

Agenda Item	23
Report No	EDI 22/17

## HIGHLAND COUNCIL

**Committee:** Environment, Development and Infrastructure Committee

**Date:** 8 November 2017

**Report Title:** Update on Development of Waste Management Strategy for The Highland Council

**Report By:** Director of Community Services

### 1. Purpose/Executive Summary

- 1.1 The purpose of this report is to update the Committee on our progress on:
- i. preparing the Final Business Case for managing the Council's residual waste; and
  - ii. Implementing the Household Waste Recycling Charter and Code of Practice, provided the appropriate levels of funding are made available by the Scottish Government

as agreed at the Community Services Committee on 18 August 2016.

### 2. Recommendations

- 2.1 Members are invited to:
- i. note the work completed to date; and
  - ii. agree that the Final Business Case is presented to the Environment, Development and Infrastructure Committee on 1 February 2018

### 3. Background

- 3.1 The waste collection and management services provided by the Council for our residents and customers are highly valued. The Council collects waste and recycling from 103,706 households and 4,800 commercial customers. The total net expenditure for these services for Financial Year 2017/18 is £22,467,000.
- 3.2 The quantity of waste and recyclable material managed by the Council is approximately 150,000 tonnes per annum. Approximately 83,250 tonnes of this is non-recyclable i.e. is sent to landfill. The remainder is either:
- blue bin waste sent for recycling;
  - food waste (only collected from 28,157 households in Inverness);
  - garden waste (available to 68,946 properties); or
  - building material
- 3.3 The Council's Waste Management services operate in a highly regulated environment. This regulatory regime covers the type of collection services that must be provided to households and businesses, the operation of our landfill sites, and how material can be processed. The most significant regulatory issue that the Council currently faces is the ban on landfilling our waste from 1 January 2021.
- 3.4 A number of proposals and strategies have been developed by the Council to address these issues. The Council's current Waste Strategy was approved in 2009, and proposed that 3 Energy from Waste (EfW) plants were built in the Highlands to allow us to move away from our reliance on landfill for disposing of our waste. These plants were to be constructed in Skye, Caithness and the Inner Moray Firth
- 3.5 In 2015, an Outline Business Case (OBC) was prepared for the Council that examined a number of options for disposing of the Council's residual waste. These included:
- exporting of untreated waste to markets in the Central Belt of Scotland or North of England for processing to create Refuse Derived Fuel (RDF) for use in EfW plants;
  - treatment of our waste within a centrally located facility in the Highlands to create RDF for export to the Central Belt, north of England or Mainland Europe;
  - construction of a centrally located facility in the Highlands to create RDF for local EfW plants in Skye and Caithness with the remainder being sent out of the Highlands; and
  - construction of a centrally located facility in the Highlands to create RDF for local EfW plants in Skye, Caithness and the Inner Moray Firth, with the remainder being sent out of the Highlands.
- 3.6 The recommendation of the OBC was for Option 2 above. The cost of this option was significantly cheaper than constructing local EfW plants. Although the OBC has been referenced in subsequent Committee reports, it was never formally presented to the Community Services Committee
- 3.7 In August 2016, the Community Services Committee agreed to prepare a Final Business Case to develop detailed proposals for residual waste treatment at plant(s) located in the Highlands.
- 3.8 It also agreed to adopt the national Household Recycling Charter and accompanying Code of Practice that will help the Council:
- increase recycling;

- minimise non-recyclable waste;
- maximise high quality materials; and
- improve the cost effectiveness of our services.

This was all with the proviso that appropriate levels of funding are made available by the Scottish Government.

#### **4. Final Business Case for treatment of residual waste**

4.1 Consultants have been appointed to develop the Council's Final Business Case for the treatment of our non-recyclable waste. The work they have been undertaking on behalf of the Council includes:

- reviewing the current Policy & Regulatory Framework within the UK and EU;
- developing models for increases in household waste in the Highlands;
- developing proposals for the alignment of existing Council 3<sup>rd</sup> party contracts for its various waste streams and developing interim solutions to meet the 1 January 2021 deadline;
- developing Technical Options and cost models for 2-3 preferred options under consideration, including:
  - centralised RDF creation (medium term); and
  - waste-to-energy plant (long term), including possible additional capacity for processing selected local commercial and industrial waste
- undertaking a Financial Appraisal in accordance with requirements of HM Treasury 'Green Book' on public sector investment and other relevant government guidance;
- completing a Project Risk Assessment of all options considered;
- developing project delivery and procurement options; and
- developing an implementation plan split into specific short, medium and long term actions, including:
  - site acquisition;
  - development planning;
  - project funding; and
  - subsequent project implementation tasks.

4.2 It is our intention to present the findings of the Final Business Case to the meeting of the Environment, Development and Infrastructure Committee on 1 February 2018.

#### **5. Options Appraisal by Zero Waste Scotland to help align our collections with the Household Recycling Charter**

5.1 The Council is currently working in partnership with Zero Waste Scotland in carrying out an Options Appraisal to identify how it can best align its services with the Household Recycling Charter and associated Code of Practice.

5.2 Zero Waste Scotland has funding to support Councils to introduce any changes resulting from this process. This funding can be related to one off capital costs such as new containers, and revenue costs associated with raising awareness and supporting campaigns. Any application from the Council for funding must outline the cost impact of the changes (revenue and capital) and the impact upon recycling performance.

5.3 The Code of Practice specifies minimum containment capacities (equivalent litres per week) that should be provided for recycling, and an optional maximum capacity for

non-recyclable waste.

- 5.4 It does not specify which type of containers should be used, nor does it specify collection frequencies. It does specify that three containers should be provided for recycling as follows:
- paper and card;
  - plastics, metals and cartons; and
  - glass - although glass may be collected at bring sites (bottle banks) if the Council can justify that the capture and quality of glass is not significantly less than kerbside collections.
- 5.5 There are 14 options under consideration, and the preferred option will take into account:
- projected improvements in recycling rates, and the quality of material collected;
  - corresponding reductions in the amount of material sent to landfill; and
  - potential improvements in operational efficiency, based on the current baseline service.
- 5.6 As mentioned above, any changes to our collection methods will be supported by comprehensive campaigning and communications delivered by the Council's Waste Awareness team. These will be aimed at:
- increasing householder participation in recycling;
  - improving the quality of recyclate; and
  - providing greater economic benefits and opportunities for Local Authorities.
- 5.7 It is also our intention to present the findings of the Final Business Case to the meeting of the Environment, Development and Infrastructure Committee on 1 February 2018

## **6. Implications**

### **6.1 Resources:**

Depending on the recommendations that will be brought to the next Environment, Development and Infrastructure Committee, there may be significant Capital investment required in:

- new treatment facilities; and
- new containers for improved collection methods.

There is £14.1m allocated in the Council's existing Capital programme, running up until 2025. Although the Capital programme is under review, Members should be aware that this funding may still be required to meet the aims of the Council's future Waste Management Strategy.

### **6.2 Legal:**

Arrangements to address the ban on landfilling Municipal Biodegradable Waste will be in place well before 31.12.2020. The Council will therefore be compliant with the Waste (Scotland) Regulations 2012.

### **6.3 Community (Equality, Poverty and Rural):**

None.

### **6.4 Climate Change / Carbon Clever:**

The implications of this report have not yet been evaluated. However, a fundamental aim of our overarching Waste Strategy will be to reduce the Council's carbon emissions

associated with waste management.

6.5 Other Risks:

Failure to have long term waste management arrangements could result in reputational risk to the Council. This will be mitigated by implementing the recommendations of:

- the Final Business Case for residual waste treatment; and
- the options appraisal of optimised waste and recycling collections in the Highlands.

6.6 Gaelic:

None.

Designation: Director of Community Services

Date: 8 November 2017

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