you as Cambridgeshire and Peterborough Waste Partnership (known as RECAP) consisting of Cambridgeshire County Council, Cambridge City Council, East Cambridgeshire District Council, Fenland District Council, Huntingdonshire District Council, South Cambridgeshire District Council and Peterborough City Council. This letter is agreed and supported by the leaders of each of the Cambridgeshire authorities.

We write to you as a partnership requesting special consideration of our circumstances and the provision of funding to overcome our exceptional situation, as set out further below. We have significant concerns about how Defra is approaching the issues arising with the introduction of weekly domestic food waste collection services in regions with a long-term waste disposal contract.

In particular, the approach and timescales to address the issues created for the County Council in relation to costs associated with the anticipated domestic food waste collections. Delays in providing information due to Defra not releasing the outcomes to the consultations and guidance, which would have helped our authorities to calculate the impacts and costs sooner, didn't happen in the autumn 2022. The consultation at the final hour, offering no time for effective democratic decision making, places a significant pressure on this effective two-tier partnership.

Cambridgeshire is in a unique position, in that it has a Mechanical Biological Treatment (MBT) facility, alongside an in-vessel composting (IVC) facility to treat the residual waste through a government funded Waste Private Finance Initiative (PFI) contract. The proposed changes would require significant amendments to the PFI contract, which means that the waste disposal authority (WDA) will not see financial benefits as a result. The net new burdens provisions proposed through legislation hasn't fully taken this into account.

The Cambridgeshire and Peterborough Waste Partnership work together to continuously improve waste services, increase recycling and reduce waste. We are experienced in effectively negotiating our different perspectives to deliver cost effective and environmentally responsible services which meet the needs of our local communities. However, the recent divisive and fast-paced events have raised serious concerns with our members on how to proceed with the issue.

The WDA (Cambridgeshire County Council in this case) has been required to evidence to Defra why the introduction of separate food waste collections will be costly to the County because of its long-term treatment contract arrangements. Without an acceptance of this cost impact and the relevant new burdens funding also being provided to the WDA, this could lead to an exemption in law for the Waste Collection Authorities (WCAs, all the named city and district councils above) to delay the introduction of food waste collections. Whilst Peterborough City Council as a Unitary Authority

already has arrangements for the treatment of its separately collected food waste, they are still supportive of the approach taken by the partnership in this letter.

Without appropriate financial support for the County Council following this change in legislation with the Environment Act 2021, as a partnership we must make a difficult decision. We feel that this exemption until the end of our Waste PFI contract (in 2036, or 2041 if extended) will significantly disadvantage all the WCAs who, after successful trials, are keen to have the opportunity to implement weekly food waste collections in Cambridgeshire.

Food waste collection is considered to be a vital step in decarbonising our services, prioritising climate change and diverting waste from landfill in Cambridgeshire, all at a time when we are seeking to address the climate emergency. However, implementation of food waste collections before the conclusion of the Waste PFI contract will bring significant financial burdens for the County Council, which was evidenced in the County Council's response to the Defra survey.

The estimated net annual costs to the WDA in amending the Waste PFI Contract is £2,070,000, but this comes with a large number of caveats and is by no means intended as a maximum or worst case scenario. Indeed, if changes commenced in 2027 this would equate to estimated net lifetime costs of £18,630,000 assuming the Waste PFI Contract ends in 2036 or £28,980,000 if it is extended by five years to 2041, which is why it is essential this issue is fully appreciated.

We must carefully consider the best course of action for the taxpayers of Cambridgeshire. However, the timescales which the evidence gathering, and hearings are taking place, have been too short to sufficiently gather robust evidence, consult and receive decisions from Members within our respective Councils. This has made it impossible for an informed and democratic decision to take place about how best to proceed for the residents of Cambridgeshire, especially as the legislation/guidance on all aspects of the changes to waste services have not yet been published to help the decision-making process. Nonetheless, please see our process below:

- On 14<sup>th</sup> December 2022 a questionnaire was sent out to the WDA with responses required by 13<sup>th</sup> January 2023. This provided too little time to engage with the majority of Members on this matter as they were on annual leave over the Christmas break.

We sought an extension to submit the questionnaire and 1 week was granted. Our submission was made on 20<sup>th</sup> January 2023.

- The WDA is required to provide evidence of the costs that will be incurred to change the Waste PFI contract to demonstrate the need for the exemption by 24<sup>th</sup> February 2023. Although, the WDA already has some of this evidence, these costs are not exact and do not consider all the impacts, as the detail from the WCAs cannot come forward until they understand from Defra the funding model and the detail of the TEEP (Technically, Environmentally and Economically Practicable) analysis to determine their preferred collection options. Further work is required, however, to fully work up the costs with the PFI contractor, which would require more time, additional resources, the detailed collection decisions from the WCAs, and additional funding.

- The WCAs are required to cost and seek Member approval for the changes to the food waste collections, prior to 24<sup>th</sup> February 2023. However, on the basis that some district councils within the partnership have elections in May 2023, it will be impossible to take decisions of this magnitude which are politically sensitive during this timescale. To make these decisions, the WCAs need to understand the costs associated with changing the Waste PFI contract, so they can weigh that against the risks of not implementing food waste at the same time as other local authorities. The WDA is unable to secure this information in the timeframe due to the contractual conditions and technical complexity, alongside the issues noted above.

These issues have put unnecessary strain on the waste partnership which has been working effectively together for over 20 years. Due to the lack of consideration of the impact of the legislation to some WDAs and a lack of supporting funding, this situation has caused a potential barrier to future partnership working. This is wholly the making of Defra. It is clear to the members of this partnership and all respective council leaders that more time and Defra support to resolve this matter is required.

We seek your support to find a mechanism to allow the WCAs to implement weekly food waste collections without delay so they can contribute to the carbon reductions, national recycling and composting targets, and divert waste from landfill, whilst also taking account of the financial burdens placed on the WDA.

Without this intervention thousands of Cambridgeshire residents will lose out on the opportunity to recycle more food waste, as well as losing the WCA's opportunity for financial support, which we consider to be nearing 100 million over the life of the PFI contract. This will likely involve government making an exception for Cambridgeshire and thus providing an increased level of support and funding to the WDA with the changes required to the Waste PFI contract and the costs associated with this.

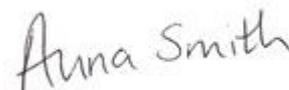
Yours sincerely



Cllr Peter Murphy  
Chair of Recap Board



Cllr Lucy Nethsingha  
Cambridgeshire County Council



Cllr Anna Smith  
Cambridge City Council



Cllr Anna Bailey  
East Cambridgeshire District Council



Cllr Chris Boden  
Fenland District Council



Cllr Sarah Conboy  
Huntingdonshire District Council



Cllr Bridget Smith  
South Cambridgeshire District Council