

Waste Management Redesign Review

**Final Report
January 2017**

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Chapter 1 Introduction

This report sets out the findings of the waste management redesign review. This review was undertaken by the redesign team which comprised of:

- Malcolm Macleod, Head of Planning and Environment
- Murdina Boyd, Business Development & Support Manager
- Sharon Barrie, Programme Manager (Property)
- Councillor Maxine Smith
- Councillor Jimmy Gray
- Councillor Thomas Prag
- Alistair Gilchrist, GMB
- Andy Summers, Head of Environmental and Amenity Services

The review was undertaken in close consultation with the waste management team in Community Services. The report provides a series of recommendations that will help to shape how the Council manages waste management in the short, medium and long term.

Scope of the Review

The 11 waste functions listed below were in scope for review and were reviewed together. The report is structured in chapters relating to each of these individual functions, but many are interrelated so decisions taken in respect of one function will have implications for others.

Statutory functions with little Council discretion – levels or standards are set nationally with consequences on size of Council expenditure

- 1. The management of licensed sites for waste disposal** – this involves the management and operation of all licensed sites (whether operational or not) subject to permit. Environmental Protection Act (1990) Section 33 applies. We can only surrender a licence in circumstances where SEPA accepts it. This affects our ability to rationalise/dispose of sites to reduce liability on the Council. Any changes incur a statutory fee from SEPA.
- 2. Waste transport and disposal** – This involves the operation of sites, storage, and transport of waste and residual liability for waste transferred to a third party. It is about how we collect, transport, and dispose of waste. This is constantly being altered by local authorities. We have 21 recycling centres and 2 operational landfills. However, the majority of disposal of residual waste is contracted out to the private sector. Environmental Protection Act (1990) Section 34 applies.

Statutory functions with Council discretion on levels, standards, frequency of service and expenditure

- 3. Collection of waste** - Environmental Protection Act (1990) Section 45. This enables flexibility around the level and type of service provided. Waste (Scotland) Regulations 2012 also require local authorities to provide householders with a collection service for dry recyclables.

4. **Food waste collections** - Food waste collection is provided in Inverness under the terms of the Waste (Scotland) Regulations 2012. The statutory requirements may be expanded in the near future to take in more of the Highland area.
5. **Collection of recyclate** - Collection of recycling, including glass. There is flexibility around the level and type of service provided. In December 2015 the Household Recycling Charter and associated Code of Practice was developed and agreed on by the Scottish Government-COSLA Zero Waste Taskforce. The aim is to have consistent recycling systems across Scotland.
6. **Collection of commercial waste** - Controlled Waste Regulations 1992 apply. This is a duty if requested. It is a major income generator for the council.

Discretionary functions

7. **Recycling waste collected** - The Refuse Disposal (Amenity) Act 1978 requires that we provide our residents with at least one place where they can dispose of household waste. There are national targets for recycling, but nothing at a local authority level. We could choose not to provide recycling centres, although we do need a long term strategy for not sending waste to landfill.
8. **Green waste** – this involves collecting garden waste. Controlled Waste Regulations 1992 are permissive. Although this is discretionary at present it provides a significant element to our recycling rate.
9. **Bulky uplifts collection service** – permitted but not required in the Controlled Waste Regulations 1992. Service charges were introduced in 2009 and they provide income to the Council.
10. **Fly tipping** – this is the regulation of unlawfully deposited waste. Permitted in the Environmental Protection Act (1990) Section 59. We have discretion over the level of enforcement for fines and decisions to prosecute but also have a statutory duty to keep land and highways we are responsible for clear of litter and debris.
11. **Education and awareness on waste and recycling** – this is for the public, schools and businesses. It can be viewed as a preventative service and aimed at behaviour change.

The Waste (Scotland) Regulations 2012 are the key regulations that guide the Councils approach to delivering the waste management service. The regulations were passed by the Scottish Parliament on 9 May 2012 and make the following provisions:

- All businesses, public sector and not-for-profit organisations are required to present metal, plastic, glass, paper and card (including cardboard) for separate collection from 1 January 2014.
- Food businesses (except in rural areas) which produce over 50 kg of food waste per week to present that food waste for separate collection from 1 January 2014.
- Food businesses (except in rural areas) which produce over 5 kg of food waste per week to present that food waste for separate collection from 1 January 2016.
- Local authorities to provide a minimum recycling service to householders.
- Waste contractors to provide collection and treatment services which deliver high quality recycling.

- A ban on any metal, plastic, glass, paper, card and food collected separately for recycling from going to incineration or landfill from 1 January 2014.
- All new incinerators must ensure that metals and dense plastics have been removed from residual municipal waste prior to incineration.
- A ban on biodegradable municipal waste going to landfill from 1 January 2021

Finance

Table 1 below provides the overview of budget against actual and the key areas of expenditure:

Table 1 - Waste Management Financial Summary (for financial year 15-16)			
Area of Expenditure	Annual Budget	Actual Spend	Over/(Under) Spend
Direct staff costs	9,875,700	9,872,268	(3,432)
Property costs	509,000	461,680	(47,320)
Transport costs	4,064,400	3,816,857	(247,543)
Plant & Equipment costs	179,100	179,175	75
Materials	363,600	328,920	(34,680)
Protective clothing	63,900	58,117	(5,783)
Consultants/licences	216,900	217,790	890
Contractors	9,729,700	9,764,249	34,549
Landfill Tax	2,977,300	3,487,890	510,590
Disposal costs	43,200	35,175	(8,025)
Admin costs	125,229	166,612	41,383
Total Expenditure	28,148,029	28,388,733	240,704
Income	3,155,600	3,526,197	(370,597)
Net Expenditure	24,992,429	24,862,536	(129,893)

A budget of circa £780k was provided for costs in connection with overtime working and standby payments. During 15-16, the total expenditure was around £815k, some £35k over the allocated budget. Some discussion has taken place with the redesign team regarding the issue of normalised hours although it was agreed that this is being reviewed corporately as it relates to a number of Council functions and services, and not just Waste operations. Information was provided by the Waste Management Team regarding the impact on service delivery in reducing overtime payments and the reductions that have been made in this area during the last few years. During the review, it became apparent that there may be merit in reviewing collection routes, times, and staff cover for holidays and sickness at recycling centres as this may result in greater efficiencies thus reducing the need for overtime payments. These areas are covered in more detail elsewhere in the report.

During 15-16 the budget for external hired labour was £203k but the actual expenditure was £610k. This appears to have been funded by underspends in the staffing budget. The management team advised that having a bank of agency staff available to cover annual and sick leave is essential to ensure service delivery for the refuse collection service. Further scrutiny and assessment is being undertaken by the Service on vacancies within the establishment and the current staffing structure, and will be informed by the recommendations set out in this report.

From the detailed budget monitoring, it was determined that some £1.5M was expended on derv, oil, workshop consumables and materials. The question was raised as to how these elements were procured and whether there was any merit in reviewing this, particularly in light of the introduction of the new shared procurement agreement. The Management team advised that gas oil is ordered separately in the areas as and when the fuel is required at the various landfill sites and Waste Transfer Stations and that it is purchased through the approved supplier (Certas Energy). Derv and Petrol are bought using fuel cards which have been procured through fleet so should be at the best value rates.

There was a budgeted amount of £92k for specialist plant and equipment and the actual expenditure was £134k. The management team were asked as to how these items were procured and it was determined these were done on an ad-hoc basis. There are currently 3 load-all vehicles on hire located at Transfer Stations in Portree, Invergordon and Seater. There is currently no corporate contract in place for this type of specialist plant but it is understood that the Council's Fleet Manager is in the process of procuring a contract which is to include this type of plant. Included in these costs are also specialist vehicles on contract hire which were procured via a National Framework and these were determined Best Value by the Fleet Manager as there is no in-house expertise to maintain these types of vehicles.

Expenditure on contracts is one of the largest costs for the Council currently around £9.5M and this is covered in detail later in the report. Landfill Tax and SEPA licenses are also a large area of expenditure with a combined cost of circa £4M, set to increase annually by an estimated 4%.

During this redesign review, it became apparent that the budget and trading accounts are complex and the coding of outgoings and income varies with some of it being centralised and some of it coded to 7 operational areas. Operationally, Managers seem to have a good grasp of their area budget or allocation specific to some parts of the service. There is however a need to ensure greater collective knowledge of budget structures and the need for a clearer overview of service wide costs and income. This will assist in the development of recommendations set out later in this report.

Recommendations		
	Short term	Longer term
Financial responsibility	1.1 The service should review budget responsibilities to ensure a greater collective knowledge of budget structures and a clearer overview of service wide costs and income.	
Staffing	1.2 Further review should be undertaken on the staffing budget – analysing staff establishment, vacancies, agency and overtime costs although this cannot be done in isolation and is tied in with route optimisation and the overall waste collection and recycling strategies.	

Chapter 2 Management of Licensed Waste Management Sites

Context

The Council has responsibility for:

- 18 licensed waste disposal (Landfill) sites;
- 10 Waste Transfer Stations (WTS); and
- 21 Recycling Centres (RC)

These sites are the subject of waste management licences enforced by SEPA. Two landfill sites are currently operational at Granish (Badenoch & Strathspey) and Seater (Caithness) and operate under a Pollution Prevention Control (PPC) Permit. The remaining 16 landfill sites have been fully restored and are closed. However, surrender of waste management licences will only take place when the Scottish Environment Protection Agency (SEPA) is satisfied that the sites are stable and are no longer generating any leachate or landfill gas. This could take up to 50 years or more. To date no waste management licences for closed landfill sites in Scotland have been accepted for surrender by SEPA.

All of the waste management licences and PPC permits impose conditions which the Council must comply with and these include ongoing environmental monitoring of leachate and landfill gas. There is an annual subsistence charge payable to SEPA for each of the waste management licences and any discharges to water courses (CAR Authorisations). For 2016/17 these fees total just over £160k. SEPA will raise their fees annually by RPI + 4 % until 2021. The waste budget has had to absorb these price increases within our budget year on year. Last year the increase was 7 %

We have 2.6 FTE members of staff involved in the monitoring of the leachate and gas. They also produce the Annual Environmental Monitoring Reports required by SEPA for each of the licences. Analysis costs are around £61k per annum with staff costs of just over £65k. The sampling frequency and range of pollutants monitored are specified in the individual waste management licences.

The waste transfer stations are used to bulk up waste and recycle for onward transport to the final disposal point / treatment facility. They are critical to the collection service particularly those provided in the remoter parts of the Council area, as they are used by the collection vehicles locally to reduce the route distances for the vehicles. If they were not there, additional vehicles would be required to deliver the collection service. They also combine a recycling facility for local householders to deposit household waste and a facility for commercial businesses to deposit waste / recycle.

Of the 21 recycling centres, 10 of them are provided as a combined waste transfer station / recycling centre. Seater and Granish also have a recycling centre included as part of the facility. The remaining sites are designated solely as recycling centres. Householders can take a range of materials to these facilities for recycling and disposal. Recycling Centres are dealt with in more detail in Chapter 7.

Findings

The only landfill sites still accepting residual waste in volume is Seater in Caithness. Significant investment has been made in recent months to ensure that capacity remains both up to 2021 and beyond (after 2021 commercial waste can still be landfilled). On the basis that the Seater landfill site will remain operational there is a need to develop a strategy up to and beyond 2021. It is recognised by the waste management team that there may be opportunities for commercial waste disposal into the future at this location. It is recommended that a specific strategy for the short and medium term is prepared for Seater Landfill site. **This should be a redesign priority.**

The monitoring team do some work for Dounreay which generates a small amount of income. Given the detailed programme of monitoring and testing which is prescribed by SEPA, there is limited opportunity for additional savings or outsourcing of expertise. The redesign team is concerned over the costs of the licences and associated monitoring activity. Efforts must be made to ensure that the fees being set are proportionate and that the monitoring activity is fit for purpose. This may require a national approach to SEPA.

There are a number of recommendations in this report which will have implications for the Council's current network of waste transfer stations. Changes to collection routes, collection frequencies or disposal technologies may require a review of the current network. In the short term, the review is recommending that potential sites for waste transfer stations should be identified within the Fort William and Aviemore areas in order to provide greater choice in future decision making.

There have been a number of investigations carried out as to whether there are income opportunities arising from the harnessing of renewable energy at landfill sites. Several reports have been considered at the Income Generation Project Board. It is clear that there is limited scope for any large increase in income in the short term due to the rural location of most of the sites and the risk of using new technologies. The Council has however entered into a partnership agreement with a private company for the Longman site for the provision of transferring methane into energy. The company has subsumed all of the risk by the provision of the technology and its maintenance. In return the Council and Inverness Common Good Fund will receive an annual rental income. There is scope to buy energy at a reduced rate in the future from this plant. A similar arrangement is also in place at Seater with the additional benefit of purchasing the energy at reduced costs as the site is currently operational and can use the energy.

Sites have also been investigated for the siting of wind turbines but due to technical considerations, planning restrictions and other factors, these have not proved viable. Another option which had been explored was the provision of solar panels on redundant sites but again this is only beneficial if there is plant or property nearby within which the energy can be utilised. Emerging technologies and income opportunities are still being explored by the Council. It is considered essential that within the context of wider Council redesign proposals, the close synergy between waste management and energy generation is maintained and enhanced wherever possible.

Summary of Recommendations

Redesign Priority Recommendations	
The Council should prepare a development strategy for Seater Landfill Site, with particular emphasis on whether the Council should be using Seater from 2019 up until 2021 for <u>all</u> of our residual waste disposal, particularly if the transfer stations/treatment facility set out above can be delivered over the course of 2017/18 and 2018/19. The strategy should also develop a plan for potential commercial opportunities post 2021.	

Other Recommendations		
	Short term	Longer term
SEPA Charges and Monitoring Activity	2.1 Efforts should be made to ensure that the fees being set are proportionate and that the monitoring activity is fit for purpose. This may require a national approach to SEPA.	
Transfer Stations	See Recommendations in Chapter 3.	
Energy Generation/ Waste Management		2.2 Ensure that within the context of wider Council redesign proposals, the close synergy between the teams responsible for waste management and for energy generation is maintained and enhanced wherever possible.

Delivery options considered

In house	
In source back in	
Shared services	
outsource	
Partnership/integrated	
Arms length	
Community run	
Place based approaches	
Stop service	
Commercial opportunities	

Chapter 3 Waste Transfer and Disposal

Context

70% of the waste that is collected by the Council is handled through contracts with the private sector – these contracts relate to transfer, transport and disposal. Waste from Ross & Cromarty, Skye, Sutherland and Caithness is transported to and disposed of at the Council owned Seater landfill site in Caithness. An overview of the waste source/destinations is shown in table 2 below.

Table 2 - Waste Source / Destination summary 2016

Area Source	Residual	Recyclate	Green Waste
Caithness	THC direct delivery to THC Seater Landfill Site	Bulked at Seater Recycling Shed. Transferred via contract to Munro's MRF, Evanton.	Bulked at Seater Landfill and transported by contract to THC Longman Landfill Site, Inverness. Shredded and distributed under agreement to 7 farms. Used as soil conditioner @ £55 per tonne (£880K per annum)
Sutherland	Seater Landfill Site. Bulked in THC Transfer Stations in Sutherland and transported by THC vehicles.	Bulked in Sutherland Transfer Stations and transferred to Munro's MRF, Evanton by THC vehicles.	No collections. Recycling Centre material bulked in THC TS in Brora and transferred by THC to Longman.
Ross and Cromarty	THC direct delivery to Munro's Transfer Station, Evanton. Transported under contract to Seater Landfill Site	THC direct delivery to Munro's MRF, Evanton.	Bulked at THC leased Invergordon Bulking Station. Transported via skip contract to Longman Landfill Site, Inverness.
I/Ness and Nairn	THC direct delivery to SUEZ Transfer Station, Inverness. Transported under contract to Stoneyhill Landfill Site, Peterhead.	THC direct delivery to SUEZ Transfer Station, Inverness. Transported under contract to Munro's , MRF Evanton.	THC direct delivery to Longman Landfill Site, Inverness.
Badenoch and Strathspey	THC direct delivery to THC Granish landfill Site,Aviemore.	THC direct delivery to Ritchie's Transfer Station. Bulked and transported under contract to Munro's MRF, Evanton.	THC direct delivery to Granish, Aviemore. Transported via skip contract to Longman Landfill Site, Inverness
Lochaber	THC direct delivery to Locheil Logistics Ltd, Duisky Landfill Site nr Fort William.	THC direct delivery to Locheil Logistics Ltd , Transfer Station, nr Fort William. Bulked and transported under contract to Munro's MRF, Evanton.	THC direct delivery to Locheil Logistics Ltd, Duisky,nr Fort William. Used as soil enhancer. Not PAS standard. Recovery only.

Skye and Lochalsh	THC direct delivery to THC Portree Transfer Station. Transported under contract to Seater Landfill Site	THC direct delivery to THC Portree Transfer Station. Transported under contract to Munro's MRF, Evanton	No collections. Recycling Centre material bulked in THC TS in Portree and transferred via skip contract to Longman.
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The Council's strategy for future waste management arrangements is dependent on and must take account of the ban (in Scotland) on the landfill of municipal biodegradable waste on 1 January 2021, the current contractual position and the potential impact of the Household Waste Recycling Charter and Code of Practice which the Community Services Committee agreed at its meeting on 18 August 2016.

The last formal waste strategy presented and agreed to by Highland Council dates from 2009 (see link [here](#)). This set out two options for the longer term waste solution in Highland:

- Option 1: Centralised solution – comprising a central EfW plant and in-vessel composting; and
- Option 2: Locally based solutions – comprising three EfW plants in Highland and one plant in Moray and in-vessel composting.

An overview of the current position was considered at the Community Services Committee on 16 August 2016 and can be accessed [here](#).

The major waste management contracts are set out in table 3 below, along with their expiry dates. It is clear that a number of these are approaching the end of their terms and the decision has been made to utilise the extensions to a number of them (as shown) for a further two years. This extension period allows the Council a window of opportunity to come forward with a coherent strategy.

Findings

Waste Strategy – the Short Term (2016-2019)

As set out in table 2, the current approach to bulking up, transfer and final disposal of residual waste and recycle is different across the area. Some elements are undertaken by the Council and others by the private sector under contract. These contracts are largely being extended to 2019. The function and operation of our waste transfer stations is very important in this context. The review team is of the view that there is merit in the Council taking a much more proactive approach to dealing with waste before it is transferred for disposal. In the short term this means investigating the potential for Council run transfer stations in the Fort William and Aviemore areas (where this is currently undertaken by the private sector).

All of the contracts identified in table 3 involve the transport of waste. Part of the challenge to the waste management team in this review was to question whether this is a function that could be undertaken by the Council. It is clear that the volumes of waste transport are very significant and that the private sector operators benefit from having backhaul contracts when returning to the Highland area. This is an area within which the Council does not operate and would be too great a risk to take on. It would also require a full fleet of vehicles, which will have significant capital and ongoing maintenance implications. The review team is therefore of the view that contractual arrangements with the private sector going forward must provide for the transport of both residual waste and

recyclate. Clearly, the sooner the Council can identify and deliver local disposal options or identify whether alternative modes of transport (e.g rail or sea) are affordable the better.

Glass collection is contracted out to the private sector at present, albeit the current contract has expired. Consideration was given some time ago as to whether this service could be undertaken in-house but at the time the view was that it was more economic for it to be out-sourced. Reasons for this included the requirement for a new vehicle with a hi-lift, additional crews which would likely be full-time as the glass collection covers Highland-wide and the requirement for back-up arrangements. Options could also be explored for third sector organisations to assist with glass collection and recycling. Perth & Kinross Council ran a charity campaign with the Children's Hospice Association Scotland (CHAS) between October 2015 and September 2016. This raised a total of £3.5K for the charity and involved a campaign to increase glass recycling. The amount of glass recycled at centres and points was measured before the campaign and again after. Any increase during the campaign was calculated and the income given to the charity. All glass recycled is taken out of area to a glass processor for recycling.

Waste Strategy – Medium and Long Term (2019 onwards)

As set out elsewhere in this report Seater landfill site in Caithness has potential to offer capacity up to 2021 for municipal waste and is likely continue to provide for waste disposal in the Caithness, Sutherland, Ross & Cromarty and Skye areas up to that point. An options appraisal as to whether Seater could deal with some waste from other areas in the period between 2019 and 2021 should be undertaken now and be used to inform the strategy going forward.

Given the context set out above, it is essential that the Council comes to a decision on what the preferred waste transfer and disposal options for the medium term (2019 – 2025 or so) and the long term option (beyond 2025) should be. This is a Redesign Priority.

A significant amount of work was undertaken on strategy during 2015. An outline business case (OBC) was completed for both the medium and long terms options, albeit the detail of that report has not been reported to Committee. The report was prepared to provide the necessary technical and commercial evidence bases (Reference Case) to allow the Council to consider and formalise its preferred long-term future waste management arrangements and then commence the delivery and procurement of the necessary new infrastructure and contracts.

The OBC recognised that there is a clear imperative for the Council to take the lead in procuring long-term residual waste processing capacity in Highland. There are a number of key regulatory drivers on residual waste management. The requirements of these policy drivers will be met partly through the introduction of residual waste processing and partly through enhanced kerbside services.

Given the complexity of the issue, the interplay with recycling policy and practice, and market developments it was agreed at Community Services Committee on 18 August 2016 that a final business case for the medium term is prepared. The final business case is also intended to develop detailed proposals for residual waste treatment for all Highland at a plant(s) located in Highland. It will benchmark this option against options offered across the sector and in so doing will provide the Council with a robust case on which to base its medium term decision. This work has not yet been commissioned.

The most favourable option identified for dealing with residual waste in the medium term is to create Refuse Derived Fuel (RDF) within the Highlands for export to Europe, North East England or the central belt of Scotland via contracts with end-user power plants located in these areas. RDF is a general term to use to refer to materials which have been processed to some degree to produce a fuel, generally means that all recyclable material has been removed. Various options (and associated costs) have been put forward depending on whether the RDF was transported by sea from one of the Inner Moray Firth Ports or by road. It should also be noted that further information gained from SLR during the course of this review has highlighted that because of the depreciation of sterling and saturated markets in Europe and England, export to the Central Belt is probably now the most favourable option, although capacity there is limited by the current lack of Energy from Waste plants.

Other options, including the additional development of Energy from Waste capacity in the Highland area, tied into the pre-treatment described above or the bulking up and transport of untreated residual waste outwith the area, have also been assessed and offer potential. As set out above it is critical now to reach a preferred solution. At present there is some £15m set out in the capital programme for waste strategy purposes, which will require review in due course.

Given the financial and regulatory position facing the Council, the review team is of the opinion that the final business case work should be issued as soon as possible with two main work packages. The first element should be the feasibility and final business case for the delivery of a mechanical treatment plant by the Council to provide RDF for use elsewhere in Scotland, the UK or Europe in the short term with the long term option of using the RDF locally. This is tried and tested technology and there are many examples of these types of facilities – Fife Council for example has offered the opportunity for a visit to see their plant in action.

There is a pressing need therefore to confirm whether the Council will continue to rely on private sector contracts for the storing, bulking up, transport and disposal of recycle. If not, this should be integrated in with the final business case work.

Although the identification of sites is not part of this redesign project it is important to note that there is a site in Inverness at the former Longman Landfill site that is allocated for waste management use in the Local Development Plan – the team considers that every effort should be made now to determine whether this mechanical treatment plant (and any potential for future plant) can be accommodated on the former Longman landfill site from an operational, technical, political and planning perspective. This need not be in conflict with surrounding existing or proposed uses. **Having confidence that the Council has a deliverable site will, if nothing else, strengthen the hand of the Council in any future contract negotiations with the private sector.**

As noted above, the longer term option for the Council is for the development of energy from waste capacity in the Highlands. Community Services Committee on 18 August 2016 ([link](#)) approved the intention to prepare a final business case to develop detailed proposals for residual waste treatment for Highland at a plant(s) located in Highland. A clear plan of action and delivery timescales within a project management framework is essential. The Review team feel that this is an issue which requires a strong corporate and political lead and should be an immediate priority for the new Council.

There are examples from elsewhere of different operating models for waste management services within the local authority setting. Fife Council for example established an arms length organisation to deal with a range of waste and energy functions. **Appendix 1** sets out some details on this approach

and it is recommended that further scrutiny is undertaken on the pros and cons of such an approach in the context of the significant changes that may arise for the short, medium and long term options set out above. It may be appropriate for example that the final business case work referenced to above also makes recommendations as to the preferred model for delivering services going forward.

Table 3 – Current Waste Management Contracts

Contract	Contractor	Start date	Expiry date
Receipt, Transfer and transport of the residual element of Municipal Solid Waste from Easter Ross to Authority landfill site at Seater, Caithness (estimated 18K tonnes per annum)	William Munro Construction (Highland) Limited	01/10/2014	30/09/2017 (option to 2019)
Receipt, transfer, transport, treatment and/or disposal of the residual element of Municipal Solid Waste from Inverness to contractor's selected site (estimated 31K tonnes per annum)	SUEZ (previously known as SITA UK Limited)	01/10/2014	30/09/2017 (option to 2019)
Receipt of segregated food waste, transfer into Authority's containers, and storage until uplifted by the Authority (estimated 2.5K tonnes per annum)	SUEZ (previously known as SITA UK Limited)	01/10/2014	30/09/2017 (option to 2019)
Receipt, transfer, transport and disposal of skip-contained segregated domestically produced bagged asbestos cement from Recycling centres to contractors selected site (estimated 50 tonnes per annum)	SUEZ (previously known as SITA UK Limited)	01/10/2014	30/09/2017 (option to 2019)
Receipt, transfer, and transport of mixed dry recyclables from Inverness to Authority selected treatment site (estimated 6K tonnes per annum)	SUEZ (previously known as SITA UK Limited)	01/10/2014	30/09/2017 (option to 2019)
Receipt, storage and loading of colour segregated glass destined for recycling, into Authority's vehicles. (estimated 5.5K tonnes per annum)	SUEZ (previously known as SITA UK Limited)	01/10/2014	30/09/2017 (option to 2019)
Receipt, transfer, transport, treatment and/or disposal of the residual element of Municipal Solid Waste from Lochaber to Contractor's selected site (estimated 7.5K tonnes per annum).	Locheil Logistics Limited	01/10/2014	30/09/2017 (option to 2019)
Receipt, transfer and transport of mixed dry recyclables from Lochaber to Authority selected treatment site (estimated 1.5K tonnes per annum)	Locheil Logistics Limited	01/10/2014	30/09/2017 (option to 2019)
Receipt, transfer and transport of mixed dry recyclables from Badenoch and Strathspey to Authority selected treatment site	David Ritchie & Sons Ltd	01/10/2014	30/09/2017 (option to 2019)
Receipt and treatment of mixed dry recyclables collected by Authority in Highland (estimated 16K tonnes per annum)	William Munro Construction (Highland) Limited	15/05/2015	14/11/2016 (option to 2017)
Skye Waste Transport of residual waste in Skye and Lochalsh to Authority landfill site at Seater , Caithness(estimated 6K tonnes per annum) and transport of mixed dry recyclables from Skye and Lochalsh to Authority selected treatment site (estimated 1000 tonnes per annum).	Oran Environmental Solutions Limited	12/09/2014	30/09/2017 (option to 2019)

Servicing of public glass recycling banks and treatment of glass collected	Viridor Waste Management Limited	March 2006	March 2013
WEEE collection and treatment	REPIC	02/12/2009	01/12/2020
Provision of Skip Servicing for Inverness and Moray Firth	Daviot Farms Limited	01/12/2014	05/06/2017 (option to 2018)

Summary of Recommendations

Redesign Priority Recommendations
• We need to establish a Corporate Project Board to drive forward with fresh impetus the identification and acquisition of transfer stations in Lochaber and Aviemore in the first instance and in any other locations where there will be an operational and financial benefit to waste collection in the Highlands. At the appropriate time this Board should oversee the application process for appropriate consents to allow the Council to have a much stronger bargaining position with the private sector or consider in-house delivery of waste services in these areas. • We should identify a facility for the Mechanical Treatment of residual waste and production of Refuse Derived Fuel in Inverness. A Corporate Project Board should be established for this purpose. The work should focus on finalising a business case to determine if the position set out in the most recent business case report is still valid, to update the Council on key risks and to consider whether there is merit in this being done in-house or through an arms-length company. The outcomes should be reported to Members at regular intervals to ensure that progress on this is maintained. • Work should also progress immediately on finalising the business case for long term waste disposal in the Highlands, with an emphasis on determining whether and at what scale an Energy from Waste plant is appropriate. A clear plan of action and delivery timescales within a project management framework is essential. The Review team feel that this is an issue which requires a strong corporate and political lead and should be an immediate priority for the new Council.

Other Recommendations		
	Short term	Longer term
Transport, Pre-treatment and Disposal of Recyclate	3.1 The Council should determine whether the bulking up, sorting and storage of recyclate will continue to be dealt with through the private sector or whether it will be brought back in-house.	
Management Arrangements		3.2 Review the Fife model of an arms length organisation to run waste management functions, and review the opportunities to include strong linkages to the Council's energy team.

Delivery options considered

In house	✓ - the final business case should make recommendations on this.
In source back in	✓ - currently carried out by contractors - the final business case should make recommendations on whether this should continue..
Shared services	✓ - Aberdeen City, Aberdeenshire and Moray Councils have entered into a partnership to develop an energy from waste solution which will meet the needs of the three Councils. There is no spare capacity for Highland within this arrangement.
outsource	✓ - the final business case should make recommendations on this.
Partnership/integrated	✓ - the final business case should make recommendations on this.
Arms length	✓ - the final business case should make recommendations on this. Fife Council operates an arms length organisation and may be a useful reference point.
Community run	n/a
Place based approaches	n/a
Stop service	n/a
Commercial opportunities	n/a

Chapter 4 - Collection of waste

Context

Collection of waste costs more in Highland than in any other Scottish local authority (See **Appendix 2**). **Gross** costs at £132.03 per household are **57.6%** higher than the Scottish national average. The position is slightly better in terms of **net** cost of collection. At £97.95 per household it is **51%** higher than the Scottish national average and we rank 30th out of 32 Scottish local authorities, performing better than Eilean Siar and Argyll & Bute.

The waste management team is of the opinion that our huge, sparsely populated geographical area is a significant factor in our increased cost of collection. An analysis of the available benchmarking information supports this view.

Although collection costs are high, Highland Council recycles 46.1% of household waste, against a Scottish average of 42.8%. The Scottish Government has set a target of 70 per cent recycled, and maximum 5 per cent sent to landfill, both by 2025. There are no penalties if the target is not reached.

Findings

Route Management and Capacity

Collection routes are largely historic and based upon same routes that were established by the 8 district council's pre 1996. They are manually tweaked as and when new properties or developments come on board.

Routes often overlap, particularly to facilitate regular collections from commercial customers and roadside litter bins.

Due to distances involved, many rural routes cannot be completed within a normal working day and therefore routinely require overtime working. Urban routes are generally determined by weight/number of bins. Some of these routes routinely take less than a normal working day to complete and some routinely require overtime working. For 2015/16, the overtime spend was £794,000

As well as reducing environmental impact, **optimising routes** could offer efficiencies in terms of number of vehicles, vehicle running costs, fuel, staff and overtime. At present we do not have a complete record of all routes. Instead, we rely on the knowledge of the foremen and other operational staff. The sheer number of vehicles, routes, and factors to be taken into account makes it almost impossible to complete a comprehensive, Highland wide, optimisation using manual methods.

Many local authorities successfully use software to optimise their routes and there are a number of products on the market that get very good reviews. Software typically costs in the region of £60k to £70k which is around a half percent of the £11.5 million that is spent on collection. Software trials in the Ross and Cromarty and Inverness areas have previously indicated that efficiencies could be achieved, and the investment would easily be recouped in the first year.

The review team recommends that the Council should procure route optimisation software to challenge our existing collection routes and frequencies from a cost and environmental impact perspective. This should be a **Redesign Priority**.

In the meantime, we need to:

- review all routes that routinely require overtime as standard and try to contain within a normal days work
- Review all routes that are routinely less than a normal day's work and try to expand where possible to free up capacity/reduce overtime elsewhere
- Consider withdrawal/reduction in number of roadside litter bins to free up capacity and reduce route overlap/time to complete routes

Collection Crews

Crews consist of a driver plus either one or two loaders. The majority of crews have 3 people, with salary costs, including on costs but excluding overtime, in the region of £71,000. Generally there is one loader when collecting from the more sparsely populated areas and two loaders when collecting from the more densely populated areas with more bins, although this is not always the case as can be seen in table 4 below.

Table 4 – Collection Crews - Examples

Bins	hours	miles	men	Av. Bins per man per hour	Area
1000	7	100	3	47.6	Wick
876	7	111	3	41.7	B&S
746	6.75	118	3	36.8	Ross
201	5	128	3	13.4	Wick
65	6.5	173	2	5	A9
552	10.15	114	2	27.19	Skye
476	6.75	115	2	35.25	Nairn

The review has identified the need to review 3 person crews/ number of bins/tonnages/ Masternaught data to identify opportunities to maximise the use of smaller 2 person crews. It may also be possible to use driver only operation for smaller routes wherever possible. We currently have one route where we use a 2 man crew to empty the litter bins on the A9, taking a full day and covering 173 miles to empty 65 bins.

Admin and Supervisory Staff

The team structure originally had 1 waste management officer in each of the 8 Council areas. Lochaber area has been operating with 0.6 FTE for some time due to phased retirement. Skye and Lochalsh area has been operating without a waste management officer since early in 2016. The Waste Management Officers are supported locally by 9.5 forepersons who play the lead role in the day-to-day delivery of

Refuse & Street Cleaning Service, managing operatives and resources. There are 2FTE in each of Caithness and Ross and Cromarty, 0.5fte in Nairn, and 1fte for each of the other 5 areas.

In Skye and Lochalsh where there is no Waste Management Officer, duties are generally being handled by the Foreman with support from the Operations Manager. The Foreman is also filling in as a driver on the Refuse Collection Crews when need be. The Operations Manager feels that the current situation is unsustainable and a longer term solution needs to be found.

The review team recommends that the Waste Management Officer role should be deployed at a service wide rather than area specific level. This would resolve the issues in the Skye and Lochalsh area, facilitate better workload management across the service, and create opportunities for further efficiencies in future.

Agency Staff

Agency staff are primarily used to support the delivery of the service given that the established FTE is beneath the level that is required to deliver the service. This is especially so in Ross and Cromarty and Sutherland. Agency staff are also used to cover vacant posts and long term sickness. The numbers vary from time to time and the length of time individual agency staff spend with Highland Council also varies, but some can be measured in terms of years.

Using agency staff gives greater flexibility on a daily basis and costs are generally slightly cheaper than employing permanent staff. In some instances they can cost more though, for example, due to a shortage of agency drivers in Sutherland, they actually cost more than employing staff directly.

The waste management team feel that the level of agency staff is fairly high and it may be more appropriate to recruit some permanent staff. The review team agree this might be appropriate in limited cases where agency costs are significantly higher, but suggest that it may otherwise be better to wait until routes have been optimised. Having agency staff rather than permanent staff would make it more straightforward to realise efficiencies from route optimisation.

Collection Frequencies/Fleet

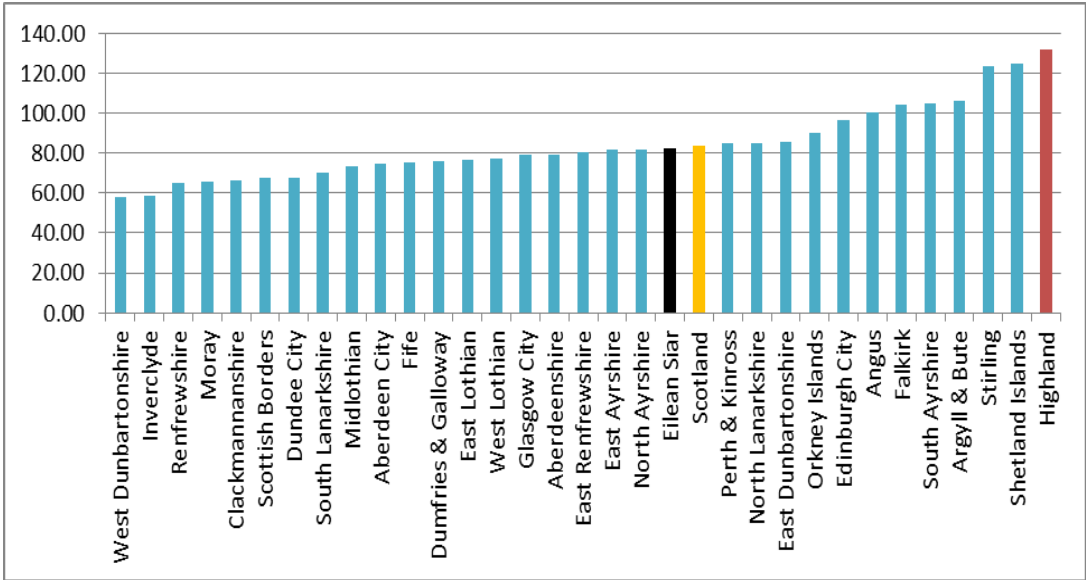
Household waste is generally separated by the householder into 2 bins, co-mingled recyclate and residual waste. Collections generally operate on an alternate weekly basis. Refuse collection vehicles are often operating under capacity in terms of the tonnage collected, particularly as routes are often based upon the tonnages collected during the residual cycle. Rural routes are often at capacity in terms of time although vehicles are under capacity in terms of tonnage.

The authorities with the cheapest cost of collection also tend to collect on 2 weekly cycles; however they have up to 6 bins per household.

The fleet of bin lorries in Highland limits collection to one type of refuse at a time. However, it is possible to purchase vehicles that allow separate collection of up to 3 different types of refuse at the same time. The review found that Comhairle nan Eilean Siar (CNES) have been using these vehicles as standard for many years now. They initially tried 4 compartment vehicles before eventually settling on

split load vehicles which worked much better as they allowed better load capacities. They collect co-mingled recycling waste and glass in one pass and residual waste and organic waste in another pass. Their gross collection costs per household are much lower than ours at £82.43 compared to £132.03. They also perform slightly better than the Scottish average of £83.77, despite their rural geography (see Figure 1 below).

Figure 1 – Gross Collection Costs – Eilean Siar vs Highland



The Council’s current vehicle supplier can supply split load vehicles in a number of different formats to suit our needs. Their 26 tonne 70/30 split vehicle is only slightly longer and higher than the vehicles we currently use and can accommodate approximately 6 tonnes of waste in the 70% side and 2 tonnes of waste in the 30% side. These are the vehicles used by CNES and they have no issues using them on single track roads. They find the 6x2 rear steer models work very well. Smaller and larger vehicles are also available, as are different load configurations and 6x4 models. Demonstration vehicles are readily available for trial purposes.

Whilst smaller split loads may not be suitable for every current route there is certainly scope to generate efficiencies by facilitating a fortnightly single pass collection in some areas. This is particularly so where we have vast distances to cover to collect quite small tonnages. Analysis of the tonnage collected on one route during 2016 showed that 23% of the residual loads tipped were under 6 tonnes, whilst 10% of the recycle tipped was under 2 tonnes.

The review team recommends that the Council needs to consider changing collection methods in some remote/hard to reach areas and routes with lower tonnage, by using vehicles that can accommodate different waste types. Rather than an alternate weekly cycle to collect recycling and residual it would make more sense to do it once.

Any change in vehicles could be incorporated into the normal vehicle renewal cycle. CNE Siar used that approach to replace their fleet over a period of a few years. This allowed them to optimise routes area by area, building experience as they went.

In terms of affordability, it is also important to recognise that there are some remote areas where it may simply be uneconomic to carry out separate collections. Argyll and Bute also faced this problem and they resolved it by collecting one residual bin every 3 weeks with no recycle service. The review team recommends that this approach should be considered for our more remote areas.

Some local authorities have also fairly recently moved to 3 or 4 weekly residual waste collections as standard. Fife has been particularly successful in reducing collection frequencies and has achieved significant efficiencies. Appendix 3 details the work undertaken by Fife Council to implement a change to their collection frequency which has assisted the recycling rate and reduced costs (additional information is also available). The trials are now live and are operating well. Fife Council has also indicated that they would host a visit if Council officials or Members would like to see their operation in practice.

As part of the recent Citizen's Panel consultation, when respondents were asked in respect of waste collection, 'to what extent would you support a pilot project in your area, trialling less frequent collections?' there was no clear preference with 50% against and 49% either in favour or neither agreeing nor disagreeing.

The review team recommends that in order to support the increase in recycling rates and to reduce costs associated with collection, that there should be an implementation of a number of trials to change the frequency of collections – particularly focussed on Inner Moray Firth area, where the main population centres are. In time this can be tied in to discussions with Zero Waste Scotland Recycling Charter (as per CS Committee decisions on 18 September – see chapter 6). This should be a **Redesign Priority** and should be implemented as soon as possible. This will allow the service to establish the optimum level of **affordable** service that can be achieved.

Charging for Bins

Many other local authorities already charge for new, replacement, and additional bins. Appendix 4 provides further information on rates charged elsewhere in Scotland. Charges vary and some sell at cost price plus a small fee to cover admin and delivery. Highland Council spent around £117,000 on bins during 2015/16 but income from bins sales only generated around £20,000. A charge of £43.62 applies to supply and deliver residual bins to new properties but no charge is made for additional, replacement, or recycling bins.

Depending on size, it costs Highland Council around £19 to £35 to purchase each bin. Many of our residual bins are approaching the end of their lives. With over 120,000 in use, replacement will be very costly. The review team recommends that the Council implements charges for all new, replacement and additional bins. Charges should reflect the purchase cost of the bins including a fee to cover administration and delivery, ensuring all bins are provided on a cost neutral basis (unless bin damaged by HC).

Charges should be collected via the council's online Pay For It facility to ensure bins are paid for in advance with minimum admin overheads. Service Centre staff should log requests and take payments for customers who are unable to go online.

Some properties, particularly in urban areas, have limited capacity for storage of bins. Other local authorities have encountered the same problems and have a variety of solutions, as follows:

- collecting no recycle and just one residual bin – either weekly or fortnightly
- providing locked or unlocked communal bins where space is at a premium
- outsourcing collections from flats
- using bin bags in urban areas and high rise flats where there is no storage for bins

There is a need to ensure that new developments are designed in such a way as to assist our collection routes and priorities. The use of communal bins needs to be investigated further both in existing developments and new developments. It is recommended that work is carried out to ensure that the planning guidelines used to inform new developments reflect the most up to date thinking on waste management and that these guidelines are implemented on a consistent basis.

Management Information

Data is automatically collected via Masternaught which is a GPS based vehicle tracking system fitted to all our collection vehicles. It collects data such as drive time, idle time and MPG. The associated software has functionality that allows analysis of individual, or groups of, vehicles. Weighbridge data is also collected where possible and gives management information such as tonnages collected and time tipped at transfer station.

Individual elements of the available data are used for various purposes, such as department of transport monitoring, calculation of landfill taxes, and monitoring vehicle activity. Initial analysis of limited data samples indicates that a detailed analysis of the whole range of data is likely to highlight opportunities for efficiencies.

The review team recommends that the Council should analyse Masternaught and tonnage data across all vehicles to identify opportunities for efficiencies.

Summary of Recommendations

Redesign Priority Recommendations
• We need to procure route optimisation software to challenge cost and environmental impact of existing collection routes/frequencies • We need to support the implementation of trials on changing the frequency of collections – particularly focussed on Inner Moray Firth area, where the main population centres are – this will be tied in to discussions with Zero Waste Scotland Recycling Charter (As per CS Committee decisions on 18 September). However, a Redesign Priority should be to implement a trial ASAP.

Other Recommendations		
	Short term	Longer term
Routes	4.1 Review all routes that routinely require overtime and try to contain within a normal days work 4.2 Review all routes that are routinely less than a normal day's work and try to expand where possible to free up capacity/reduce overtime elsewhere 4.3 Consider reduction/withdrawal of roadside litter bins to free up capacity and reduce route overlap/time to complete routes	4.4 Analyse collection costs for each route .
Staff	4.5 Review 3 man crews/ number of bins/tonnages to identify opportunities to maximise use of 2 man crews wherever possible. Consider use of driver only operation for smaller routes. 4.6 Operate the HC08 Waste Management Officer role at a service rather than area level to facilitate better workload management across the service 4.7 Review the use of agency staff where costs are significantly higher than for permanent staff.	4.8 Postpone any wider review of the use of agency staff until routes have been optimised.
Collection frequency	4.9 Look to Fife for best practice	4.10 Consider using vehicles that could allow collection of multiple types of waste in one pass, particularly for areas where tonnage/route data shows high collection costs and/or low tonnages. 4.11 Consider different collection frequencies for different areas – particularly less frequent or residual only collections on routes that have very high collection costs.
Bins	4.12 Charge for all new, replacement, and additional bins at cost price plus a fee to cover admin and delivery, ensuring all bins are provided on a cost neutral basis (unless bin damaged by HC) 4.14 Charge via pay for it facility to ensure bins are paid for in advance with minimum admin overheads. Service Centre staff could log request and take payments for customers who are unable to go online.	4.13 Where there is limited capacity for storage of bins, consider providing locked or unlocked communal bins , OR collecting no recycle and just one residual bin –fortnightly unless volume means weekly collection is essential. 4.15 Consider making recommendations re planning guidance, for example communal bins for flats.
Management Information	4.16 Analyse Masternaught and tonnage data across all vehicles to identify opportunities for efficiencies.	

Delivery options considered

In house	✓
In source back in	N/A
Shared services	Very unlikely other authorities would be interested due to extra collection costs unavoidably incurred in Highland due to the vast geographical area that needs to be serviced. Other

	authorities are also facing major challenges in service delivery due to the impending 2021 household waste landfill ban and the Scottish Governments all waste target of 70 per cent recycled, and maximum 5 per cent sent to landfill, both by 2025.
outsource	Possible but would need to be considered in conjunction with our overall waste strategy
Partnership/integrated	We could seek partners, particularly through ALO or LLP but this is likely to be a longer term solution so needs to be considered in conjunction with our overall waste strategy
Arms length	Works very well in Fife. Likely to be a longer term solution so needs to be considered in conjunction with our overall waste strategy. Fife are open to a visit from Highland to learn more.
Community run	On a wide scale, this is unlikely to be a workable solution. There may, however, be opportunities to work with some communities in future, particularly remote communities where standard collection methods/frequencies are cost prohibitive.
Place based approaches	✓
Stop service	N/A – statutory function
Commercial opportunities	See section 7 on commercial collections

Chapter 5 - Food Waste

Context

The Waste (Scotland) Regulations 2012 places a duty on Scottish Councils to make provision for the separate collection of food waste from households subject to specific rules around population of settlement and rurality. It also places a duty on councils to collect food waste from food premises if it is requested to do so. Food waste from such premises is commercial waste and Councils are duty bound to collect commercial waste if asked to do so (Controlled Waste Regulations 1992).

The food waste collection service in Highland is available to around 27,000 households and businesses in the Inverness City area. This is carried out using 4 dedicated vehicles with 2 person crews on each. Funding to purchase the collection vehicles etc was provided by Zero Waste Scotland in grant form. However since April 2015 the revenue costs have had to be met by The Council.

The uptake in the Inverness area is currently estimated to be around 40%. Waste is transferred under contract to a processor in the Aberdeenshire area. Any increase in volume collected would result in an increase in treatment (composting) costs.

In a change to the position at the time of the introduction of the Waste (Scotland) Regulations 2012, the Scottish Government has now classified Nairn and Fort William as “urban” rather than “rural”. It is therefore possible that they will revisit the Regulations to reflect the new classifications and require separate food waste collections to be implemented in these areas.

Findings

The review found that given the statutory duty placed on the Council, there are a limited number of options for a redesign of how we collect and dispose of food waste.

Cessation of the service has been considered in the past but here may be legal implications if the Council was to do this as well as an increase in the amount of residual waste being sent to landfill. Given the relatively low rates of uptake of the service, it may be worthwhile considering a fortnightly service for food waste. This will reduce the resources allocated to collection. The food waste containers are secure so any environmental risks can be managed. It is considered that the service should investigate a trial fortnightly collection to assess public acceptability and potential cost savings.

Recommendation		
	Short term	Longer term
Food Waste		5.1 Consider the implementation of fortnightly food waste collection by implementing a trial to assess public acceptability and potential cost savings.

Delivery options considered

In house	
In source back in	
Shared services	
outsource	
Partnership/integrated	
Arms length	
Community run	
Place based approaches	✓
Stop service	✓
Commercial opportunities	

Chapter 6 - Collection of Recyclate

Context

This function is covered by Section 35 of the Environmental Protection Act, and requires local authorities to provide householders with a collection service for dry recyclables. There is flexibility around the level and type of service provided and other collections need not be at the doorstep. In December 2015 the Household Recycling Charter and associated Code of Practice was developed and agreed on by the Scottish Government-COSLA Zero Waste Taskforce. The aim is to have consistent recycling systems across Scotland, diverting as much as possible from landfill and maximising recycling.

The Council has a high rate for recycling and has been quoted by the Improvement Service for examples of good practice. However, the cost of recycling is high and this review afforded the opportunity to challenge the Council's approach in respect of the affordability challenge that is faced.

The council provides a household door to door dry-mixed recyclate collection service which is collected on an alternate weekly cycle with residual waste (Chapter 4). In some areas we also collect food waste (Chapter 5). Our 21 recycling centres (Section 8 and **Appendix 5**) allow communities the opportunity to bring items for recycling to central points where they are bulked up and transported for reprocessing.

In addition to the recycling centres and doorstep collection services outlined above, we also collect recyclate through a network of over 200 recycling banks, located in various locations such as supermarket car parks and public car parks (**Appendix 5**).

Currently most recyclate collected has to be transported out of the Highlands as there are few treatment facilities available here. The following contracts are in place specifically relating to recycling:

Table 5 – Recycling Collection and Transport Contracts

Contract	Contractor	Area	Contract ends
Receipt, transfer and transport of mixed dry recyclables to Authority selected treatment site	SUEZ	Inverness	end of Sept 2017
	Lochiel Logistics	Lochaber	end of Sept 2017
	David Ritchie & Sons	B&S	end of Sept 2017
Receipt and treatment of mixed dry recyclables	William Munro Construction (Highland) Ltd	Highland	Nov 2016 with option to extend to 2017
Receipt, storage and loading of colour segregated glass destined for recycling, into Authority's vehicles	SUEZ	Highland	end of Sept 2017
Servicing of public glass recycling banks and treatment of glass collected	Viridor	Highland	contract expired

For each of the materials that we collect, we try to either gain an income, or secure a disposal cost that is lower than the cost of landfill. We generally perform well in this area and regularly review the materials we collect. The contracts that are currently in place are shown in table 6 below:

Table 6 – Recycling Use Contracts

Material	Cost/Contract	Income	Comment
Glass (210 banks)	Viridor –price based on current number/location of bins (Contract has expired)	No processor in Highland so no current income available	Heavy weight material, so good to take out of residual waste.
Used batteries	monthly bidding system	Small income	
Metal	monthly bidding system	£92661	
Books	None	None	No market for books so no longer recycle.
WEEE (electrical)	REPIC (contract in place until Dec 2020)		Producer Responsibility Contract and is provided at zero cost to the Council
Textiles (180 banks)	HC paid Blythswood £230,100 in 15/16 to divert clothing and other materials. This is covered in the diversion of recycle section below	Nathans – pay us £70 per tonne Salvation Army – pay us market rate, currently £53 per tonne	All 3 organisations collect from the textile banks.
Wood	4000 Tonnes @ £26 Per Tonne.		Tonnage too small and dispersed to make selling on a viable option. Would cost more to transport. We sort and pay a reduced rate to dispose of as this is cheaper than residual landfill (£84.40/tonne).
Rubble	8978 tones @£10 Per Tonne Gets shredded and goes to energy plant.		Tonnage too small and dispersed to make selling on a viable option. Would cost more to transport as our only quarry is in Skye. We sort and pay a reduced rate to dispose of as this is cheaper than residual landfill (£84.40/tonne).
Cardboard	Non-contractual	£12k this year	

Findings

Glass Recycling

60 of the 200 or so glass recycling banks are either not currently used or rarely used but still incur costs for servicing and collection. It is recommended that many of those could be removed from their current location as there will be alternatives adjacent to supermarkets, shops, schools and other public

buildings within a reasonable distance. It may be appropriate, prior to removal, to liaise with local communities to determine whether some of these can be relocated to other locations which will encourage greater use. The recent citizen's panel consultation exercise overwhelmingly supports this approach.

The waste awareness management team have advised that any change could affect supplier's arrangements for collection and they would likely need to re-negotiate the price for the remaining collections. However, this should not prevent us from seeking to negotiate a solution that allows us to at least limit the £42k loss we are currently incurring through continued servicing of these underused banks.

Diversion from Landfill

The Council pays charitable organisations to divert goods from landfill. They collect goods/accept donations as part of their normal day to day function but they keep a note of the number of and type of items they sell on, or otherwise re-use. The Council previously paid per ton recycled/re-used based on the charity's own figures and a standard weight for each type of item. In 2015/16 we paid the charities around £380,000 for this service, primarily to New Start Highland and Blythwood Care, although Acharacle Community Company also received around £2,500.

For 2016-17, the diversion budget for New Start Highland and Blythwood Care was reduced to around £150,000. This was split equally between the two groups but is not related to the amount of material they divert. Each charity is paid £6250 per month, regardless of the volume of goods that they divert from landfill. Acharacle Community Company also still receives around £2,500 per year.

Since the funding has been cut, the charities have reduced the amount of material they divert to landfill, especially from the containers at the recycling centres. Current figures suggest that they are still recycling enough to cover the cost of diversion

The Council has no statutory responsibility to provide this payment but it is paid on the basis that if the charities did not divert the goods then there would be a need to pay landfill and transportation costs. Given the reduction in the amount diverted from landfill, this arrangement should be reviewed for 2017/18 to ensure it continues to be cost effective. It is unclear why we pay Blythwood and Newstart to divert textiles when this is a commodity that other charities are willing to pay for. This should be taken into account when the arrangement is reviewed for 2017/18.

Zero Waste Scotland

Zero Waste Scotland (ZWS) is funded by the Scottish Government to support the delivery of its Zero Waste Plan and other low carbon and resource efficiency policy priorities. At the meeting of the Community Services Committee on 18 August 2016, the Council agreed to sign up to the Household Recycling Charter, subject to receiving appropriate funding.

Colleagues from the Waste Management team have been attending meetings with ZWS with a view to determining the process for options appraisal and investigating the possibility for any available funding towards initiatives. ZWS have indicated that the process will not commence until early 2017 and as there are other Local Authorities in this process, it is difficult to gauge timescales for completion. This

will be dependent on the resources available within ZWS as well as the resources each Local Authority has to complete the process based on individual circumstances with contractual arrangements for materials processing and/or vehicle leases. The funding from Scottish Government/ZWS will be phased over a number of years so this will limit the number of Councils that can make the transition to the Household Recycling Charter code of practice requirements.

The main aim of the ZWS charter is to standardise the collection service across Scotland and increase the recycling rate. It is likely that their recommendations will result in an additional bin for each property in Highland. Cost of collection is unlikely to be a major consideration and given the geography of the Highlands, this could be a significant issue. The options that could be modelled may include garden waste collections, potentially expanded food collections, co-collection of food and garden waste, as well as various scenarios to collect the main dry recycling materials from the kerbside (such as separate paper and cardboard collection or glass collection). ZWS will also be looking at how the Council collects commercial waste particularly when it is collected on the same routes as the household waste.

The paper considered by Community Services Committee on 16 August 2016 set out some possible scenarios for amended collection bin capacities/collection frequencies that might be adopted to strive to meet the Code with minimal change to the existing arrangements. The review team believes that whilst it is important to continue to engage with Zero Waste Scotland we must be mindful that it may take some time to see an outcome, that an additional bin is unlikely to be financially viable unless we can collect multiple waste types in the one pass, and that a standard service may not be the best option in an area that is geographically anything but standard. We must also be careful that we do not lose valuable time awaiting a ZWS outcome without dealing with our medium and long term solutions. The focus of the engagement with ZWS must be entirely focussed on more populated areas, particularly the Inner Moray Firth. This will ensure that economies of scale are provided for. The ZWS work should also not stop trialling different collection frequencies (see Chapter 4).

Recommendations		
	Short term	Longer term
Glass Recycling	6.1 Review the 60 glass recycling banks that are either not currently used or rarely used to determine whether some of these can be removed or relocated.	
Diversion from landfill	6.2 Given the reduction in the amount diverted from landfill, the arrangement with Newstart and Blythswood should be reviewed for 2017/18 to ensure it continues to be cost effective.	
ZWS	6.3 Whilst it is important to continue to engage with Zero Waste Scotland we must be mindful that it may take some time to see an outcome, that an additional bin is unlikely to be financially viable unless we can collect multiple waste types in the one pass, and that a standard service may not be the best option in an area that is geographically anything but standard. We must also be careful that we do not lose valuable time awaiting a ZWS outcome without dealing with our medium and long term solutions. The focus of the engagement with ZWS must be entirely focussed on more populated areas, particularly the Inner Moray	

	Firth. This will ensure that economies of scale are provided for. The ZWS work should also not stop trialling different collection frequencies	
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Chapter 7 - Collection of Commercial waste

Context

Section 45(1)(b) of the Environmental Protection Act 1990 places a duty on Scottish Councils to arrange for collection of commercial waste if requested to do so. Section 45(4) of the same act allows councils to apply a reasonable charge for the collection and disposal of the waste. The Council does not have to provide a collection service in-house, but does need to arrange collection if requested to do so. 'Reasonable' is not defined but it is likely to mean we can at least aim to cover costs. There are several private waste collection companies operating commercial waste collection services within the Inner Moray Firth area, however, in some areas the Council is the only service provider.

Findings

Customers

In Highland, there are currently 16,470 non-domestic ratepayers operating from 14,803 different premises. The service currently collects commercial waste from only around a third (5,289) of these customers so there is certainly scope to increase our commercial activity.

Detailed records are held at an area level covering the type of customers, frequency of collection, type and volume of waste, expected income, and payment methods. Inverness and Ross and Cromarty generate the highest gross income, however, the Skye and Lochalsh area has the highest number of customers (see table 7 below).

Table 7 – Commercial Waste Information

potential gross income from commercial				number of commercial customers			
area	No. custs	potential income	% income	area	No. custs	potential income	% custs
Inverness	908	£773,112	20.61%	Skye & L	988	£521,095	18.55%
Ross & Crom	899	£659,198	17.57%	Inverness	908	£773,112	17.05%
Caithness	557	£586,469	15.63%	Ross & C	899	£659,198	16.88%
Skye & L	988	£521,095	13.89%	Lochaber	697	£509,186	14.03%
Lochaber	697	£509,186	13.57%	Sutherland	569	£262,253	10.69%
Bad & Strath	471	£312,719	8.34%	Caithness	557	£586,469	10.46%
Sutherland	569	£262,253	6.99%	Bad & Strath	471	£312,719	8.85%
Nairn	186	£127,598	3.40%	Nairn	186	£127,598	3.49%
all	5275	£3,751,630		all	5275	£3,751,630	

Note actual income is less -£3.26 million in 15/16 - further details in billing & recovery section later in report

40% of our commercial customers in Highland are operating self-catering units. 10% are Internal or partner organisations. The remaining 50% cover a wide variety of business types, including retail, service, industrial and office based.

The review found that there does not appear to be any one team member who has a regular responsibility for identifying and bringing on board new customers or managing existing customer contracts and accounts. It is recognised that the current focus is on providing the very best service that we can to our customers. However, the review team also feel that the Council is unable to provide evidence that operating the service in this manner is actually affordable in respect of covering costs. This is largely because, like most other local authorities, there has historically been no emphasis on operating in a commercially viable manner.

It is therefore essential that the Service refocus existing staff to ensure commercial opportunities and income are maximised and accounts are managed on a regular basis. Depending on other redesign decisions, it may be appropriate to create a specific commercial waste team. **This should be a redesign priority.**

Routes/ Frequency of Collection

Inverness and Caithness areas operate routes which are primarily devoted to collections from the bulk of their commercial customers on a weekly basis. They also have routes that combine domestic and commercial collections. Most other areas combine commercial collections with household residual and recycle collections on an alternate weekly basis.

Some areas, for example, Skye and Lochalsh, also have routes that overlap to facilitate weekly collections from commercial customers. This means that multiple vehicles may visit the same area on multiple occasions each week. There is no evidence that work has been done to establish whether or not this approach is cost effective.

As we already have to cover the whole of the Highlands to collect household waste, it makes financial sense to generate income from collecting commercial waste along the way, as long as the charges we levy cover any extra costs incurred. Where commercial waste is collected in different cycles or routes from household waste, extra costs are likely to be more significant.

Where the Council is the only provider, it is largely because it is not commercially viable for private companies to provide a regular service in these geographic areas, yet the Council organises routes specifically to provide a weekly service for commercial customers in these areas. The waste management team do have some legitimate concern that collecting less frequently in these areas may lead to reputational damage, particularly for tourism related businesses. However, in many areas we already collect on an alternate weekly basis and there is no evidence to suggest we have suffered reputational damage as a result of this.

In light of the affordability challenge facing the Council, commercial routes and frequencies of collection need to be reviewed to ensure we manage the reputational risk, but also recognise that the Council is often the only provider in particular areas. We need to achieve the best balance between quality of service and affordability that ensures we recoup the cost of providing the service. In line with the recommendations under collection of waste in Chapter 4, the review team believes that the Council must invest in route optimisation software, analyse and understand collection costs for each route, and consider investing in vehicles that could allow collection of multiple types of waste in one pass. We also need to consider reduction/withdrawal where commercial routes are not cost effective.

Volumes and Charging Policy

The volume of commercial waste is unknown since it is generally collected along with domestic waste. Although we do know the number and size of bins that we are supposed to collect for both residual and recycle, we do not use average bin weights to calculate approximate volumes. Instead, it is assumed that the charging policy is sufficiently robust to ensure we cover the costs of disposing of the full volume of waste collected.

The charging policy is the same throughout the Highlands, regardless of the cost of collection. The charges were originally devised in 1996 and aimed to recover full costs, including landfill taxes. The charges have generally been uplifted each year by either a percentage to cover inflation (RPI), or a percentage as set by Committee in light of the overall council budget situation.

In recent years there have been many changes that affect landfill and disposal charges. The review found no evidence to suggest that work has been done to ensure that charges continue to cover costs. There was some evidence that collection frequencies from remote locations currently results in the service to those customers being provided at a loss. The review team considers that the Council should consider putting in place delegated charging powers, allowing a more dynamic approach to changes in the market and should review the charging policy to ensure the service, including cost of admin, provision of bins, collection, disposal and landfill taxes, is at least cost neutral.

The Council's Commercial Manager advises that advertising our charges puts us at a disadvantage with private competitors, as does having to advertise changes to our charges 8 weeks in advance and having one set charging policy. Many authorities do not advertise their charges, but instead offer competitive quotes on a case by case basis.

If it is deemed unacceptable to fully delegate charging powers, limited changes to the charging policy would allow the Head of Service delegated powers to vary charges where location or frequency makes collection/disposal economically unviable under the standard charging policy.

In line with many other authorities, we should charge a fee to cover administration costs for any changes made during contracts.

Contracts

The Council issues new commercial waste contracts each year. This is a huge exercise and there are often delays as many customers omit to return their signed paperwork. The waste management team advise that these new contracts must be issued annually due to the increase in charges, and the legal requirement to have new waste transfer notes signed by both the customer and the service provider. The Duty of Care Regulations do indeed require waste transfer notes and signatures, however, they also clearly state that 'this can be an electronic copy, including electronic signatures'.

Contracts for the new financial year cannot be issued until the waste charges have been set. In the last few years the charges have not been set until mid-February. This has left very little time for new contracts to be drawn up, issued, and returned by customers in time for the start of the new financial

year and for revised direct debits to be manually keyed. Similarly, it has meant that by the time it has become evident that a customer no longer wished the service or neglected to pay for it, we have already provided the service and are left unable to recoup the costs.

In previous years, the charges were set around Christmas time. This allowed time for the administration to be completed in time for the new financial year, and the service to be stopped if customers chose not to continue paying for it. Commercial charges should therefore be set earlier to allow time for administration work to be completed in time for the new financial year. We should also improve our current contracts process by using our on-line facilities to allow customers to renew contracts, and sign up to transfer notices.

Billing and Recovery

There is no reconciliation between the area customer spreadsheets and the income received. Neither is there any reconciliation between the area figures for bins collected and the number of customers being billed. The area spreadsheets suggest that gross income from commercial customers should be around £3.75 million. Actual income last year was £3.26 million.

Internal customers and partner organisations used to be billed by internal recharge. To reduce the work involved in this, a decision was taken a few years ago to transfer a portion of budget instead. The amount transferred is arbitrary and not linked to the actual cost of collection. Last year the figure was £706k although the spreadsheets suggest the actual cost of collection was much higher. This will account for some but not all of the shortfall between potential and actual income.

We do not have a billing and recovery system that can keep track of each commercial customer's account, what they owe, what they have paid and what the outstanding balance is. We also do not have clear policies or procedures covering billing and recovery. Billing for some commercial customers is carried out via invoice on Integra but the majority of customers pay by paper based monthly direct debit (DD) even though the council can offer an online facility.

Customers who do not wish to pay by DD should be given the facility to 'pay for it' online rather than via invoice. For those who do pay by DD, we should move from paper to online as it is more resource efficient, offers a better, quicker service to the customer, allows the Council to collect debt more quickly and contributes to our Digital First targets.

The direct debit process on Integra could be improved to make it more efficient. Most billing and recovery systems show the full debt and the outstanding balance reduces each month when the direct debit is credited to the account. At present when a direct debit is set up on Integra, there is no record of the full amount due or balance outstanding. Instead a dummy invoice is created for the value of the direct debit. This process is then repeated manually each month. Integra does have a facility to set up recurring Direct Debits but this isn't used at present.

The current system of billing and recovery relies on staff in different teams liaising with each other and keeping track of the amount due and every direct debit failure on a case by case basis. There do not appear to be any clear policies or procedures dealing with failed direct debits, or decisions to withhold service. This is left to the judgement of individual members of staff.

Although the vast majority of customers pay by direct debit, there is currently around £87,000 worth of uncollected debt on invoice. Around £80,000 of this debt is more than 90 days old. Although it is a small percentage of the overall income, there is no evidence of a co-ordinated approach to pursuing the debt. Some debtors owe large sums of money yet we are still providing them with services such as new bins and commercial collections.

Clear policy and procedures should be adopted to ensure the approach to unpaid accounts is standardised, each team involved understands their role and interrelationships within the recovery process, all debts are pursued timeously in line with wider finance service billing and recovery procedures, and the collection service is ceased as quickly as possible when appropriate.

We need to ensure that all of our commercial customers are being billed effectively and ensure the technology is in place within the team to allow this to be managed effectively. We should look at using the full features of Integra, however, if this cannot facilitate better management of customer debt then an alternative system should be considered.

Overheads

There does not appear to be any clear understanding of the cost of collection, cost of disposal, landfill taxes or other overheads incurred in relation to commercial waste. It is hoped that some of the improvements identified within this report will assist in providing this information.

Business Development

The review found that there is no published commercial strategy. Some adhoc exercises have tried to identify commercial customers illegally using household recycling centres and encourage them to contract the Council to collect and dispose of their commercial waste. Although this has had some success, it has been labour intensive and is not the most efficient method of finding new customers.

There is no systematic method of contacting potential new customers despite the fact that the Council has a record of every new business customer and the Non-Domestic Rates team already contacts them when they are entered on to the valuation role – this asset should be used to its maximum potential and the relationship between the waste management team and finance colleagues should be strengthened.

When NDR bills are issued to new ratepayers, we could include information advising them of their legal obligations regarding commercial waste, advertising the benefits of using the HC service, and directing them to our online contract sign up facility. Where ratepayers do not take up our service, we should contact them as a matter of course to ensure a waste transfer notice is in place and follow up on potential contract opportunities where they have not made other arrangements.

We need to promote an understanding at all levels within the service of the need to shift from focusing purely on service standards to a more commercial balance of quality of service and affordability. A commercial waste marketing strategy should therefore be defined and adopted.

Other Local Authorities

The review team contacted a number of other local authorities and each had a dedicated team for commercial waste. The aim of such a team is to secure as much business as possible, to ensure bills are paid timeously and to pursue defaulters. Most control this via spreadsheet or access database. One issues bills quarterly and automatically uploads from a spreadsheet to Oracle, thereby reducing admin and double keying. Their customers have until the end of the quarter to pay.

All had some form of monitoring in place to ensure they contacted defaulters swiftly and stopped the service timeously when bills were unpaid.

Depending on other redesign decisions, it may be appropriate to create a specific commercial waste team. **This should be a redesign priority.** Recommendations to how we could achieve this refocus are made later in this report under Chapter 12, Waste Awareness and Education.

Collection Staff

Collection teams have a duty to consult run sheets to ensure they only collect from household bins or commercial bins that have a valid contract which is being paid, and to put stickers on bins when bills have not been paid. They often have to spend time engaging with the customer on-site when they dispute that the bills are unpaid, although ultimately the customer must resolve the billing issue with administration staff. The review team feels that the Council should stop using the non-payment sticker system in favour of shifting emphasis to direct engagement with either refocused existing staff or a dedicated commercial team. The Council should also consider use of technology to manage communications between admin and collections staff.

Summary of Recommendations

Redesign Priority Recommendations	
• Refocus existing staff to ensure commercial opportunities and income are maximised and contracts are managed on a regular basis. • Depending on other redesign decisions, it may be appropriate to create a specific commercial waste team.	

Other Recommendations		
	Short term	Longer term
Routes	7.1 Review commercial routes per recommendations 4.1 to 4.2 in section 4 on collection of waste 7.2 Analyse net cost of routes offering weekly commercial collections and consider	In line with recommendations under section 4 on collection of waste.... 7.4 Invest to save in route optimisation consultancy/software to facilitate a complete route optimisation exercise and continual

	reduction/withdrawal of routes that are not cost effective. 7.3 Review frequency of collection to achieve the best balance between quality of service and affordability that ensures we recoup costs	ongoing optimisation 7.5 Analyse and understand collection costs for each route 7.6 Consider investing in vehicles that could allow collection of multiple types of waste in one pass, particularly for areas where tonnage/route data shows high collection costs and/or low tonnages. 7.7 Consider different collection frequencies for different areas – particularly less frequent or residual only collections on routes that have very high collection costs.
Charging policy	7.8 Review charging policy to ensure commercial collection service is at least cost neutral (including cost of admin, provision of bins, collection, disposal and landfill taxes) 7.9 Consider changing policy of advertising our commercial charges on our website as this puts us at a disadvantage commercially. 7.10 Consider changing policy of advertising intended changes to charges 8 weeks in advance as this puts us at a disadvantage commercially. 7.11 Introduce a fee to cover administration costs for any changes made during contracts	7.12 Consider delegated charging powers to allow a more dynamic approach to changes in the market. 7.13 If it is deemed unacceptable to fully delegate charging powers, consider changes to charging policy to allow Head of Service delegated powers to vary charges where location or frequency makes collection/disposal economically unviable under standard charging policy.
Contracts	7.14 Commercial charges should be set earlier to allow time for administration work to be completed in time for the new financial year.	7.15 We should also improve our current contracts process by using our on-line facilities to allow customers to sign up for new contracts, renew contracts, and sign up to transfer notices.
Billing and Recovery	7.16 Customers should be given the facility to set up a DD on-line. 7.18 Per recommendation on collections, all bins (new, replacement, additional) should be paid for in advance via our online Pay For It facility. 7.19 Clear policy and procedures should be adopted to ensure: • approach to unpaid accounts is standardised • each team involved understands their role & interrelationships within recovery process • collection service is ceased as quickly as possible when appropriate • all debts are pursued timeously •	7.17 Customers who do not wish to pay by DD should be given the facility to 'pay for it' online rather than issuing invoices. 7.20 We should look at using the full features of Integra to ensure that all of our commercial customers are being billed effectively. 7.21 If Integra cannot facilitate better management of customer debt then an alternative system should be considered.
Income Overheads Net cost of providing the service	7.22 In line with the charging policy recommendations above, work should be done to establish and understand the gross and net income figures, the cost of collection, disposal, landfill taxes and other overheads	7.23 Once net income and operating overheads are clearly understood, the service will be in a position to understand whether they are operating at a profit or loss. 7.24 Once overheads are clearly understood, work should begin to try to reduce costs wherever possible, ensuring we achieve best value and are able to compete in the market.
Business development	7.25 An exercise should be carried out comparing the NDR database to the list of commercial customers to identify potential new customers.	7.28 Promote an understanding at all levels within the service of the need to shift from focusing purely on service standards to a more

	7.26 When NDR bills are issued to new ratepayers, we should include information advising them of their legal obligations regarding commercial waste, advertising the benefits of using the HC service, and directing them to our online contract sign up facility. 7.27 Where ratepayers do not take up our service, we should contact them as a matter of course to ensure a waste transfer notice is in place and follow up on potential contract opportunities where they have not made other arrangements.	commercial balance of quality of service and affordability. 7.29 A commercial waste marketing strategy should be defined and adopted
Collections staff	7.30 We should stop using the non-payment sticker system in favour of shifting emphasis to direct engagement with either refocused existing staff or a dedicated commercial team	7.31 We should consider use of technology to manage communications between admin and collections staff update after webinar

Delivery options considered

In house	✓
In source back in	N/A
Shared services	Very unlikely other authorities would be interested due to extra collection costs unavoidably incurred in Highland due to the vast geographical area that needs to be serviced. Other authorities are also facing major challenges in service delivery due to the impending 2021 household waste landfill ban and the Scottish Governments all waste target of 70 per cent recycled, and maximum 5 per cent sent to landfill, both by 2025.
Outsource	Possible but would need to be considered in conjunction with our overall waste strategy
Partnership/integrated	We could seek partners, particularly through ALO or LLP but this is likely to be a longer term solution so needs to be considered in conjunction with our overall waste strategy
Arms length	Works very well in Fife. Likely to be a longer term solution so needs to be considered in conjunction with our overall waste strategy. Fife are open to a visit from Highland to learn more.
Community run	N/A
Place based approaches	✓
Stop service	N/A – statutory function
Commercial opportunities	✓

Chapter 8 - Recycling Waste Collected

Context

The Refuse Disposal (Amenity) Act 1978 requires that we provide our residents with at least one place where they can dispose of household waste. The duty to provide such a facility is in addition to the requirement to collect residual and recycle waste from householders at their doorstep (Chapters 4 and 6).

To meet our statutory duties, we operate a network of Household Waste Recycling Centres. Recycling centres play a vital role in reducing the amount of waste that ends up in landfill and in reducing the cost of waste disposal. We currently have 20 staffed centres and one unmanned centre (Durness). Of these 21 centres, 10 are combined with Waste Transfer Stations – this provides some efficiency on transport costs. The centres are spread throughout the Highlands and mostly concentrate in the most populated areas.

Findings

Number of Sites

The waste management team advise that increasing the number of unmanned sites is not an option as current licensing laws now prevent this. The Council does however, have discretion over the number of Household Waste Recycling Centres that it provides, so could choose to reduce the number. As part of the process of ensuring that all of the centres are operating to a satisfactory level, analysis of tonnage recovered should continue to be maintained but also constantly challenged to assess whether we can close sites with low tonnages.

Opening Hours

The opening hours and staffing arrangements at some recycling facilities means that overtime is required as a matter of course. Holiday and sickness cover is also regularly provided by using operational staff and paying them overtime. A previous savings proposal suggested reducing opening hours in some of the Centres but it would have required a change in terms and conditions for some staff, meaning that Saturday working would become part of their normal working week. Initial discussions commenced with Trade Unions but the proposal was not taken forward. Further work should be undertaken to identify sites that habitually require the use of overtime. The opening hours and staffing arrangements at these sites should be reviewed to reduce the use of overtime wherever possible.

The review team considered whether levying a small charge to use recycling centres at weekends to help cover costs and keep them open was an option. The citizens panel consultation exercise clearly showed that that public are unlikely to support this initiative with 66% saying they would not pay a small charge.

Roles and Responsibilities

The roles and responsibilities of staff at the recycling centres should be reviewed. There is scope for improving our approach to challenging the public, both on entry and when they are segregating of waste. Currently this is done in Inverness Recycling Centre by the Waste Awareness team but resources in this team are limited and best utilised elsewhere. This is explored further in Chapter 12 Waste Awareness and Education.

Layout of Sites

The review has found that some improvement could be made in the layout of some existing recycling centres regarding signage, information, and entry procedures. To support recycling centre staff, access to sites should be controlled, clear signage should be erected to advise householders of the procedures and conditions of using the sites, for example that staff will engage with them to help ensure their waste is disposed of in the correct container and so on. Skips and containers should clearly display the cost of disposing of the different types of waste to encourage householders to separate the waste correctly rather than dumping it into residual containers.

Recommendations		
	Short term	Longer term
Number of Sites	8.1 We should analyse tonnage data for all existing recycling centres. This will allow consideration of whether it is affordable for all of them to remain open	
Opening Hours	8.2 We should identify sites that habitually require the use of overtime and review the opening hours and staffing arrangements to reduce the use of overtime wherever possible	
Roles and Responsibilities	8.3 The roles and responsibilities of staff at the recycling centres should be reviewed.	
Layout of Sites	8.4 To support recycling centre staff, access to sites should be controlled, clear signage should be erected to advise householders of the procedures and conditions of using the sites. Skips and containers should clearly display the cost of disposing of the different types of waste to encourage householders to separate the waste correctly	

Delivery options considered

In house	
In source back in	
Shared services	
Outsource	
Partnership/integrated	✓
Arms length	
Community run	
Place based approaches	
Stop service	✓
Commercial opportunities	

Chapter 9 - Green Waste Collection

Context

Collection of garden waste is offered to 67,000 households in Highland. This is not a statutory service and was implemented through funding from the Strategic Waste Fund in 2003. There are 7 vehicles operating across the Council area and the service costs in the order of £700,000 to deliver. 16,000 tonnes of garden waste is collected and disposal costs are reduced given the diversion from the residual waste bin. In addition, the collection of this garden waste contributes 11% to our recycling rate (although some of this comes from recycling centres).

Findings

Waste is currently collected and brought to the former Longman Landfill site, for bulking up, shredding using specialist machinery then passed to local farms at a cost to the Council, where it is turned into compost. We do not produce our own compost. Some risks have been flagged up regarding the future of this arrangement, given the change to the standards of compost which are allowed to be used for food production. The situation should be monitored.

Two options for redesigning the approach to the collection of green waste have been considered as part of this review. The first was a cessation of the Service, which is not statutory.

Aberdeenshire Council, for example, does not operate a garden waste collection service. The Council is of the view that collecting garden waste from such a large geographical area would be expensive and it would not result in net environmental benefits. They instead encourage the public in Aberdeenshire to consider ideas like investing in mulching mowers, doing more composting or pruning shrubs before they get too big as alternatives. Alternatively they offer recycling facilities at Household Waste and Recycling Centres. In addition they do offer community skips during the summer months at pre-advertised times and locations.

The other option considered was the introduction of a small charge for the delivery of the Service. This is a practice that has been introduced in a number of authorities south of the border, and more recently in Angus Council in July 2016. **Appendix 6** sets out the experience of the scheme in Rushcliffe Borough Council where the initial charges were set at £25 per bin with a £10 charge per additional bin.

The waste management team has brought forward a savings proposal involving the introduction of a charge of £25 per participating household for the collection of garden waste. This has identified that £500,000 net additional income could be generated based on a 50% uptake of the service within existing households.

It is important to note that the experience of other Councils that have introduced this approach is that there is no significant increase in waste diverted to the residual waste stream and have not experienced a noticeable increase in fly tipping as a result. Facilities will continue to be available to dispose of garden waste at the waste recycling centres located across the area. It is also worth noting that the Citizens Panel Survey carried out in December 2016 concluded that around half of respondents would consider paying a fee.

Recommendation		
	Short term	Longer term
Green Waste	9.1 Steps should be taken to implement a charge for the collection of garden waste in the areas currently covered by the collection system. Best practice should be referred to, and back office systems developed to collect information, payment details and optimisation of collection routes.	

Delivery options considered

In house	
In source back in	
Shared services	
outsource	
Partnership/integrated	
Arms length	
Community run	
Place based approaches	✓
Stop service	✓
Commercial opportunities	✓

Chapter 10 - Bulky Uplifts

Context

The bulky uplift service operates across the whole Highland area. The charges levied are standard at £18.20 for 3 items or £36.40 for 6 items, regardless of the cost to the council to collect and dispose of the items. Collections can be arranged either on-line or by calling the Service Centre. Collections require a 2 person team to ensure health and safety requirements on lifting are met.

We arrange over 3000 bulky uplifts per year and this generates a gross income of around £55,000 to £65,000 per year.

Findings

Cost of Collection

The review team found that there is no clear understanding of the cost of providing this service. Part of the difficulty is that the cost of collection cannot be viewed in isolation since the service is integrated with other duties to maximise efficiency, e.g. clearance of fly tipping.

Nevertheless, an estimate of the cost of providing the bulky uplift service carried out as part of the review clearly shows that the service is running at a loss since the income generated covers less than half the cost of providing the service (see table 8 below)

Table 8 - Weekly Information on Bulky Waste Collection

Area	Labour hours	approx costs	Vehicle hours	Vehicle Costs	Fuel	Total Weekly Cost	
Caithness	20	£ 250.00	10	60	50	£ 360.00	
Sutherland	5	£ 62.50	1.5	6	3	£ 71.50	
R&C	15	£ 187.50	7.5	30	15	£ 232.50	
Skye	16	£ 200.00	8	32	16	£ 248.00	
Lochaber	20	£ 250.00	10	40	20	£ 310.00	
B&S	15	£ 187.50	7.5	30	15	£ 232.50	
Nairn	10	£ 125.00	5	20	10	£ 155.00	
Inverness	40	£ 500.00	20	120	100	£ 720.00	
						£ 2,329.50	£121k/annum

The waste management team acknowledge that the weekly figures that they have used above are conservative, for example, 1½ hours to collect from the whole of Sutherland, or £16 in fuel to collect from the whole of Skye and Lochalsh. They also do not include the cost of administration in organising the uplifts, processing the payments, resolving difficulties around collection, or landfill tax to dispose of the items.

Collection Issues

Issues can arise when the householder does not leave the items at the kerbside and it can be unclear to collection teams which items are meant to be collected. This can result in double journeys to collect the correct items. In rural locations it can often be difficult to identify the correct property and the Council have been open to claims of uplifting items from the wrong premises.

The service focuses on providing a fast, cheap, reliable service to householders. This is good value for householders, particularly those who are unable to take bulky items to recycling centres, or those who do not live within a reasonable distance from a recycling centre.

A number of alternative approaches were considered as part of this review:

1. Focus on bulking up the waste to be collected. This would mean providing the service but doing so on a less frequent basis. Although this would undoubtedly reduce the number of journeys and therefore reduce fuel consumption, there would be no reduction in other operating overheads and this would likely remain a loss making service.
2. Provision of community skips as an alternative to doorstep collection. Community skips would allow bulk collection of goods on a less frequent basis. However, it is notoriously difficult to ensure they are used for only household waste, for example, asbestos and other hazardous materials have been found in community skips in the past. The community skips are also very expensive to deliver and uplift which would likely negate any savings.
3. Communities may wish to organise collection of bulky goods from members of the community who are unable to take goods to the re-cycling centres, perhaps due to age or ill health. If there were an interest in offering such a service, the Council could make arrangements with the communities to ensure that they could dispose of these items free of charge at the recycling centres.
4. 97% of our customers live within an hour's travel of a recycling centre. Subject to meeting equalities legislation, the service could be limited to only those 3% of customers that live further afield.
5. With around 3000 bulky uplifts per year, the service is only used by a very small percentage of our 116,000 householders. If the service were withdrawn, householders would still be able to dispose of goods free of charge at their local recycling centres. For those who are unable to do this themselves, it is likely that they may enlist the help of friends, relatives or neighbours. It may encourage householders to contact charities who will collect and reuse the goods. It could also present a business opportunity to the local 'man/woman with a van'.

The Council is under no obligation to provide an alternative should we chose to withdraw this service. We could however, if we chose to do so, perhaps provide a list of private companies or individuals that could be used to uplift bulky items. We could also decide to ensure that these contractors were approved in some way. We would of course want to avoid any arrangement that meant the Council had liability, but this area is worthy of further investigation. Community run initiatives could also be a potential solution as outlined above.

There is a general perception that withdrawing this service could lead to an increase in the instances of fly tipping, however, the available evidence does not support this view. This was also identified as a risk when charges for bulky uplifts were first introduced. Although the number of bulky uplifts reduced by 93%, the evidence shows that fly tipping did not increase at that time.

Table 9 – Requests for Bulky Uplifts/Fly Tipping Incidents

Year	Requests for Bulky Uplifts	Reported incidents of Fly Tipping
2008/09	48,751	2,458
2009/10	5,650	2,286
2010/11	4,102	1,439
2011/12	3,603	1,082
2012/13	3,401	1,098

The service was unable to provide up to date figures due to issues with the new CRM system and also in extracting recorded information from the old CRM system. However, they are of the opinion that the figures are much the same as those recorded for 2012 and that there has been no material change in the number of requests for bulky uplifts or the instances of fly tipping. There is no evidence to suggest that the remaining 7% who chose to pay for the bulky uplift service would choose to fly tip if the collection service were not available.

Review of the Charging Structure

The £18.20 charge for 3 items initially appears lower than in many other local authorities (table 10 below), however, other authorities do tend to collect more items. On a per item basis our charges are slightly higher. Our vast geographic area means we have much further distances to travel to collect the goods, so our operating costs will likely be much higher.

Table 10 – Local Authority Charges

Council	Fee
Aberdeen	£25.00 for 4 items
Argyle & Bute	£59.70 for a 10 minute pick-up
Perth & Kinross	£24.40 for 5 items
Moray	£22.02 for 5 items
Western Isles	£21 per collection
Shetland	£30 for 6 items
Edinburgh city	£26 for 6 items
East Renfrewshire	£29.00 for 15 minute pick up
Fife Council	£25 per uplift
East Dunbartonshire	£21.00 per uplift

The service has put forward a savings proposal to increase the charge to £30 per uplift for up to 3 items to generate an additional £60,000 of income to allow for close to full cost recovery. When asked whether the Council should increase the charges or stop the service, the Citizens Panel showed no clear preference, with 55% supporting an increase in the charges and 45% supporting stopping the

stopping the service altogether. There was also no strong difference between responses from rural and urban areas

Summary of Recommendations

Recommendations	
Short term	Longer term
10.1 Stop the bulky uplift service	10.4 Review effect of any changes on recorded instances of fly tipping
10.2 If stopping the service is deemed unacceptable - carry out further work to establish the full cost of providing this service before increasing the charges to more closely match the costs of providing the service	
10.3 Work with local communities to arrange authorised disposal of goods on behalf of local householders	

Delivery options considered

In house	✓
In source back in	N/A – currently in-house
Shared services	N/A - not cost effective for other La's due to vast area we cover and lack of prospects to cover costs
Outsource	N/A - not cost effective
Partnership/integrated	N/A – service not available elsewhere
Arms length	N/A – not cost effective
Community run	✓
Place based approaches	✓
Stop service	✓
Commercial opportunities	✓

Chapter 11 - Fly Tipping

Context

The Council has a statutory duty under section 89 of the Environmental Protection Act to keep land and highways, for which we are responsible, clear of litter. The clearance of fly-tipping also supports redesign outcome statement 2 - **The world class environment of Highland is protected, enhanced and enjoyed by residents and visitors.**

Reported incidents of Fly Tipping are recorded via the CRM system. The service was unable to provide up to date figures due to issues with the new CRM system and also in extracting recorded information from the old CRM system. The last recorded figures that were available for fly tipping are as shown in table 11 below:

Table 11 – Reported Incidents of Fly Tipping

Year	Reported incidents of Fly Tipping
2008/09	2,458
2009/10	2,286
2010/11	1,439
2011/12	1,082
2012/13	1,098

Findings

Data on Incidents of Fly Tipping

The service is of the opinion that the current figures are much the same as those recorded for 2012 and that there has been no material change in the number of instances of fly tipping. The CRM issues in extracting data should be logged via the helpdesk and resolved to ensure the service can extract fly tipping data in future.

Zero Waste Scotland Mapping Tool

Many of the reported issues of fly tipping tend to be minor, eg waste being left beside litter bins. Often these are cleared by waste crews during the course of their day to day duties without being formally recorded. The service used to record these instances but stopped doing so as the manual system in place at the time meant it was too time consuming.

Zero Waste Scotland has already developed a handheld mapping tool that would allow crews to easily log instances of fly-tipping as and when they clear it. This will allow the Council to build up a better picture of the scale of the problem, identify any hotspots, focus prevention activities on hotspot areas and so on. The service has advised that this is available for Highland to use but installation has not been completed due to the wider Council ICT changes. The review team recommends that following the transition process to the new ICT provider, this software should be implemented without delay.

The instances of fly tipping of commercial waste tend not to be so common, although they can often be much more expensive to clear and may require the use of machinery to do so.

Private Landowners

Private landowners are responsible for clearing fly tipping on their own land. The Council does sometimes clear this and does not attempt to recoup the cost from the landowner. Consideration should be given to charging landowners to cover costs of clearing fly tipping on their land unless there are exceptional circumstances, for example if the waste is hazardous and cannot be left, or the landowner cannot be traced.

Response Timescales

Fly tipping reports are treated as stage 1 complaints and generally given a priority response. Teams do try to use vehicles and crew that would be in the area anyway, but also have to be mindful of the stage 1 complaint response timescales. The review team recommend that reports of fly tipping be treated as requests for service rather than stage 1 complaints, and be prioritised by managers on an individual basis.

Cost of Providing the Service

Since most fly tipping is dealt with along with other day to day duties, it is difficult to determine the cost of clearing fly tipping. An exercise to estimate the cost was carried out as part of this review and this has determined that the cost of clearing instances of fly tipping costs the Council around £52,000 per year (see table 12 below).

Table 12 – Costs of Clearing Fly Tipping

Area	Labour hours	Approx. costs	Vehicle hours	Vehicle Costs	Fuel	Total <u>Weekly</u> Cost
Caithness	6 £	75.00	6	24	12 £	111.00
Sutherland	2 £	25.00	2	8	4 £	37.00
R&C	10 £	125.00	5	20	10 £	155.00
Skye	3 £	37.50	3	12	6 £	55.50
Lochaber	10 £	125.00	5	20	10 £	155.00
B&S	2 £	25.00	2	8	4 £	37.00
Nairn	2 £	25.00	2	8	4 £	37.00
Inverness	20 £	250.00	20	80	40 £	370.00
					£	957.50

The Service acknowledges that the weekly figures they have used in table 12 are conservative, for example, 3 hours per week to deal with fly tipping anywhere in Skye & Lochalsh, or 2 hours in Sutherland. They also do not include the cost of administration, the cost of plant hire where necessary, or the cost of landfill. Ross and Cromarty and Lochaber tend to use 2 man teams so cost more than other areas.

Given the relatively low costs involved, our statutory duties in this area, and our aims under outcome 2, it is unlikely that a redesign in this area could make the service significantly more affordable. There are however a few recommendations on improvements that could be made to the current service.

Summary of Recommendations

Recommendations	
Short term	Longer term
11.1 Reports of fly tipping should be treated as requests for service rather than stage 1 complaints, and be prioritised by operations managers on an individual basis.	11.2 Consideration should be given to charging landowners to cover costs of clearing fly tipping on their land unless there are exceptional circumstances, eg waste hazardous and cannot be left, or landowner cannot be traced.
	11.3 After the current change freeze/ ICT contract handover, pursue implementation of the Zero Waste Scotland fly-tipping mapping tool
	11.4 CRM issues in extracting data should be logged and resolved to ensure the service can extract fly tipping data in future

Delivery options considered

In house	✓
In source back in	N/A – in house at present
Shared services	N/A - not cost effective for other La's due to vast area we cover and lack of prospects to cover costs
Outsource	N/A - not cost effective
Partnership/integrated	N/A – service not available elsewhere
Arms length	N/A – not cost effective
Community run	N/A
Place based approaches	N/A
Stop service	N/A
Commercial opportunities	N/A

Chapter 12- Education and Awareness on Waste and Recycling

Context

The waste awareness team is responsible for education and awareness on waste and recycling. The team are split over various locations, including Dingwall, Inverness and Lochaber. There is no statutory requirement to have a waste awareness and education team, no statutory obligation to meet recycling targets, and no penalties if the targets are not reached.

Waste awareness work will continue to be important to ensure we can continue to increase recycling and reduce the amount of waste going to landfill. This will be particularly the case if the Council makes significant changes to the collection service under the Household Waste Charter and associated Code of Practice, in preparation for the 2021 landfill ban, or indeed under the Redesign process.

The team currently have 8.66 FTE reporting to a Principal Waste Management Officer, although one post is currently vacant. The team have 3 vehicles and a budget of £75,000. The overall cost of the team excluding the Principal is around £362,000.

Findings

Performance

The service performance report that went to committee on 16th August 2016 shows that the household recycling rate has remained largely unchanged in the last two years or so.

Figure 2 – Household Recycling Performance

3. Waste Management

Table 2

3.1		2016/17	2015/16				2014/15			
	Target	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1	Qtr 4	Qtr3	Qtr 2	Qtr 1
	36,500	36047	29166	29815	36794	35358	28199	29391	35937	36949
	Household Waste – Collected (Tonnes)									
	Household Waste – Composted %	60%	14.8	6.4	9.4	15.8	15.2	7.1	10.0	16.4
	Household Waste – Recycled %	35%	32.7	32.8	32.8	31.9	32.0	32.6	32.8	32.7
	Total Composted and Recycled %	50%	47.5	39.2	42.2	47.7	47.2	39.7	42.8	49.1
										50.7

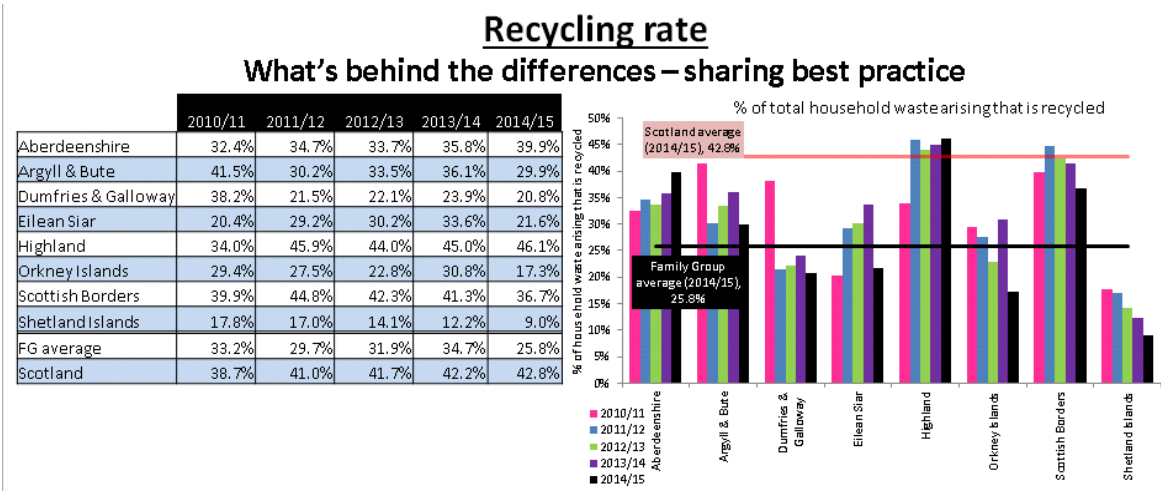
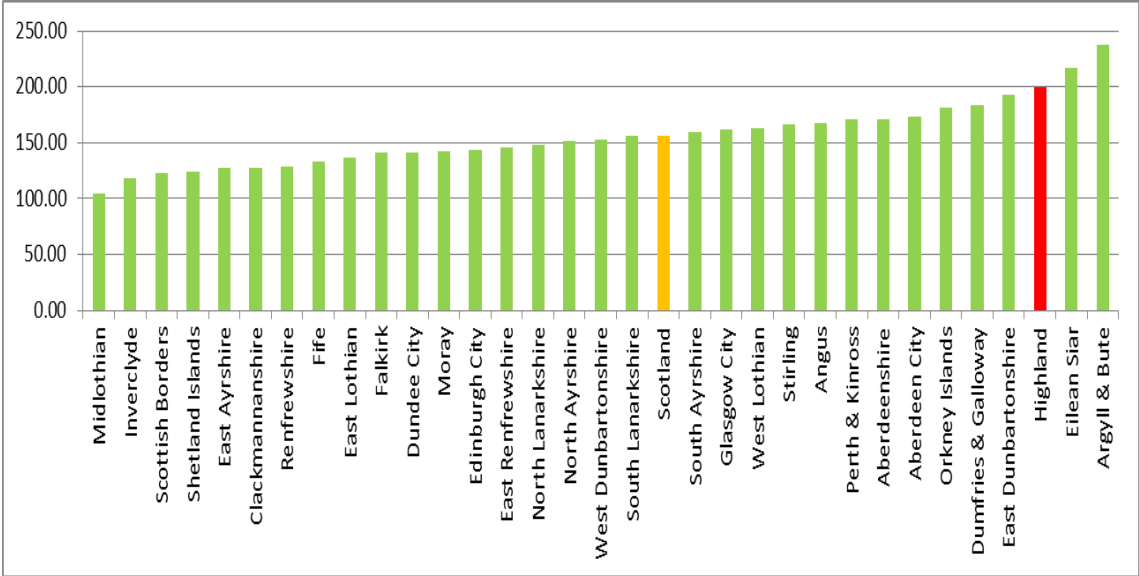
3.2 Household waste recycling rate remains largely unchanged notwithstanding the slight increase in waste arisings.

Benchmarking

The Improvement Service often refers to Highland as a source of good practice. Figure 3 below show that the household waste recycling rate in Highland is consistently above the Scottish average. Highland does of course also have one of the highest costs, being ranked 30th out of 32 authorities in terms of net costs.

Figure 3 also shows that the recycling rate in Highland increased dramatically when alternate weekly collections were introduced between 2010 and 2012 and has remained fairly static since then.

Figure 3 – Household Recycling Rates in Scotland



Recycling Targets and Strategy

The current recycling targets for Scotland, which exceed EU targets, are 60% of household waste recycled by 2020 and 70% of all waste recycled/composted by 2025.

Between 2008 and 2011 the Council undertook a recycling trial in Culbokie. Using 100 motivated and enthused volunteers, the maximum recycling rate achieved was just over 65%. The purpose of the trial was to establish the potential recycling rate that could be achieved if we could get everyone making the best use of a three bin collection service. This trial showed that we could potentially reach a higher recycling rate than at present, however, the cost of collection was prohibitive.

The service goal is to work towards the 2020 recycling target of 60 %. This year's target for household waste recycling/composted has been set at 50% and our performance in Quarter 1 was 47.5%. The waste awareness team is trying various different types of interventions to increase the rate but there doesn't appear to be any clear strategy to achieve the target.

We should review our recycling targets and strategy for meeting them in light of our higher than average costs, the lack of penalties for not meeting national targets, our already higher than average recycling rate, and the affordability challenge we face.

Interventions

The waste awareness team carry out targeted interventions at recycling centres to educate and encourage the public to increase recycle and reduce landfill. The available evidence shows that targeted interventions do result in an increase in recycling and a reduction in landfill. However, it is also clear that this does not generally continue once the targeted intervention ends.

All but one of our recycling centres are staffed but helping and encouraging customers to recycle as much as possible does not appear to be a routine part of the role. However, the service acknowledge that where staff do currently engage with the public very well, these recycling sites tend to have higher recycling rates. Recycling centre staff are graded at HC4, and the job description notes their job purpose as follows:

To maximise and promote the amount of recycling by assisting and advising site users on waste segregation, site facilities and use. To ensure that the recyclables and other waste is placed in the receptacles provided in an orderly manner and the amount of residual waste going to landfill is minimised. To ensure that the site is run fully in accordance with the Site Licence/Working Plan and Health and Safety Legislation etc.,

As per their job descriptions, the role of engaging with the public at recycling centres to encourage them to increase recycling and reduce landfill should sit with recycling centre staff. Staff should be given clear procedures, be trained, and given support by the management team to ensure that they can be effective in this task. Access to sites should be controlled, rules should clearly be displayed at the entrance, staff should try to engage with every customer, the cost of landfill or disposal should also be displayed on skips/containers as appropriate to promote awareness.

In addition to the established staff, two temporary HC06 waste management assistants are currently employed full-time to engage with the public at Inverness recycling centre. Given that this role comes within the remit of the recycling centre staff, the review team suggests that the Service should re-consider whether the two temporary staff are still required, or whether these posts should be directed to other priorities coming out of this review.

Accompanying Collection Crews

The waste awareness team accompany collection crews once a week. The aim of doing this is to encourage collection crews to consult run sheets to ensure they only collect from household bins or commercial bins that have a valid contract which is being paid, put stickers on bins when bills have not been paid, check inside bins to ensure they are not contaminated, record any inappropriate use of bins, refuse to collect bins under various circumstances (eg. lid not closed) and engage with the public

on site if need be. The evidence suggests that this occurs when members of the waste awareness team accompany crews but not otherwise as a matter of course.

After spending some time on a route with a collection crew, the review team would question whether accompanying collections staff is the best use of time for either the waste awareness team or collection crews.

For the waste awareness team, it would seem that the time they spend on vehicles trying to get crews to follow procedures is having no lasting effect and therefore seems to be an ineffective use of their time. For the crews, it would appear that the procedures are seen as unworkable or inefficient. The evidence would suggest that, in some instances, this may indeed be the case. For example, checking inside each and every bin is time consuming and could pose a health and safety risk if the crew were to do anything other than look at what they can see on the top of the bin. To check the contents more thoroughly requires them to put their hands into the bins and they may encounter glass, needles or other risks. A tool could be used to move the rubbish to allow them a closer look, however, this would be time consuming and ultimately expensive since many routes already require overtime to complete.

The review team would recommend that the practise of waste awareness staff routinely accompanying collection staff should cease on the basis that it is perhaps not delivering sustainable benefits and that other priorities may be a better use of the time spent on the routes.

Putting no payment, no collection stickers on bins can lead to conflict with customers who expect the crew to resolve the issue there and then and collect the bin. Crews report that when they do refuse to collect bins, they are quite often sent back later to collect them so it is seen as a wasted exercise. Crews are of the opinion this would work better if contact with non-payers came directly from the admin staff who are able to resolve payment issues. Customers can also easily remove the stickers, so the stickers themselves don't actually prevent the bins being lifted.

It is recommended that the service should review procedures to ensure responsibility for engaging with non-payers lies directly with admin staff with responsibility for commercial waste rather than collections crews. The staff need to have authority to take payment and authorise collection. Consulting run sheets and recording inappropriate use of bins can be difficult due to the fast pace of the job. The drivers are continually stopping and starting, watching the traffic, and watching the camera to see that the loaders are clear and safe. The loaders are often faced with a large collection of bins that are often unmarked, making it difficult to even establish which bin relates to which property.

The information recorded by the crews is manually keyed into a spreadsheet by Business Support staff. Up to 75% of the time, Business Support staff are recording nil entries and there is little evidence to suggest that much else happens with the information, other than specific actions required eg. replacement bins.

It is recommended that we review the use of run sheets and cease all recording that does not add value. We should also cease keying all information into spreadsheets and only record specific actions that are required.

In Cab Technology

In cab technology is available that could significantly streamline communications between the collection crews and the admin staff. It can replace paper run sheets and reduce duplication in recording issues encountered by collections staff.

The systems generally work by using the mobile phone network to link a GPS based map to information from the council's property database. This allows crews to use a hand held device to easily log details such as damaged bins, and see map based instructions from the admin team regarding bins that shouldn't be collected or perhaps require assisted collections.

These systems also often include the ability to take photographs, allowing admin or call centre staff to immediately see the issue found by the collections team (perhaps a contaminated bin, or evidence that no bin has been presented).

Authorities already using this software advise that the ability to see a photo in real time has significant advantages. When presented immediately with photographic evidence, customers who ring to complain about bins not being collected accept that they did not present their bins on time, or presented contaminated bins. The collections staff are happy to use the system as they are very easy to use, can evidence the fact that the bin was not presented, the crew do not 'get the blame', and they do not have to return to collect a bin that hadn't been presented.

Systems generally also work offline so that they can still be used in areas where the mobile reception isn't consistent. Some systems also make use of barcodes so that crews can clearly identify which bins should be collected and admin staff can easily get a record of what has been collected when for each route and customer. Some systems also offer reporting suites and route optimisation capabilities.

Logging issues and viewing route data in real time at source is certainly more efficient than recording issues on paper and then subsequently keying onto spreadsheets, or transferring data from spreadsheets onto paper run sheets. Whether the efficiencies gained would be enough to justify the investment would naturally depend upon the costs involved.

The cost of in cab technology varies according to the level of service and number of devices required. There are likely to be small admin savings in each of the teams that are currently involved in preparation of the run sheets, daily logs and spreadsheets. Additionally it is likely to reduce complaints and reduce time returning to collect unrepresented bins. More importantly though, the ability to map routes and record collections could present an opportunity to maximise income and reduce cost by helping to ensure we charge for all commercial waste collections and only collect when contracts are being paid.

Waste Awareness Campaigns

The waste awareness team conduct waste awareness campaigns and promote the "reduce, reuse and recycle" message through events in the local community, for example at schools, community council

events, and local shows. Some schools already incorporate waste awareness into their syllabus and use the promotional materials without the need for on-site visits from the team.

The waste awareness team no longer design our own promotional material to encourage recycling. Instead, like many other local authorities, they use the standard material provided by Zero Waste Scotland, and customise it if need be. Rather than on-site visits from the waste awareness team, we should work with Care and Learning to encourage schools to use off the shelf materials to incorporate waste awareness/recycling into the curriculum

It is also recommended that the Council should consider whether Members could take on a “champion” role for recycling when speaking to schools/local groups.

Encouraging Kerbside Sorting

Where there have been frequent problems with contamination or incorrect use of recycling bins, the waste awareness team try to engage with the householders to encourage them to change their behaviour. If writing to the customers does not work, the team visit them at home.

There are some geographical areas where, despite many letters and repeated visits by the waste awareness team, it has just not been possible to persuade householders to sort their waste at the kerbside.

The team’s only recourse at present is to threaten to take the recycling bins away. Since the problem is that the householders aren’t recycling in the first place, this very often does nothing to resolve the issue of the householder failing to sort their waste.

We need to recognise that in some areas, it may be too resource intensive, or simply not possible to persuade householders to recycle. Where written notification does not result in the householder recycling, the waste awareness team should arrange for the recycling bins to be removed rather than making repeated home visits.

Commercial Waste

In addition to waste awareness and education duties outlined above, the waste awareness team has been trying to ensure that we maximise our income from commercial customers. The review has concluded that whilst the team have had some success in this area, have a clear idea of what needs to be done and are very keen to do more, this is a duty which is an added extra to their main awareness and education duties.

On that basis the review team believe that the role of the Waste Awareness Team should be reviewed. Non value added tasks and tasks that do not lead to sustainable improvements in recycling rate should cease, which will create capacity to focus on maximising commercial opportunities.

Summary of Recommendations

Redesign Priority Recommendations
The role of the Waste Awareness Team should be reviewed. Non value added tasks and tasks that do not lead to sustainable improvements in recycling rate should cease, creating capacity to focus on maximising commercial opportunities Per their job descriptions, the role of engaging with the public at recycling centres to encourage them to increase recycling and reduce landfill should sit with recycling centre staff

Other Recommendations	
Short term	Longer term
12.1 We should review our recycling targets and strategy for meeting them in light of our higher than average costs, the lack of penalties for not meeting national targets, our already higher than average recycling rate, and the affordability challenge we face.	
12.2 We should consider whether the two temporary waste management assistants at Inverness Recycling Centre are still required, and whether the £64,000 cost is affordable	
12.3 Review procedures to ensure responsibility for engaging with non-payers lies directly with admin staff rather than collections crews.	
12.4 We should work with Care and Learning to encourage schools to use available off the shelf materials to incorporate waste awareness/recycling into the curriculum.	
12.5 We should consider whether Members could take on a “champion” role for recycling when speaking to schools/local groups.	
12.6 Review use of run sheets and cease all recording that does not add value. Cease keying all information into spreadsheets and only record actions required.	12.8 Consider use of in cab technology to replace spreadsheets, run sheets and improve communications between collection crews and admin staff

Delivery options considered

In house	✓
In source back in	N/A – already in house
Shared services	Unlikely other authorities would enter into an arrangement due to the huge geographical area we need to cover. They also all have well established waste awareness teams, use the same ZWS promotional material
Outsource	Unlikely other authorities would enter into an arrangement due to the huge geographical area we need to cover. A desk based service would likely be cheaper in house as ZWS already provide the bulk of the promotional material.
Partnership/integrated	N/A
Arms length	N/A
Community run	N/A
Place based approaches	Already target areas of largest population and highest volume of waste/recycling
Stop service	We could do this as there is no legal requirement to provide this service. However, some waste awareness work will be required in the coming years due to upcoming changes. The team are also already working in the area of commercial waste and have proven that they

	can increase income in this area. The preference of the service is to cut back on the awareness work and refocus on ensuring we run commercial collections on a commercial basis.
Commercial opportunities	Unlikely to be any commercial opportunities in terms of promoting waste awareness and education, however, there are opportunities to refocus on making commercial waste collection more commercial (as above)

APPENDIX 1 - Fife Council Arms-Length External Organisation (ALEO)

The Council's Arms-Length External Organisation (ALEO) commenced operations on 1 April 2014. It was established to provide services to the Council and to utilise Council assets to expand the provision of services to third parties, with a view to increasing external income. It was envisaged that increasing income in this way would make a positive contribution to the Council's revenue budget reduction process and thereby help to protect key services provided to Fife's communities.

The activities that transferred initially to the ALEO were those that were carried out by the Sustainability Unit of Asset and Facilities Management Services. In broad terms these activities were Waste Treatment & Disposal, and Climate Change & Zero Waste. Sixty employees of Fife Council were transferred to the new organisation under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE), and have been employees of FRS since 1 April 2014.

On 1st October 2015, a further 160 employees were transferred to the ALEO from the Council under TUPE in relation to the following activities:

- Waste transfer, including two operational waste transfer stations
- Commercial waste collections
- Skip hire
- Servicing of household waste recycling centres and points

The rationale for the transfer of activities in October 2015 was the synergies between them and the waste related activities that transferred in 2014 which present significant opportunities for efficiencies and income growth. The ALEO currently employs 220 people direct, and another 30 people indirectly via contractors. Budgeted turnover for 2016/17 is £31.2 million

The principal activities and outputs of the ALEO are set out below.

Waste Treatment and Disposal:

(1) Anaerobic Digestion of Food and Garden Waste.

The AD Plant has been operational since late 2013, and its operation transferred to FRS on 1 April 2014. It is the first of its kind in the UK and, according to the technology providers, is the second largest of its type in the world. It has not been without its challenges, which, at the time of writing, are the subject of contract negotiations with the Design and Build Contractor. However, In 2015/16, the Plant processed in excess of 35,000 tonnes of food and garden waste collected by Fife Council, producing over 5 million kWh of renewable power. This is sufficient to meet the electrical power demands of 1250 households and will generate a forecast income of circa £800,000. The plant also produces compost which recently became accredited as meeting an industry recognised quality standard, PAS 100. The principal benefit of this is that the compost is now regarded as a product that can be marketed to local agricultural outlets.

(2) Green Waste Composting

This business unit produces approximately 12,000 tonnes of PAS 100 compost from green waste delivered to Recycling Centres. This product is an agricultural grade that is used by local farmers.

(3) Wood Biomass Production

FRS is a supplier of wood biomass to RWE's combined heat and power plant at Markinch. In 2015, approximately 13,000 tonnes of biomass was sold to RWE, providing an income in excess of £250,000.

(4) Production of Refuse Derived Fuel

A new Refuse Derived Fuel facility is in operation at Lower Melville Wood Landfill Site. Residual waste is processed, baled and wrapped for export to energy from waste plants in Sweden and Denmark. The first shipment of fuel is expected to be exported from the port of Dundee in the last week of May. A two year contract for the supply of 30,000 tonnes of fuel per year is in operation.

(5) Landfill

The business unit operates two landfills for the final disposal of non-recyclable waste. In the two years of operation, the ALEO has earned over £3 million from landfilling third party waste, in addition to landfilling Fife Council's residual waste

(6) Renewable Power and Heat

Gas extracted from the landfills operated by the ALEO produces approximately 15 million kWhrs of renewable electricity per year, sufficient to meet the needs of up to 3,750 households. At Lochhead, heat recovered from the generation of electricity is used to provide hot water to the Dunfermline community heating system. A photovoltaic array on the roof of a building at Lower Melville Wood produces a modest amount of renewable power, whilst a recently erected wind turbine is expected to produce up to 1.3 million kWhrs of electricity per year, sufficient to meet the needs of 300 households. Total renewable power production at the ALEO's waste management facilities is expected to be approximately 21.3 million kWhrs in 2016, sufficient to meet the electrical power needs of a town the size of Cupar.

(7) Recycling Centres

This business unit operates eleven Recycling Centres on behalf of Fife Council.

Climate Change and Zero Waste

(1) Climate Change

The Climate Change and Zero Waste unit is responsible for the development of climate change mitigation strategies and delivery programmes for Fife Council. This includes the development and

implementation of the Council's Energy Strategy, including aspects relating to renewable power and low carbon heat. Work carried out in relation to low carbon heat is at the cutting edge of public sector engagement in this area. Our expertise has also been employed by third parties, most recently in partnership with St Andrews University for investigations into the use of geothermal heat by the University.

(2) Zero Waste

This business unit provides strategic advice to the Council in relation to the sustainable management of waste and project manages the delivery of improvements to household waste collection services, most recently the kerbside waste collection trials carried out in Markinch and Glenrothes.

(3) Long Term Residual Waste Treatment

In partnership with Fife Council, the ALEO is leading a project to deliver a long term residual waste treatment solution for Fife Council post 2020. This is a critical project for both parties since there will be a de facto prohibition on landfilling of municipal solid waste from 1 January 2021.

(4) Services to Others

The Climate Change and Zero Waste Team provides consultancy services to other councils and public bodies. In each of the last two years it has generated £100,000 of income from these activities.

Commercial & Waste Transfer Operations

(1) Commercial and Industrial Waste Collection

This business unit provides waste and recycling collection services to over 3,500 customers, generating over £3 million of income. Since the transfer of these activities from the Council, the ALEO has been successful in securing additional skip waste business from Fife Council, has commenced household waste skip services and has secured a contract with Saica Natur to service all of its Fife based customers for the collection of waste paper. It has also secured a contract with the same company to provide waste haulage services from East Lothian to Aberdeen. This contract is due to commence on 20 June 2016 and will involve the TUPE transfer of three employees from Saica Natur to the ALEO.

(2) Waste Transfer

The Commercial and Waste Transfer unit operates two waste transfer stations on behalf of the Council, providing for the transfer of over 50,000 tonnes of waste and recycles per year.

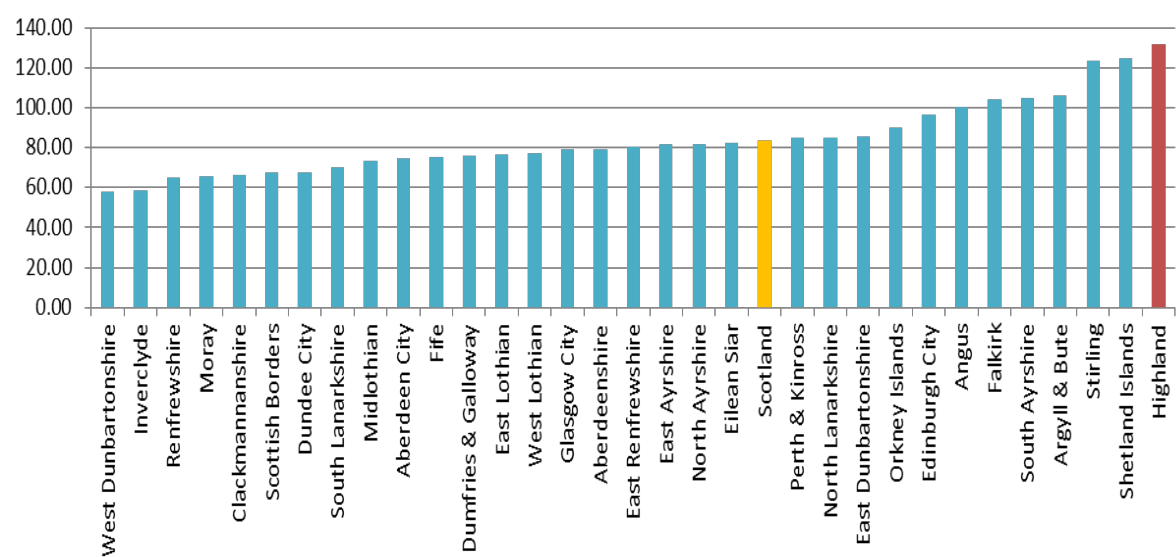
(3) Servicing of Recycling Centres and Points

Eleven Recycling Centres are serviced by a fleet of eight Hooklift vehicles, and over 350 Recycling Points are serviced for the collection of glass, plastics & cans, and waste paper. In 2015, approximately

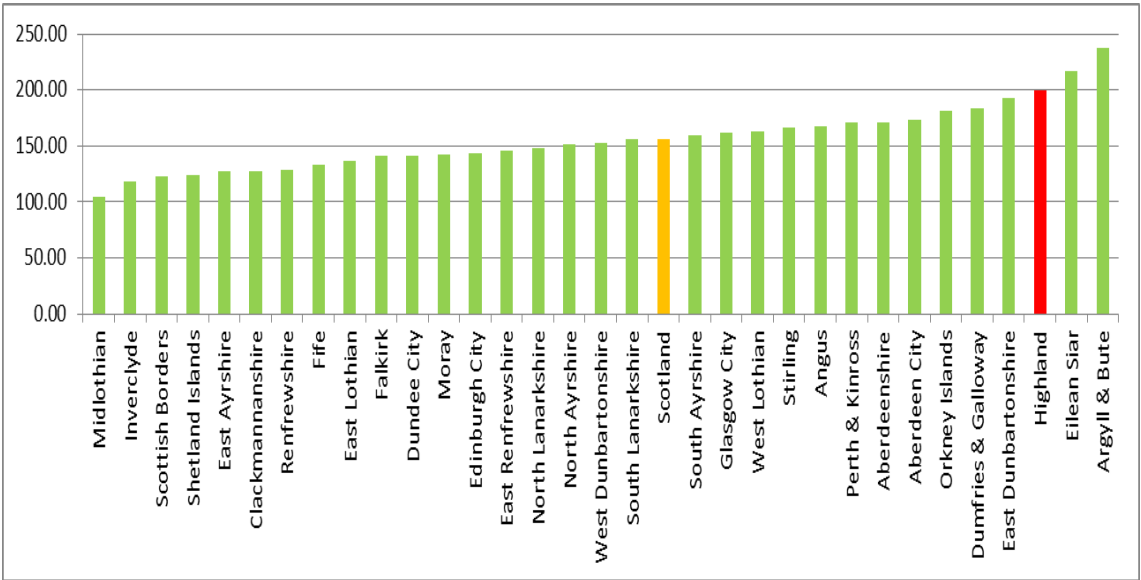
70,000 tonnes of waste and recyclates was collected from the Council's Recycling Centres, of which 20,000 tonnes was landfilled at a cost to the Council in excess of £1.8 million.

Appendix 2 – Costs of Waste Collection

Our gross collection costs per household are £132.03 compared to the Scottish average of £83.77



Highland has one of the highest costs, being ranked 30th out of 32 in terms of net collection costs.



Appendix 3 – Fife 3 weekly collection trials

Fife is a unitary authority situated between the Firth of Tay and the Firth of Forth, with inland boundaries to Perth and Kinross and Clackmannanshire. The total number of dwellings within Fife was 163,938 in 2011, with a total population of 367,260 in 2014¹.



Figure 1: Location of Fife (Pink). (Google Maps, 2015)

Urban rural make up (using 6 classifications)	
Large Urban areas (over 125K)	0%
Other urban areas (10-124,999K)	64.3%
Accessible small town (3-9999K)	17.3%
Remote small town (3-9999K)	0%
Accessible Rural (<3K)	18.4%
Remote Rural (<3K)	0%

The suitability of properties to receive an extended residual collection is part of the present research. However from rolling out their previous 4 bin service they managed to put the service into 150,000 households out of around 167,000 – Of the remainder 5,000 are rural (and have rural specific service, 2,500 problem access properties, remaining 9,500 – mixture of flats and households with storage issues.

¹ <http://www.nrscotland.gov.uk/files/statistics/council-area-data-sheets/fife-factsheet.pdf>

Collection Service Provided

From September 2015 the Council commenced trialling two new waste collection patterns, one in Markinch and Coaltown of Balgonie and another in Thornton and Stenton, Glenrothes. The trials will run for 9-12 months.

MARKINCH AND COALTOWN OF BALGONIE TRIAL

Container	Materials	Collection Frequency	Capacity
Blue bins	Residual	3 Weekly	70 litre
Green bins	Plastics - bottles, containers, packaging such as bread bags, food trays and empty carrier bags Metals – Food cans, drink cans, foil trays and metal lids	3 Weekly	70 litre
Grey bins	Newspapers, greeting cards, catalogues and envelopes Cardboard boxes, drinks cartons, cardboard tubes and other cardboard containers	3 Weekly	70 litre
Brown bins (non-chargeable)	Garden waste – grass cuttings, flowers and plants, twigs and small branches Food waste – fruit and vegetables, poultry, meat, fish, plate scraping and tea bags and coffee grounds	Fortnightly March – November and 4 Weekly December – February	March – November: 120 litre. December – February: 60 litres.

THORNTON AND STENTON, GLENROTHES TRIAL

Container	Materials	Collection Frequency	Capacity
Blue bins	Residual	4 Weekly	140 Litre
Green bins	Plastics - bottles, containers, packaging such as bread bags, food trays and empty carrier bags Metals – Food cans, drink cans, foil trays and metal lids	Fortnightly	240 Litre
Grey bins	Newspapers, greeting cards, catalogues and envelopes Cardboard boxes, drinks cartons,	4 Weekly	240 Litre

	cardboard tubes and other cardboard containers		
Brown bins	Garden waste – grass cuttings, flowers and plants, twigs and small branches Food waste – fruit and vegetables, poultry, meat, fish, plate scraping and tea bags and coffee grounds	Fortnightly March – November and 4 Weekly December – February	240 Litre
Recyclable material can be taken to a local Recycling Point or Recycling Centre Landfill waste can be disposed of free of charge at the nearest Recycling Centre			

Drivers for change

Fife, along with all other Scottish local authorities, has to meet the requirements set out in both Scotland's Zero Waste Plan and in the subsequent Waste (Scotland) Regulations 2012:

- The national Zero Waste plan established recycling targets for local authorities of 50% of household waste by 2013 increasing to 60% by 2020, and to 70% for not just household waste but all waste by 2025.
- Provide separate collections of recyclable material (glass, card, paper, food waste, metal and plastic).
- Landfill bans on specific materials including a landfill ban on biodegradable municipal waste (BMW) from 1st January 2021.

While Fife is in a good position to meet the 60% recycling target of 2020 considerable effort and changes are going to be required to achieve the 2025 target of 70% recycling of all wastes. Disposal costs for landfill waste have increased to where landfill tax is now at a rate of £80 per tonne and it is expected that when the ban on landfilling of BMW starts in January 2021 officers identified that disposal costs could rise to £130 per tonne.

If no improvements are made post the implementation of the 4 bin service and landfill tonnage remains static this increase in disposal costs could cost Fife Council an additional £1.5M per year. A review of current service (Capture materials) identified that 50% of the residual waste could have been otherwise recycled through the existing kerbside collection, while a further 14% could have been recycled at the HWRCS network.

Service Design

In light of these challenges a review of the current recycling service, including an assessment of future options for further improvement, was carried out. This followed officer discussion with the policy advisory group. Officers forwarded the recommendation to the executive with a business case.

As part of this process Absorbent Hygiene Products (AHP) was discussed. The Council estimated the number of potential properties producing AHP based on previous AHP survey work and also birth rate data. It was estimated that around 10% of total households produced AHP.

The approach to these householders was those on the 3 weekly trial are given a larger bin, but the frequency of collection is same as for all others.

On the 4 weekly trial, AHP households, have 2 choices: retain the 140Ltr small landfill bin but get it emptied every 2 weeks or get a larger 240Ltr landfill bin emptied every 4 weeks along with everyone else's bins. These properties (plus other properties that have not been out on the trial like flats) on the trial are serviced by existing collection crew / vehicles after the other collections have been completed. At present this is achievable due to the relatively small number of households in the trial. If the service was rolled out, additional vehicle & crew have been built into the costs / savings to simply service these properties. 1 RCV – on 2 shift system manned by driver plus 2 (2 shifts).

The business Case forwarded a total of 7 options were assessed which included modelling work conducted by Zero waste Scotland. ZWS looked at yields achieved by other local authorities operating similar services and current capture rates from Fife's 4 bin service to identify expected decreases/increases in landfill/recyclates respectively.

Five of these options were discarded for reasons including:

- Being operationally unworkable
- Low increases in recycling rate
- High costs implementation and/or running costs
- Long payback periods on investment

Two options realised comparable recycling rate increase, provided similar ease of use, costs/savings and carbon emission reductions. It was proposed therefore that a practical trial of both options should be carried out in 2015/16.

- The review of the 4 bin recycling service found that over 50% of the contents of the household landfill (blue) bins could be recycled in the kerbside bins, and a further 14% could have been taken to a recycling point or centre. Only 36% of the contents of the landfill bins needed to be disposed of in this bin.

Dependant on the results a preferred option would then be put forward for political approval for implementation across Fife. This would take place over two years – 2016/17 –2017/18.

- Fife wide implementation of one of the options being considered could potentially increase Fife's recycling rates to over 65%, ensuring it would meet the 2020 – 60% recycling target, and placing it in a much better position for meeting the 2025 – 70% target.
- Costs savings from the implementation of the options across Fife could see annual revenue savings (post completion) of over £350,000 in the short term rising to over £900,000 post 2021. This would be compared to a "do nothing" option which could see Fife face additional disposal costs of up to £1.5M annually post 2021.

The net cost of carrying out field trials of options to improve household waste recycling services is forecast to be £201,000. Subject to the successful implementation of the field trials, the forecasted cost of implementing this option across Fife was a one off total capital and revenue cost of £540,241, less the anticipated £627,824 saving from reduced disposal costs, over two years. Included within this cost is equipment costs, additional containers, communications campaigns, vehicle hire and fuel and staffing costs.

Implementation strategy

The project was managed by Resource Efficient Solutions (RES)² RES are an arm's length organisation who manage the landfill, prepare the waste strategy as well as carrying out work for other Councils. They were supported by a project implementation team which was formed with input and support from other services and teams from within Fife Council:



- Environment & Transportation – Environmental operations
- Business Support Service
 - Finance Services
 - Customer Services
 - Fleet services
- Routes were identified (Areas well established in recycling/ representative of the whole of fife by selecting a range of council tax banding/ selecting somewhere representative/ average recycling rate / fairly close to the depot)
- Householders were granted an amnesty on side waste for the first collection but after that the service enforced
- Flats are likely to remain on a weekly basis but there are not a great number of them in Fife
 - For additional capacity requests three criteria are assessed
 - o Medical issue
 - o 5 or more permanent members of household
 - o AHP

For the trial the Council will organise an assessment by a recycling adviser. They will investigate each case on a case by case basis This will identify issues that we need to address in the wider roll out:

- o 3 weekly go from 140 ltr to 240lt
- o 4 weekly bigger bin, they have a choice to keep the bin smaller and stay on fortnightly or get a bigger bin and move to 4 weekly collection

All householders can get additional recycling bins to increase recycling capacity.

Other areas under investigation as part of the trial is the introduction of in cab technology. The

actual implementation strategy has not been agreed as yet. This includes the number of phases it will be rolled out in or indeed when this would start. All will be determined / decided after the trial is finished and the results are fed back to local members. The decision will depend on the results of the trial.

Communal collection frequencies vary depending on range of other bins households have – can be more than weekly, weekly, fortnightly. If they have full range / capacity of recycling then they may even be put on the trial.

The approach to communal collection frequencies varies depending on the range of other bins households have, at present the Council are open, they can be more than weekly, weekly, and fortnightly. If they have full range / capacity of recycling then they may even be put on the trial.

² www.refsol.co.uk

Communication strategy

The communication strategy implemented by Fife Council for the introduction of these trials is given below³.

Pre implementation

- Informal officer/ member discussion
- Member briefing papers
- Briefings/ discussions with operatives were undertaken including targeted training

Post Implementation

- Teaser leaflet before rollout
- Bin tags identifying when the change would occur
- Household information guide providing details about the scheme (Why the scheme has been introduced, information on the collection frequencies, materials that will be collected and in what container and where to find more information).
- Public information evenings
- Community events/ school fayres
- Community Council meetings/ ward meetings
- Utilise social media to provide information / get and respond to feedback
- Training of contact centre staff
- Door knocking through temporary recycling advisers

Your questions answered

Is my blue bin big enough?
Up to 7.5% of the waste you produce can be recycled at the kerbside - this should mean that for the majority of householders they will be able to manage for 3 weeks between collections. However we will have staff available to offer advice and address specific concerns throughout the trial period. We do offer additional capacity under certain circumstances.

How do I get more recycling bins?
As part of the trial we will be relaxing the policy of additional recycling bins. Please call our Recycling Helpline on 03451 55 00 22 or visit www.fifedirect.org.uk/bincollectiontrials for further information.

A member of our household uses nappies / incontinence products. Do we get extra help?
Yes. If a member of your household uses nappies or incontinence products we will provide a bigger blue bin for your landfill waste. Please contact us on the details below.

Why is my brown bin emptied every 4 weeks over winter?
Very little garden waste is put out for collection between December and February, and as a result the bins have a lot less in them. We are therefore trialling collecting your brown bin every four weeks throughout these months.

Find out more
You can get in touch using the contact details below, or come and meet the team at one of our information evenings.

Markinch	Markinch Town Hall Balgon Street Markinch KY7 6AA	Monday 7th September 7:00pm
Coatstown of Balgonie	Queen Victoria Hall Main Street Coatstown of Balgonie KY7 6HS	Tuesday 8th September 7:00pm

Please contact us for more information about the new service:

 Recycling Helpline 03451 55 00 22
(Monday to Friday 8am to 6pm)
 www.fifedirect.org.uk/bincollectiontrials

Starting Tuesday 22nd September

Bin collection trials



- Why the change
- How often will your bins be emptied
- What goes in your green, grey, brown and blue bins
- How to find out more

Fife
COUNCIL

Reduce Reuse Recycle

 **recycle**
for Fife

³ <http://www.fifedirect.org.uk/news/index.cfm?fuseaction=committee.event&evntid=0ECFA7F6-9A21-B812-586FA87BC4C7F3F9>

Results of the Changes to date

- Monitoring is being carried out pre, during and post-trial in order to monitor whether predictions made within the business case were accurate.
- Customer feedback on the current 4 bin service is overwhelmingly in favour of increasing the current four weekly collection frequency of the green comingled bin. This is supported by the findings of a doorstep survey which identified that over 80% of respondents' green (plastic & cans) bins were full or overfull at the time of collection. Revising the collection frequency of the bins as part of service improvements would address this issue.
- Depending on the outcome of the trials, a subsequent report and business case will be produced for committee approval either seeking support for a Fife wide rollout of an option or to agree to not take it any further
- High media interest
- Surprisingly neutral in the trial areas (positive/ negatives)
- Low number of complaints for the trial area
- Some comments- not any more or less than prior to the trial
- Councillors very supportive/ cross party support very useful. Underlying this support was that the team have a track record of successfully delivering previous recycling services
- Local members were involved in the selection of the trial areas
- The business case states that
 - *Successful implementation of one of the options on a Fife wide basis is currently forecast to provide annual revenue savings of £350,000 (£1.05M cumulative) until 2021, during which period landfill will be the principal option for disposal of residual waste. From 1 January 2021, landfilling will no longer be an option for residual waste disposal, and an assumption is made that the principal alternative will be incineration. Soft market testing suggests that this may be significantly more expensive than landfilling. Accordingly, the recycling improvements forecast for the options referred to in this paper have the potential to yield annual savings of £900,000 per year from 2021 when compared to the status quo.*

The trials still ongoing so no post-trial data is available yet.

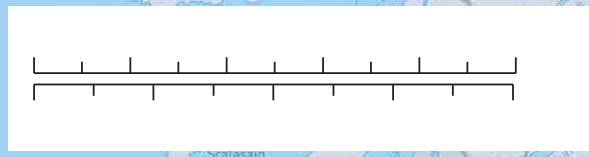
Lessons Learnt

- Preparation work on the business case to highlight the savings has proved highly beneficial as it is able to provide the answers to most enquiries
- Early and frequent communication to all sectors of the community
- Development of a highly motivated and skilled Implementation Team
 - Zero Waste officers service managers
 - Operations officers (Crews)
 - Contact Centre
- Council financial support for the implementation costs such as equipment, vehicles, communications and staffing.
- The next steps are to continue to evaluate and monitor the trials and recommend the introduction of one service for the whole of the Council.

Appendix 4 – Charges for Replacement Bins

The undernoted table provides some examples of other Scottish Councils who currently charge for replacement residual bins:

Local Authority	Current charge
Shetland Islands Council	240 litre bin £40
Renfrewshire Council	240 litre bin £21.50
Argyll & Bute Council	Size not listed but bin cost £31.05
Aberdeenshire Council	240 litre bin £57.80
West Dumbartonshire Council	Website says there may be a charge for new or replacement bin
South Lanarkshire Council	240 litre bin £56.45





Cabinet

14 January 2014

Green Waste Club Scheme- Renewal Process for
2014/15

8

Report of the Executive Manager- Neighbourhoods

Cabinet Portfolio Holder- Councillor N C Lawrence

Summary

The discretionary green waste collection scheme has been successfully operating as a chargeable service since 2011/12 with over 28,000 members. This report explains the arrangements that are required to ensure an effective and efficient renewal process for 2014/15. The report also highlights changes in the fee structure as cost pressures relating to key service consumables such as fuel have continued to mount and there is a need to ensure that the service moves back towards a cost recovery basis.

Recommendations

It is RECOMMENDED that Cabinet endorse the renewal process for the Green Waste Club Scheme 2014/15

Background

1. A charge for the discretionary green waste collection service was introduced in March 2011 for the financial year commencing 2011/12. At the time a fee was set of £25 for the first bin and £10 for subsequent bins. The cost of £25 roughly equated to the costs of delivering the green waste collection service in 2009/10.
2. Following a very successful renewal process in 2012/13 and again in 2013/14 the green waste collection scheme has steadily grown in popularity from 25,837 members to 28,436. In addition to an overall increase in customer numbers a particular increase has been seen in those customers with larger gardens wanting additional green bins.
3. As part of the renewal process for 2012/13 a satisfaction survey was undertaken and this gave a very positive score of 85% overall satisfaction with the green waste collection service. A similar survey carried out in May for 2013/14 resulted in an increase to 89% satisfaction.
4. In terms of recycling performance the scheme has not had a major impact as the continued take up of the scheme and the actual tonnage presented by residents i.e. fuller wheeled bins has seen recycling performance remain buoyant at 51.5% for 2012/13. This places the Council as the best performing Council in the county and in the top 20% of authorities, for recycling performance, in the country.

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5. The past year has also seen the Council launch the first edition of the Rushcliffe Gardner magazine which is part of the Council's aspirations to grow the scheme, bring a wider range of benefits to scheme members and to develop the club concept. The magazine included over £10 of vouchers from a local garden centre and the businesses that supported it saw an increase in their footfall.

Considerations for 2014/15

6. To ensure the timely and effective administration of the scheme the renewal process has to commence around week commencing 27 January 2014 to allow club members to have sufficient time to renew as collections will cease for members not re-joining by 31 March 2014. As in previous years residents may join the scheme at any point during the year upon payment of the full annual fee
7. The current level of gross income for green waste collection is £759,510 however work has been undertaken to compare the current income against the cost of delivering the service (£900,000) which provides evidence that the Council are now subsidising the service by approximately £140,000.
8. This is primarily due to an increase in the costs of materials and supplies associated with delivering the service e.g. tyres and in particular fuel costs which have risen since the original fee was set. Such costs and future fee levels will continue to be monitored as part of the Council's budget process.
9. However the current situation and the need to move the service back towards a cost recovery basis was explored by Members of the Council as part of the budget consultation workshop in November 2013. During the exercise Members considered a number of different charging options.
10. The Members that attended both events showed strong support for increasing the fee to £30 for the first bin and £15 for each additional wheeled bin. Based on the data for 2013/14 this change would generate additional income of approximately £140,000 taking into account the likely attrition rate across single and multiple wheeled bin customers. Essentially the change should put the green waste collection service back on a cost recovery basis.
11. Such a fee still compares favourably with similar charges elsewhere as there continues to be significant variations across the country with the highest being in London at £69 however Sheffield charge £40 and Melton Borough Council charge £32 per wheeled bin via their scheme delivered by Biffa. Currently in the county the highest charge is Gedling with £34 with Mansfield charging £25 for the first and any subsequent collections and then charging £30 in Newark and Sherwood. This is the same fee that the Council will be charging when it expands its service into the south west of Newark and Sherwood in April 2014.
12. Therefore in line with the Council's scheme of delegation officers will be taking on board the feedback from the Member's budget workshops and making arrangements to proceed with the 2014/15 renewal plan.

Financial Comments

The main financial implications are contained within the body of the report.

Section 17 Crime and Disorder Act

There are no crime and disorder implications from this report.

Diversity

An Equality Impact Assessment has been undertaken and the increase in fee for 2104/15 may have a disproportionate impact on members of the scheme that are physically disabled and who therefore may not be able to easily make alternative arrangements to deal with their green waste.

Background Papers Available for Inspection:

Equality Impact Assessment- Green Waste Collections November 2013

Appendix 7 – Citizens Panel Results December 2016

A survey was distributed to just over 2,300 members of the Citizens' Panel in December 2016 comprising questions regarding various Council services, including waste and the panel were given two weeks to respond. A total of 877 responses were received providing a response rate of 37%. Previous surveys have received a slightly higher response rate of around 44%, this may be reflective of the time of year and the necessary, but short, timescale for response. The questions specific to waste were related to garden waste collections, the bulky uplift service, recycling and collection frequencies.

The first question asked about the garden waste collection service and whether respondents would be prepared to either pay for this service or make more use of their local recycling centre. 47% responded saying they would be prepared to pay a charge whereas 53% advised they would prefer to take their garden waste to their local recycling centre. Incidentally, from the demographics, respondents living in rural areas were more in favour of using local recycling centres than those in urban areas.

The next question asked about use of the Council's bulky uplift service and views on increasing the charges to meet costs. Surprisingly, only a small percentage of respondents (11% in total) have used this service. More than half the respondents (55%) were in favour of increasing the charge whereas 45% were in favour of ceasing the service altogether but continuing to allow householders to dispose of the items free of charge at local recycling centres.

The next question asked to what extent did respondents agree the Council should remove the bottle banks which are not well used, to make the service elsewhere more affordable. 60% of respondents agreed this should be actioned with a further 8% neither agreeing nor disagreeing.

Respondents were also asked if they would support a pilot study to reduce frequency collections. 37% of respondents agreed they would support a pilot with a further 12% neither agreeing nor disagreeing.

Lastly, the survey asked about use of local recycling centres and support of a possible charge at weekends. The survey showed that the majority of respondents use their local centre at some point during the year with only 8% advising they never visited their local centre. However, only 34% would support a charge to cover the cost of weekend opening.

These survey results will hopefully supplement and support some of the proposals contained within the foregoing report although it is accepted that further targeted consultation will require to take place regarding some of the proposals.

Redesign Recommendations Operational					
Timescale	Ref	Recommendation	Indicative Saving	Source	Note
Priority	7P1	Refocus existing staff to ensure commercial opportunities and income are maximised and contracts are managed on a regular basis.	£64k additional cost offset by 12P1 £260k income	Current cost of 2FTE Additional income from commercial – 10% increase on last years £2.6m income	
	12P1	The role of the Waste Awareness Team should be reviewed. Non value added tasks and tasks that do not lead to sustainable improvements in recycling rate should cease, creating capacity to focus on maximising commercial opportunities	£64k re-invested in commercial waste per 7P1	Current cost of 2FTE including on-costs –	
	12P2 & 8.3	Per their job descriptions, the role of engaging with the public at recycling centres to encourage them to increase recycling and reduce landfill should sit with recycling centre staff	TBC		
Short term	1.1	The service should review budget responsibilities to ensure a greater collective knowledge of budget structures and a clearer overview of service wide costs and income.			
	1.2	Further review should be undertaken on the staffing budget – analysing staff establishment, vacancies, agency and overtime costs although this cannot be done in isolation and is tied in with route optimisation and the overall waste collection and recycling strategies.			
	2.1	Efforts should be made to ensure that the fees being set are proportionate and that the monitoring activity is fit for			

		purpose. This may require a national approach to SEPA.			
	2.2	Ensure that within the context of wider Council redesign proposals, the close synergy between the teams responsible for waste management and for energy generation is maintained and enhanced wherever possible			
	4.1	Review all routes that routinely require overtime and try to contain within a normal days work	£40k	5% reduction in overtime budget	THIS IS AN INDICATIVE SAVING AND NOT DELIVERABLE IN 2017/18
	4.2	Review all routes that are routinely less than a normal day's work and try to expand where possible to free up capacity/reduce overtime elsewhere	Contributes to 4.1 saving	free up capacity/reduce overtime elsewhere	THIS IS AN INDICATIVE SAVING AND NOT DELIVERABLE IN 2017/18
	4.5	Review 3 man crews/ number of bins/tonnages to identify opportunities to maximise use of 2 man crews wherever possible. Consider use of driver only operation for smaller routes.	£100k		THIS IS AN INDICATIVE SAVING AND NOT DELIVERABLE IN 2017/18
	4.6	Operate the HC08 Waste Management Officer role at a service rather than area level to facilitate better workload management across the service	Prevents additional budget pressure and creates opportunity for further efficiencies in future	Not necessary to have specific presence in each of the 8 areas Every area has at least one foreman	
	4.7	Review the use of agency staff where costs are significantly higher than for permanent staff.	£15k	Conservative estimate based on 2 drivers. Perm staff 33% cheaper than agency drivers in Sutherland	THIS IS AN INDICATIVE SAVING AND NOT DELIVERABLE IN 2017/18

	4.16	Analyse Masternaught and tonnage data across all vehicles to identify opportunities for efficiencies.	Contributes to 4.1 saving		THIS IS AN INDICATIVE SAVING AND NOT DELIVERABLE IN 2017/18
	6.2	Given the reduction in the amount diverted from landfill, the arrangement with Newstart and Blythswood should be reviewed for 2017/18 to ensure it continues to be cost effective	Potential to save up to £75k	All items currently diverted through charities would not end up in landfill, estimate up to 50%	
	6.3	Whilst it is important to continue to engage with Zero Waste Scotland we must be mindful that it may take some time to see an outcome, that an additional bin is unlikely to be financially viable unless we can collect multiple waste types in the one pass, and that a standard service may not be the best option in an area that is geographically anything but standard. We must also be careful that we do not lose valuable time awaiting a ZWS outcome without dealing with our medium and long term solutions. The focus of the engagement with ZWS must be entirely focussed on more populated areas, particularly the Inner Moray Firth. This will ensure that economies of scale are provided for. The ZWS work should also not stop trialling different collection frequencies	Potential to secure funding		
	7.1	Review commercial routes per recommendations 3.1 to 3.2 in section 3 collection of waste	Contributes to 4.1 saving		
	7.9	Consider changing policy of advertising our commercial charges on our website as this puts us at a disadvantage commercially.	Contributes to additional income per 7P1		
	7.10	Consider changing policy of advertising intended changes to charges 8 weeks in advance as this puts us at a disadvantage commercially.	Contributes to additional income per 7P1		

	7.25	An exercise should be carried out comparing the NDR database to the list of commercial customers to identify potential new customers	Contributes to additional income per 7P1		
	7.30	We should stop using the non-payment sticker system in favour of shifting emphasis to direct engagement with either refocused existing staff or a dedicated commercial team	Contributes to additional income per 7P1 and savings under 4.1		
	11.1	Reports of fly tipping should be treated as requests for service rather than stage 1 complaints, and be prioritised by operations managers on an individual basis.	Prevents additional budget pressure and creates opportunity for further efficiencies in future		
	12.1	We should review our recycling targets and strategy for meeting them in light of our higher than average costs, the lack of penalties for not meeting national targets, our already higher than average recycling rate, and the affordability challenge we face.	Contributes to additional income per 7P1, and 12P1		
	12.2	We should consider whether the two temporary waste management assistants at Inverness Recycling Centre are still required, and whether the £64,000 cost is affordable – particularly in view of 11P2, role should sit with existing recycling centre staff	£64k	Cost of current temp staff	
	12.3	Review procedures to ensure responsibility for engaging with non-payers lies directly with admin staff rather than collections crews.	Contributes to additional income per 7P1 and savings under 4.1		
	12.6	Review use of run sheets and cease all recording that does not add value. Cease keying all information into spreadsheets and only record actions required	Contributes to additional income per 7P1 and savings under 4.1		

Longer term	4.4 & 7.5	Analyse collection costs for each route	Contributes to additional income per 7P1 and savings under 4.1, 4P1 and 7.4		
	4.8	Postpone any wider review of the use of agency staff until routes have been optimised. Prevents additional budget pressure and creates opportunity for further efficiencies in future			
	4.13	Where there is limited capacity for storage of bins, consider providing locked or unlocked communal bins , OR collecting no recycle and just one residual bin –fortnightly unless volume means weekly collection is essential.	Contributes to 4.15 saving	Resolves storage issues, reduces associated complaints, reduces collection costs	Flexible approach to frequency of collection
	7.28	Promote an understanding at all levels within the service of the need to shift from focusing purely on service standards to a more commercial balance of quality of service and affordability.	Contributes to additional income per 7P1		
	7.29	A commercial waste marketing strategy should be defined and adopted	Contributes to additional income per 7P1		
	8.4	To support recycling centre staff, access to sites should be controlled, clear signage should be erected to advise householders of the procedures and conditions of using the sites. Skips and containers should clearly display the cost of disposing of the different types of waste to encourage householders to separate the waste correctly	Contributes to additional income per 7P1, and supports 12P1 and 12P2		
	10.4	Review effect of any changes on recorded instances of fly tipping			

Redesign Recommendations
Operational – support required

Timescale	Ref	Recommendation	Indicative Saving	Source	Note
Priority	2P1	The Council should prepare a development strategy for Seater Landfill Site, with particular emphasis on whether the Council should be using Seater from 2019 up until 2021 for all of our residual waste disposal, particularly if the transfer stations/treatment facility set out above can be delivered over the course of 2017/18 and 2018/19. The strategy should also develop a plan for potential commercial opportunities post 2021.			
Short term	2.1	Efforts should be made to ensure that the fees being set are proportionate and that the monitoring activity is fit for purpose. This may require a national approach to SEPA.			
	4.14 & 7.18	Charge via pay for it facility to ensure bins are paid for in advance with minimum admin overheads. Service Centre staff could log request and take payments for customers who are unable to go online.	£5k	Increased income, reduced admin	
	6.1	Review the 60 glass recycling banks that are either not currently used or rarely used to determine whether some of these can be removed or relocated	£42k.		
	7.16	Customers should be given the facility to set up a DD on-line.	TBC -Minor admin savings	quicker service to the customer, and allows the Council to collect debt more quickly	
	7.19	Clear policy and procedures should be adopted to ensure:	Contributes to additional income per		

		•approach to unpaid accounts is standardised •each team involved understands their role & interrelationships within recovery process •collection service is ceased as quickly as possible when appropriate •all debts are pursued timeously	7P1		
	7.22	In line with the charging policy recommendations at 7.8, work should be done to establish and understand the gross and net income figures, the cost of collection, disposal, landfill taxes and other overheads	Prevents additional budget pressure and creates opportunity for further efficiencies in future		
	7.26	When NDR bills are issued to new ratepayers, we should include information advising them of their legal obligations regarding commercial waste, advertising the benefits of using the HC service, and directing them to our online contract sign up facility.	Contributes to additional income per 7P1		
	7.27	Where ratepayers do not take up our service, we should contact them as a matter of course to ensure a waste transfer notice is in place and follow up on potential contract opportunities where they have not made other arrangements	Contributes to additional income per 7P1		
	8.1	We should analyse tonnage data for all existing recycling centres. This will allow consideration of whether it is affordable for all of them to remain open	Prevents additional budget pressure and creates opportunity for further efficiencies in future	No statutory requirement to have 21 recycling centres	
	8.2	We should identify recycling centres that habitually require the use of overtime and review the opening hours and staffing arrangements to reduce the use of overtime wherever possible	Prevents additional budget pressure and creates opportunity for further efficiencies in future	No statutory requirement to have recycling centres open at specific times	

	10.3	Work with local communities to arrange authorised disposal of bulky goods on behalf of local householders			
	12.4	We should work with Care and Learning to encourage schools to use available off the shelf materials to incorporate waste awareness/recycling into the curriculum.	Contributes to additional income per 7P1 & 12P1		
Longer term	2.2	Ensure that within the context of wider Council redesign proposals, the close synergy between the teams responsible for waste management and for energy generation is maintained and enhanced wherever possible			
	3.2	Review the Fife model of an arms length organisation to run waste management functions, and review the opportunities to include strong linkages to the Council's energy team.			
	4.15	Consider making recommendations re planning guidance, for example communal bins for flats.	£20k	Resolves storage issues, reduces associated complaints, reduces collection costs	THIS IS AN INDICATIVE SAVING AND NOT DELIVERABLE IN 2017/18
	7.15	We should also improve our current contracts process by using our on-line facilities to allow customers to sign up for new contracts, renew contracts, and sign up to transfer notices.	£25k	estimate	
	7.17	Customers who do not wish to pay by DD should be given the facility to 'pay for it' online rather than issuing invoices			

	7.20	We should look at using the full features of Integra to ensure that all of our commercial customers are being billed effectively.	Contributes to additional income per 7P1		
	7.21	If Integra cannot facilitate better management of customer debt then an alternative system should be considered	Contributes to additional income per 7P1		
	7.23	Once net income and operating overheads are clearly understood, the service will be in a position to understand whether they are operating at a profit or loss.	Prevents additional budget pressure and creates opportunity for further efficiencies in future		
	7.24	Once overheads are clearly understood, work should begin to try to reduce costs wherever possible, ensuring we achieve best value and are able to compete in the market.	Creates opportunity for further efficiencies in future		
	7.31 & 12.8	Consider use of in cab technology to replace spreadsheets, run sheets and improve communications between collection crews and admin staff	£20k	Estimate – time savings	
	11.3	After the current Fujitsu change freeze/ ICT contract handover, pursue implementation of the Zero Waste Scotland fly-tipping mapping tool	Prevents additional budget pressure and creates opportunity for further efficiencies in future		
	11.4	CRM issues in extracting data should be logged and resolved to ensure the service can extract fly tipping data in future	creates opportunity for further efficiencies in future		

Redesign Recommendations
Member consideration required

Timescale	Ref	Recommendation	Indicative Saving	Source	Note
Priority	3P1	We need to establish a Corporate Project Board to drive forward with fresh impetus the identification and acquisition of transfer stations in Lochaber and Aviemore in the first instance and in any other locations where there will be an operational and financial benefit to waste collection in the Highlands. At the appropriate time this Board should oversee the application process for appropriate consents to allow the Council to have a much stronger bargaining position with the private sector or consider in-house delivery of waste services in these areas			
	3P2	We should identify a facility for the Mechanical Treatment of residual waste and production of Refuse Derived Fuel in Inverness. A Corporate Project Board should be established for this purpose. The work should focus on finalising a business case to determine if the position set out in the most recent business case report is still valid, to update the Council on key risks and to consider whether there is merit in this being done in-house or through an arms-length company. The outcomes should be reported to Members at regular intervals to ensure that progress on this is maintained			
	3P3	Work should also progress immediately on finalising the business case for long term waste disposal in the Highlands, with an emphasis on determining whether and at what scale an Energy from Waste plant is appropriate. A clear plan of action and delivery timescales within a project management			

		framework is essential. The Review team feel that this is an issue which requires a strong corporate and political lead and should be an immediate priority for the new Council			
	4P1 & 7.4	We need to procure route optimisation software to challenge cost and environmental impact of existing collection routes/frequencies	£70k	Estimate – cost of one crew	Flexible approach to frequency and types of collection
	4P2	We need to support the implementation of trials on changing the frequency of collections – particularly focussed on Inner Moray Firth area, where the main population centres are – this will be tied in to discussions with Zero Waste Scotland Recycling Charter (As per CS Committee decisions on 18 September). However, a Redesign Priority should be to implement a trial ASAP.	creates opportunity for further efficiencies in future		Flexible approach to frequency and types of collection
	7P2	Depending on other redesign decisions, it may be appropriate to create a specific commercial waste team.	Contributes to additional income per 7P1		
Short term	3.1	The Council should determine whether the bulking up, sorting and storage of recyclate will continue to be dealt with through the private sector or whether it will be brought back in-house.			
	4.3	Consider reduction/withdrawal of roadside litter bins to free up capacity and reduce route overlap/time to complete routes	Contributes to 4.1 saving		
	4.9	3.9 Look to Fife for best practice. 3 weekly collection could generate significant savings	£380k	Based on figures from December 2015	THIS IS AN INDICATIVE SAVING AND NOT DELIVERABLE IN 2017/18
	4.12	Charge for all new, replacement, and additional bins at cost price plus a fee to cover admin and delivery, ensuring all bins are provided on a cost neutral basis (unless bin damaged by HC)	£33k	Estimate	

	7.2	Analyse net cost of routes offering weekly commercial collections and consider reduction/withdrawal of weekly routes that are not cost effective.	TBC		Flexible approach to frequency of collection
	7.3	Review frequency of collection to achieve the best balance between quality of service and affordability that ensures we recoup costs	TBC		
	7.8	Review charging policy to ensure commercial collection service is at least cost neutral (including cost of admin, provision of bins, collection, disposal and landfill taxes)	TBC		
	7.11	Introduce a fee to cover administration costs for any changes made during contracts	TBC		
	7.14	Commercial charges should be set earlier to allow time for administration work to be completed in time for the new financial year.	Prevents loss of income and contributes to additional income per 7P1		
	9.1	Steps should be taken to implement a charge for the collection of garden waste in the areas currently covered by the collection system. Best practice should be referred to, and back office systems developed to collect information, payment details and optimisation of collection routes			
	10.1	Stop the bulky uplift service			
	10.2	If stopping the service is deemed unacceptable - carry out further work to establish the full cost of providing this service before increasing the charges to more closely match the costs of providing the service			
	11.2	Consideration should be given to charging landowners to cover costs of clearing fly tipping on their land unless there are exceptional circumstances, eg waste hazardous and cannot be left, or landowner cannot be traced.	£20k income	Estimate	

	12.5	We should consider whether Members could take on a “champion” role for recycling when speaking to schools/local groups	Contributes to additional income per 7P1 & 12P1		
Longer term	4.10 & 7.6	Consider using vehicles that could allow collection of multiple types of waste in one pass, particularly for areas where tonnage/route data shows high collection costs and/or low tonnages.	TBC		Flexible approach to frequency and types of collection
	4.11 & 7.7	Consider different collection frequencies for different areas – particularly less frequent or residual only collections on routes that have very high collection costs.	TBC		Flexible approach to frequency and types of collection
	5.1	Consider the implementation of fortnightly food waste collection by implementing a trial to assess public acceptability and potential cost savings.			
	7.12	Consider delegated charging powers to allow a more dynamic approach to changes in the market.	Contributes to additional income per 7P1		Flexible approach to charging policy
	7.13	If it is deemed unacceptable to fully delegate charging powers, consider changes to charging policy to allow Head of Service delegated powers to vary charges where location or frequency makes collection/disposal economically unviable under standard charging policy	Contributes to additional income per 7P1 Reduced costs TBC.		Flexible approach to charging policy