

Agenda Item	11
Report No	CP/08/21

HIGHLAND COUNCIL

Committee: Communities and Place

Date: 24th February 2021

Report Title: Waste Projects Update

Report By: Executive Chief Officer, Communities and Place

1 Purpose/Executive Summary

1.1 This report provides progress updates for Members on the key waste management infrastructure proposals and contract management requirements for effectively managing the Council's Waste Service.

2 Recommendations

2.1 Members are invited to note:

- i. the Inverness waste transfer station tender evaluation has concluded, the capital allowance was confirmed by Council in January 2021 and senior management approval has been provided to proceed to the award of contract;
- ii. the tender specification for the Aviemore waste transfer station is currently out to tender;
- iii. discussions to identify the most suitable site in Fort William for the waste transfer station requirement are continuing;
- iv. the next phase of the planned progressive restoration of Seater landfill site will be undertaken mid-2021;
- v. specifications are being developed for interim, medium-term waste management contract requirements to take to the market during 2021;
- vi. work continues to ascertain the feasibility of progressing a proposal for an energy-from-waste facility; and
- vii. minutes from the Members' Waste Strategy Working Group of 23rd December 2020 as detailed later on in the Committee's agenda.

3 Implications

3.1 Resource Implications.

3.1.1 Capital allowances have been made available through the Council's 2018/19 – 2022/23 capital programme for the intended infrastructure developments at Inverness, Aviemore and Fort William, other infrastructure purposes, and for landfill restoration. Projected requirements are included in the [capital plan update report](#) approved by the Council on 7th January 2021.

3.1.2 Provision was made in the revenue budget for pressures in waste services for 2020/21. These pressures arise from extending waste management contracts and from an annual increase in Landfill Tax. These are likely to be ongoing pressures in future years. Landfill Tax is expected to continue to rise annually.

3.1.3 Investment in capital infrastructure will enable more choices in how waste is transferred and whether this is operated internally or procured. Owning the infrastructure will help to control costs and reduce pressures in the revenue budget.

3.2 Legal Implications.

3.2.1 The Council's Waste Management service operates 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 other facilities, and how material can be processed. Currently the most significant regulatory issue that the Council faces is the ban on landfilling our residual waste as introduced through the Waste Management (Scotland) Regulations 2012. There is to be full compliance by 31st December 2025.

3.3 Community Implications (Equality, Poverty and Rural).

3.3.1 The service works with some social enterprises in promoting the re-use and recycling of materials and minimising waste sent to landfill. With support from the shared procurement service, where possible, community benefits are included in contracts procured. Work is underway to assess the extent to which an Energy-from-Waste plant could help reduce fuel poverty and create employment.

3.4 Climate Change / Carbon Clever Implications.

3.4.1 One of the aims of the landfill ban is to reduce emissions of greenhouse gases from landfill sites. The methane emitted from landfill sites is significantly more harmful than CO₂, although it is effectively controlled at the sites used by the Council. Working to achieve the land fill ban and support the Government's circular economy ambitions will reduce our impact on the environment.

3.4.2 The use of waste as a low carbon fuel in 3rd party facilities will reduce the Council's carbon footprint. Our footprint will be further reduced in the longer term if an Energy-from-Waste facility is developed in the Inner Moray Firth.

3.5 Risk Implications

3.5.1 The Council's need to implement a solution to the ban on landfilling Biodegradable Municipal Waste is a significant legal, financial and reputational risk to the Council. This

is reflected in the Services' current risk register and the Council's Corporate Risk Register.

3.5.2 A common risk for each of the required infrastructure developments will be the costs submitted by bidders exceeding the capital allowances in the Council's budget. This has been considered as part of the review of the capital programme.

3.6 Gaelic Implications. There are no known Gaelic implications.

4 Background and Emerging Waste Sector Developments

4.1 The Highland Council has a legal obligation to manage the area's municipal waste, and currently manages over 140,000 tons per annum of household and commercial waste. Around 44% is recycled via the Council's separate materials collection service, as well as our network of Household Waste Recycling Centres and 'bring' recycling points. The remainder - nearly 81,000 tonnes in 2019/20 - is currently disposed of to landfill at:

- a. Council owned/operated sites at Seater in Caithness and Granish on the outskirts of Aviemore; and
- b. Commercially operated sites at Duiskey near Fort William and at Stoneyhill near Peterhead.

4.2 A significant change to current waste management practice is currently being prepared to address the implications of the ban on landfilling biodegradable municipal waste which will come into force from 2025. This ban is one of a number of measures set out in the Waste (Scotland) Regulations 2012 to promote more sustainable resource use and waste management throughout Scotland. The Council's preparations (short, medium and long term) are further explained at Sections 5 and 6 of this paper.

5. Potential Infrastructure Development – Short/Medium Term

5.1 The Council has previously agreed a number of important infrastructure developments which are in various stages of delivery. These are described below (5.2 – 5.5).

5.2 Longman Waste Transfer Station

5.2.1 This facility will receive a range of recyclates and biodegradable municipal waste from the Inverness area to aggregate for onward shipment to end user destinations.

5.2.2 The tender report recommended acceptance of the preferred tender in the sum of £11.921m. The capital budget is confirmed. The project has received approval to progress towards award of contract. The works will likely start in early Spring 2021, with completion late 2022.

5.3 Aviemore Waste Transfer Station

5.3.1 The tender documentation was published on Public Contracts Scotland on 16th December. The tender return date is 24th February. Delivery of this facility is being targeted for late 2021.

5.4 Fort William Waste Transfer Station

- 5.4.1 The site is not yet confirmed – negotiations are underway with representatives of the land owners.
- 5.4.2 The current lease for Fort William Household Waste Recycling Centre (HWRC) expires in February 2023. There would be operational benefit in co-locating the Waste Transfer Station and the HWRC. This opportunity will be considered in the site identification process and negotiations with landowners.
- 5.5 Landfill Restoration
 - 5.5.1 As part of the on-going progressive restoration of Seater landfill site, Caithness, a contract for restoration of two cells will be let during 2021 with works targeted for Summer 2021.
- 5.6 Waste Management Contracts
 - 5.6.1 Around 70% of the annual waste (recyclable and non-recyclable) collected by Highland Council is organised through seventeen separate processing and haulage contracts with the private sector.
 - 5.6.2 Highland Council will be going to market during 2021 with its interim, medium-term residual waste management requirements (2022-2027, plus extension allowance). These requirements will reflect the opportunities that new waste transfer stations would provide, as well as aggregating materials for onward shipment to final disposal or treatment facilities. This period will bridge two operating environments: the period during which landfilling of residual waste remains legal (to the end of December 2025) and from January 2026 onwards when such waste must be reprocessed.

6. Potential Infrastructure Development – Long Term

- 6.1 The 19th August 2020 Communities and Place Committee under [Item 8i](#) received a copy of a presentation prepared by the consultancy (SLR Consulting) which has undertaken a study into the feasibility of establishing an energy-from-waste (EfW) facility. This identified the potential role for such a facility within the Council's waste management requirements, the likely scale of investment necessary, and the nature and extent of the lead-in time and preparatory work required before a decision to proceed to procurement could even be considered. This presentation was also covered in advance of the Committee, at the Members' Waste Strategy Working Group briefing on 7th August.
- 6.2 SSEN has reported on the grid connection feasibility for connecting a potential EfW facility based at the Longman site. SSEN has an existing capital project to commission a new primary substation at Longman Drive, Inverness. This is currently in the design stage. A connection to the grid would be via this primary sub-station.
- 6.3 Also referred to in the August Committee report, and now in progress, is an examination of socio-economic factors to look into the wider benefits and barriers that may affect the merit of advancing an EfW Longman development. It is anticipated that this will be reporting mid-February 2021. The report will provide an initial examination of opportunities for utilising the heat and power output that an EfW facility could produce. This will relate to potential, local high energy consumers and the possibilities of developing district heating provision within fuel poverty areas, the local network

assessment by SSEN, plus potential alternative power use options such as electric vehicle charging and developing hydrogen supply.

- 6.4 Officers will also be developing an options appraisal to consider and assess the long-term waste management options. The proposed definition of this will be shaped in the new year and will be brought to the Members' Waste Strategy Working Group for their review and input.
- 6.5 Once Covid restrictions are sufficiently eased there will be the opportunity for Highland Council representatives to visit existing Scottish energy-from-waste facilities – offers have been made to Highland Council to consider visiting MVV's plant (Dundee) and FCC's plant (Edinburgh).

7. Conclusions

- 7.1 The infrastructure developments planned to augment the existing network with new waste transfer stations at Inverness, Aviemore and Fort William will provide important building blocks towards compliance with the landfill ban. The Inverness project has been approved to progress towards award of contract, whilst for the Aviemore proposition the bidders' submissions will be available late February. There is a degree of uncertainty regarding the market response as firms operate under Coronavirus conditions.
- 7.2 The SSEN report and anticipated socio-economic report will be two further important components contributing to the options appraisal and the assessment of whether to proceed with a range of subsequent studies and technical consultancy appointments that would be necessary to proceed. There is potential for a visit to an operating EfW facility in Scotland to be undertaken when travel restrictions are lifted.
- 7.3 The Members' Waste Strategy Working Group provides valuable oversight of waste management direction and infrastructure development proposals. The next meeting will be scheduled for this Spring and will consider progress with the projects outlined in this report. Members from the Group would be involved in any EfW site visit planned, in keeping with any Covid restrictions in place.

Designation: Executive Chief Officer, Communities and Place

Date: 5th February 2021

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Background Papers: Communities & Place Committee [Report](#), 25th November 2020