

OXFORDSHIRE WASTE & ENVIRONMENTAL SERVICES TRANSFORMATION PROGRAMME (WESP)

Oxfordshire Unitary Councils Models

1. Background

- 1.1 Waste, recycling, and environmental services are highly visible municipal services. In Oxfordshire local authorities deliver a weekly waste collection service to 318,960¹ domestic properties across more than 1,000 square miles.
- 1.2 They will form a significant part of local government reorganisation (LGR) in the county, providing an opportunity to harmonise both the strategic and two-tier operational delivery. It presents an opportunity to transform services and deliver very significant environmental, financial, and operational benefits to residents and businesses.
- 1.3 The current model consists of five ‘high’ performing Collection Authorities (District Councils) and a Disposal Authority (County Council). For the last decade Oxfordshire has been the highest recycling county in England with residents recycling 57.6% of their household waste against the national rate of 44.6%.
- 1.4 Although Oxfordshire’s recycling rate is good, this performance has flatlined over the last few years and the cost of disposing of residual waste is the highest in the country². In addition, the counties waste infrastructure, consisting of 31 sites, most of which are end of life, requires considerable investment to meet the needs of residents and businesses in the future.
- 1.5 Local Authorities in Oxfordshire recognise the value of voluntary sector providers who play a critical role in delivering recycling and reuse services. There is an appetite to accelerate, invest, and formalise this relationship as well as work more effectively with the 318 town and parish councils.
- 1.6 LGR provides an opportunity for Oxfordshire to reimagine waste and environmental services and there is a real appetite to deliver fundamental change. Key data on waste, recycling and environmental services in Oxfordshire is outlined in Annex A.
- 1.7 In conclusion, Local Authorities in Oxfordshire have strong foundations, a case for change, and the appetite to transform waste and environmental services as part of LGR.

2. Transformation

¹ Oxfordshire Data Hub - Valuation Office Agency (2024)

² WRAP UK Gate Fees Report 2024-25

- 2.1 There is already an appetite in Oxfordshire to collaborate to deliver waste and environmental services. An options appraisal was completed in 2024 and detailed business case has been produced in 2025. This outlines a new operating model for waste collection, disposal, and environmental services. It identifies significant opportunities to collaborate in the future, including:
- The creation of a shared company hybrid model to provide an agile approach to transformation and delivery of the Governments waste and climate targets
 - Delivery of circa £99m in financial efficiencies over 10 years including £10.6m in procurement savings
 - A vision for infrastructure to meet the needs of residents and businesses
 - Supporting the climate emergency, biodiversity, and the circular economy agenda which are priorities in Oxfordshire
- 2.2 The Councils have set up a Waste and Environmental Services Transformation Programme (WESP) and are completing a shared company delivery options appraisal to determine the future delivery model which will be responsible for delivering the business case.

3. National Policy Changes

- 3.1 The Environment Act (2021) and its action plan, The National Waste and Resources Strategy, has set in motion a series of significant policy changes that will reshape how local authorities manage waste and recycling.
- 3.2 Oxfordshire is already well placed to deliver Simply Recycling as each Collection Authority already provides a food waste and recycling service. The WESP business case has identified opportunities to increase recycling rates further and to reduce the level of residual waste. LGR provides local authorities with the opportunity to do this at scale and deliver greater financial and non-financial benefits.
- 3.3 There are further challenges relating to other policy implications that need considering. For example, the Emission Trading Scheme on energy from waste facilities and the governments net zero target. These ambitious targets can be better prioritised, planned, resourced, and delivered with the removal of two-tier complexities and the Oxfordshire WESP Business Case supports these government priorities.

4. Timeline and finances

- 4.1 Local Authorities in Oxfordshire have been collaborating on waste and environmental services for the last year. This has resulted in the production of a business case for change. A roadmap outlining this journey and the next steps is outlined in Annex B.

- 4.2 The Oxfordshire WESP business case provides a comprehensive picture of the current as-is service and the associated costs. The scale of waste spending in Oxfordshire as a proportion of total local authority spending has remained stable at about 7% for a number of years – £98.1m annually.
- 4.3 The principal mechanisms for improving waste management and reducing its costs are:
- To reduce the amount of waste collected and increase recycling performance; and
 - To collect and dispose of waste more efficiently; and
 - Joined up procurement
- 4.4 The new waste and environmental services operating model along with the detailed proposals in the WESP business case would deliver significant economies of scale and the integration of services across the county; from the standardisation and optimisation of working methods; and from collective purchasing power.
- 4.5 The WESP business case outlines that £20.1m of investment over the next 10 years will deliver efficiencies of £99m with average annual savings of £9.9m net and a payback period of three years. The table below outlines the costs and financial benefits of the three unitary council options being proposed in Oxfordshire. A detailed breakdown with yearly splits of costs and benefits from 2025/26 to 2032/33 is included in Annex C below.

LGR: WASTE AND ENVIRONMENTAL SERVICES SAVINGS ACROSS 8 YEAR PERIOD

(3 YEARS PRE & 5 YEARS POST VESTING)

£000s	Authority	Gross Benefit	Revenue Cost	Capital Cost	Net Benefit
Option 1	Oxford County Unitary	87,692	- 16,190	- 1,050	70,451
SINGLE COUNTY UNITARY		87,692	- 16,190	- 1,050	70,451
Option 2	North County Unitary	70,512	- 13,031	- 934	56,548
	Ridgeway Council	6,450	- 686	- 58	5,706
TWO COUNTY UNITARIES		76,962	- 13,716	- 992	62,254
Option 3	North County Unitary	55,795	- 10,438	- 929	44,428
	Ridgeway Council	4,853	- 601	- 50	4,202
	Greater Oxford	17,809	- 2,892	- 13	14,905
THREE COUNTY UNITARIES		78,458	- 13,931	- 992	63,535

- 4.6 Our proposals go further, by seeking to transform all aspects of waste and environmental services in the county: how the councils encourage behaviour change on the part of residents and businesses; how infrastructure is deployed to improve efficiency and service take-up; how biodiversity on public land can be fostered; and by improving the commercial performance of paid-for services.

5. Unitary Councils Model

- 5.1 Oxfordshire is proposing three unitary council options to the government. The WESP business case is LGR natural and supports each of these in the following ways.

Option 1 - Single Unitary Authority

- Integrated waste and environmental services across existing three Collection Authorities (West / City / Cherwell) and County geography
- A separate contracted collection operation across two Collection Authorities (South / Vale) until the contract break clause in 2030
- Thereafter opportunity to integrate across Oxfordshire
- The WESP business cases recommends a hybrid operating model including in-source LATCo model to provide the flexibility to transform services.

Option 2 – Two Unitary Option

- Ridgeway Council proposal (South / Vale / West Berks) planning to extend West Berks existing waste service arrangements across the new geography - with integrated operations once South / Vale local authorities contract break clause kicks in, in 2030.
- Providing waste disposal for S&V area from the outset - dependent on unwinding/termination of existing County disposal contracts
- Oxford & Shires proposal (Cherwell / Oxford / West) fully integrated waste operation - as envisaged in WESP business case - including existing County disposal arrangements
- The WESP business cases recommends hybrid operating model including in-source LATCo model to provide the flexibility to transform services.

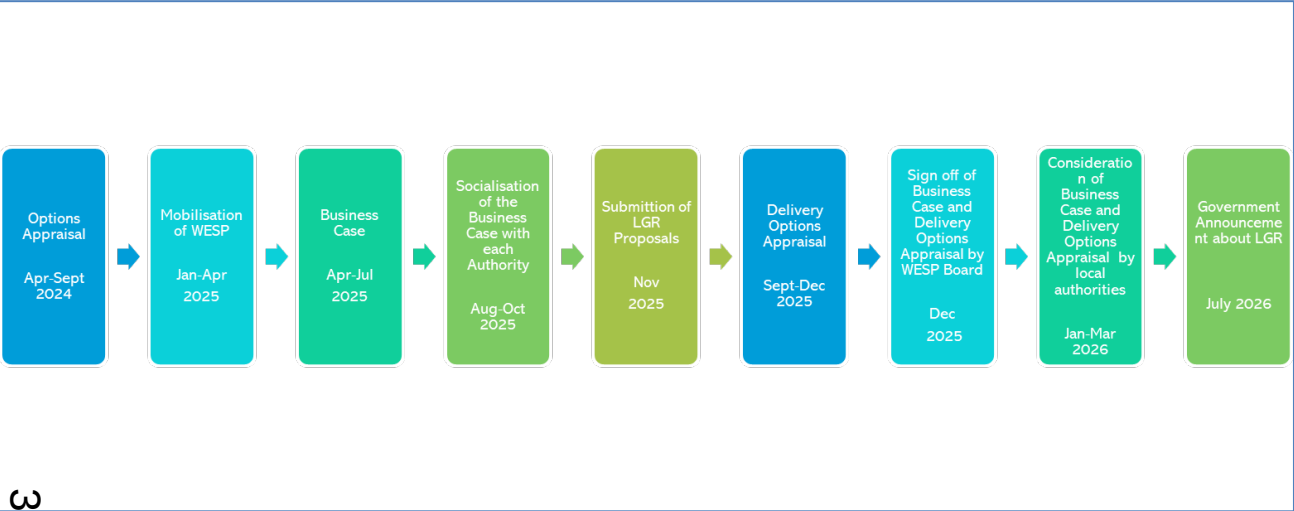
Option 3 - Three Unitary Option

- Ridgeway as above
- Greater Oxford and Northern Oxfordshire. Oxford & Shires proposal (Cherwell / Oxford / West) fully integrated waste operation - as envisaged in WESP business case - including existing County disposal arrangements
- The WESP business cases recommends a hybrid operating model including in-source LATCo model to provide the flexibility to transform services.

Annex A

- Gross spend on Waste and Environmental services in 2023/24 totalled £98.1m with a net spend of £78.2m
- In 2023/24 the 318,960 households in Oxfordshire generated circa 292,000 tonnes of waste and achieved a recycling rate of 57.6%
- The total waste and environmental services contract value held on contract registers for all Oxfordshire authorities is £886m, including long term strategic disposal contracts
- £20m generated annually from commercial products such as business and green waste
- A fleet of 600 vehicles with a capital cost of £72m
- 31 waste and environmental sites, most of which are end of life

Annex B



Annex C

Detailed financial projection of costs and benefits for each Oxfordshire unitary option

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		PRE-LGR			POST-LGR					TOTAL £000s 8 YRS
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
		2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	
OPTION 1 - COUNTY UNITARY	Gross Benefit	-	3,972	9,409	14,318	14,416	14,648	15,408	15,521	87,692
	Revenue Cost	1,120	4,030	2,890	2,490	1,390	1,390	1,490	1,390	16,190
	Capital Cost	0	550	0	250	0	0	0	250	1,050
	Net Benefit	1,120	608	6,519	11,578	13,026	13,258	13,918	13,880	70,451
		PRE-LGR			POST-LGR					TOTAL £000s 8 YRS
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
		2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	
OPTION 2 - OXFORD	Gross Benefit	-	3,610	8,479	11,366	11,464	11,452	12,015	12,127	70,512
	Revenue Cost	987	3,679	2,599	1,931	936	936	1,026	936	13,031
	Capital Cost	-	550	-	192	0	0	0	192	934

	Net Benefit	987	619	5,880	9,243	10,528	10,516	10,989	10,999	56,548
OPTION 2 - RIDGEWAY		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	TOTAL
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
		2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	8 YRS
	Gross Benefit	-	142	142	278	990	1,501	1,698	1,698	6,450
	Revenue Cost	38	42	62	83	113	113	123	113	-
										686
	Capital Cost	0	0	0	0	0	0	0	58	-
										58
	Net Benefit	38	100	80	196	877	1,389	1,576	1,527	5,706
OPTION 3 - NORTH		PRE-LGR			POST-LGR					
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	TOTAL
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
		2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	8 YRS
	Gross Benefit	-	3,329	7,566	8,645	8,743	8,764	9,317	9,430	55,795
										-
	Revenue Cost	837	3,280	2,224	1,470	644	644	696	644	10,438
										-
	Capital Cost	0	550	0	189	0	0	0	189	929
	Net Benefit	837	501	5,343	6,985	8,099	8,120	8,621	8,597	44,428
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	TOTAL
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s

		<i>2025/26</i>	<i>2026/27</i>	<i>2027/28</i>	<i>2028/29</i>	<i>2029/30</i>	<i>2030/31</i>	<i>2031/32</i>	<i>2032/33</i>	8 YRS
OPTION 3 - RIDGEWAY	Gross Benefit	-	123	123	123	739	1,135	1,305	1,305	4,853
	Revenue Cost	33	36	54	73	99	99	108	99	601
	Capital Cost	0	0	0	0	0	0	0	50	50
	Net Benefit	33	86	69	50	640	1,036	1,198	1,156	4,202
		Year 1 £000s <i>2025/26</i>	Year 2 £000s <i>2026/27</i>	Year 3 £000s <i>2027/28</i>	Year 4 £000s <i>2028/29</i>	Year 5 £000s <i>2029/30</i>	Year 6 £000s <i>2030/31</i>	Year 7 £000s <i>2031/32</i>	Year 8 £000s <i>2032/33</i>	TOTAL £000s 8 YRS
OPTION 3 - GREATER OXFORD	Gross Benefit	-	300	931	3,061	3,157	3,430	3,465	3,465	17,809
	Revenue Cost	156	405	384	514	349	349	387	349	2,892
	Capital Cost	0	0	0	3	0	0	0	10	13
	Net Benefit	156	105	548	2,545	2,808	3,081	3,078	3,106	14,905

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