

Agenda Item	7
Report No	CP/09/26

The Highland Council

Committee: Communities and Place

Date: 21 May 2026

Report Title: Waste Strategy Development Plan

Report By: Assistant Chief Executive - Place

1 Purpose/Executive Summary

- 1.1 This report details the approach to reviewing and developing the Highland Council's Waste Strategy following the successful roll out of the Highland wide service change and forthcoming regulatory changes.
- 1.2 To provide an update on the Reuse and Repair Fund, the extension of the scheme into 2026/27 and the delegation of the process to award funding.

2 Recommendations

- 2.1 Members are asked to:-
 - i. **Note** the forthcoming potential changes to the waste regulations and the operational and financial implications;
 - ii. **Approve** the approach to developing the Council's Waste Strategy; and
 - iii. **Agree** that the award of funding under the Reuse and Repair Fund be delegated to Assistant Chief Executive for Place in consultation with the Chair and Vice-chair of the Communities and Place Committee.

3 Implications

- 3.1 **Resource -**
 - The Council has completed the service change roll out across the Highlands which was funded through the Recycling Improvement Fund to the value of £6,950,000. This, amongst internal investment such as the Fort William and Longman Waste Transfer Stations, has seen the Council's recycling performance increase from 37% in 2021 to a forecasted 45% in 2025/26, as well as an approximately 10,000 tonne decrease in waste arisings over the same period.
 - The Reuse and Repair Fund was set up in 2025/26 with an initial fund of £500,000. £273,000 was awarded to projects with an additional £300,000

having been approved for the fund in 2026/27. A further round was opened for bids in April 2026 up to a maximum value of £50,000.

- The proposed regulatory changes have the potential for significant financial impacts. These are further detailed in this report.

3.2 **Legal** - There are no current legal implications, however the report highlights statutory and regulatory changes that are currently being proposed or consulted on.

3.3 **Risk** - There are no risk implications.

3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** - There are no health and safety implications.

3.5 **Gaelic** - There are no Gaelic implications.

4 Impacts

4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3 This is an update report and therefore an impact assessment is not required.

5 Service Provision Background

5.1 Waste Management provides a number of services that provide a daily, public facing, service to the residents of the Highlands, these being: -

- Kerbside collection of household recyclable and non-recyclable waste;
- Business waste collection of recyclable and non-recyclable waste;
- Bulky Waste collection service;
- Household Waste Recycling Centres (HWRCs); and
- Street cleansing and litter bin service.

5.2 These services are supported by infrastructure and internal activities to ensure that the services remain efficient and compliant with statutory requirements as detailed: -

- The operation of Waste Transfer Stations across the Highlands;
- The management and monitoring of two open landfill sites;
- The ongoing statutory monitoring of closed, but licenced, landfill sites; and
- Communication and education schemes to maximise participation in the recycling services

5.3 A summary of the waste service activities is provided in **Appendix 1**.

- 5.4 The primary regulatory drivers for Waste Services over the past 5 years have been the ban of biodegradable municipal waste being sent to landfill (now deferred until January 2028) and the Council becoming a signatory to the voluntary Household Recycling Charter in August 2016.
- 5.5 Investment has been made into both waste infrastructure and the service provision both through internal capital investment (for example Longman and Fort William Waste Transfer Stations) and through the external award (approximately £6.95m) of Scottish Government funding through the Recycling Improvement Fund (RIF).
- 5.6 Following the completion of Highland wide service change the Council has been awarded a Silver Award by the Association for Public Service Excellence (APSE), Striving for Excellence Awards and has been shortlisted for the Gold Award which will be announced on the evening of 21st May 2026.
- 5.7 This has allowed the Council to transition to providing a more robust, high quality recycling service, food waste collections and diverting household collected biodegradable municipal waste away from landfill to energy from waste facilities. These have supported reducing virgin resource use, moving towards a circular economy, and reducing greenhouse gas emissions from the decay of biodegradable waste from landfills.
- 5.8 The Council has made significant step change improvements to the service it provides. The recycling performance (**Appendix 3**) of the Council has risen almost 7.5% over the past 5 years which represents a significant avoidance of costs to the Council. Additionally in the comparable period waste arisings have reduced by approximately 10,000 tonnes per annum.
- 5.9 The cost benefits of the service change have been masked by ongoing challenges in relation to other waste pressures. Subsequently overall service costs have not reduced to the same extent. During the same period of the service change, new regulatory requirements were introduced associated with Persistent Organic Pollutants (POPs), as well as increased staff and resourcing costs has added additional cost pressures. Without the service change, the overall expenditure of the service would have been significantly greater.

6 Development of the Waste Strategy

- 6.1 This report is to update the committee on the development of the Council's Waste Strategy following the completion of the Highland wide service change rollout. Legislative requirements are in a period of significant flux with many proposals currently in consultation. It is proposed that the updated Waste Strategy will be presented during 2027 once the impact of these changes are more certain.

6.2 There are a number of statutory or regulatory changes either being brought forward or under consultation. The key regulatory changes over the next two years are detailed in **Appendix 4** with a summary provided below with the current likelihood of them being implemented based on current service knowledge.

Item	Proposal	Description	Likelihood
1.	Bulky Waste Collections	Reviewing of cost recovery charges	Low
2.	Green Waste Collections	Expansion of provision and review of cost recovery charges	High
3.	Kerbside Textile Collections	New collection service	Medium
4.	Food Waste Collections	Expansion to rural areas	High
5.	Plastic Film Collections	Inclusion of plastic film in recycling collections	Confirmed
6.	Deposit Return Scheme	Separate deposit locations for single use drink containers	Confirmed
7.	Emission Trading Scheme	Allowances required to be purchased for waste fossil carbon emissions	Confirmed
8.	Ban of BMW to landfill	Commencement of ban extended to 1 st January 2028	High

6.3 Without undertaking a review of the Waste Strategy and how Waste Services are developed over the next 10 years, then the Council is likely to be left reacting to a number of operational and statutory pressures with potential increase of costs to somewhere in the region of £6,000,000 by 2030 (if considering only those changes that have more certainty in being implemented). **Appendix 3** details Performance Trend Indicators of waste arisings, recycling rate, and costs are how these may change should there be no development of the Highland Council's strategic development of its waste services. A moderate increased recycling performance is assumed (1% every four years) based on the wider public awareness of environmental issues but does not represent any committed further waste project investment.

6.4 The Grant Aided Expenditure (GAE) for both Waste Collection and Waste Disposal of as a percentage of overall GAE has also been steadily declining for the Highlands as shown in **Appendix 2**. This is as a result of a declining population. A compounding factor is that the housing stock is increasing, requiring more extensive collection services. This highlights that overall waste services have reduced central funding for its population so maximising the performance for the expenditure will continue to be a priority should such trends continue.

6.5 The forthcoming updated Waste Strategy, intended to be presented by summer 2027, will look to identify where these costs can be mitigated, or that the service being provided maximises the outcomes for this expenditure. It will include a number of key

aspects including:-

- Collection service provision and ensuring this aligns with statutory requirements;
- Infrastructure provision and whether this is suitable for both current and future service needs;
- The management of residual waste beyond 2030;
- The opportunities to further commercialise the waste service provision; and
- The potential investment and policy decisions to maximise the value of the service for the spend.

7 Reuse and Repair Fund

- 7.1 Following agreement of the 2025/26 budget a fund was set up to encourage the reuse and repair of items and avoid them being sent for recycling, treatment or disposal. The initial fund was set at £500,000 with initial applications being submitted in late 2025. Proposals could be submitted between values of £2,000 and £50,000.
- 7.2 The fund was well received with a total of twenty-one proposals being submitted. A panel of officers reviewed all the applications and assessed them against a number of criteria that aligned with the overall aim of the fund, robustness and legacy benefits. The project includes representatives from Waste, Economy and Regeneration, and Climate Change and Energy teams.
- 7.3 Proposals were awarded on the basis of the quality of the submissions, with no prioritisation unless the total value would have exceeded that allocated within the budget. In total twelve of the twenty-one proposals were deemed suitable to award with a total awarded value of approximately £273,000, with the highest award being for £49,330.
- 7.4 A further £300,000 was re-invested into the fund for 2026/27 and a second round was opened on 2 April 2026.
- 7.5 Following the successful initial submissions, for all future years, the process for evaluation and award of funds is proposed to be delegated to the Assistant Chief Executive of Place in consultation with the Chair and Vice-Chair of the Communities and Place Committee.

Designation: Assistant Chief Executive - Place

Date: 21 May 2026

Author: Ian Braker – Strategic Lead
(Waste Strategy and Operations)

Background Papers: None

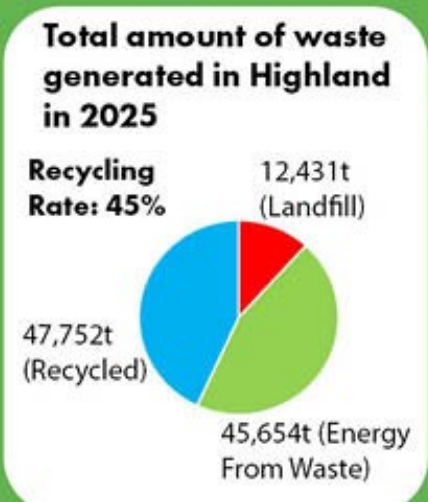
Appendices: Appendix 1 – Highland Wide Waste Service Provision
Appendix 2 – Waste Collection and Disposal Granted Aided Expenditure
Appendix 3 – Performance Trend Indicators
Appendix 4 – Overview of potential regulatory changes

Highland Council Waste Services Provision

Household Bins



Waste Data



Household Waste Recycling Centres



Street Cleaning



Regulatory Monitoring



Business Waste



Communications



Appendix 2 – Waste Collection and Waste Disposal Grant Aided Expenditure (GAE) 2022/23 – 2026/27

Waste Collection

WASTE COLLECTION HIGHLAND GAE SUMMARY	Valued for Council Tax (Excl unoccupied exemptions)	Effect 1 (£000s)	Household dispersion	Effect 2 (£000s)	Share	GAE (£000s)
22/23	118,805	3,537	3,362,182	992	5%	4,529
23/24	120,190	3,547	3,401,377	995	6%	4,542
24/25	121,373	3,553	3,434,856	997	6%	4,550
25/26	122,637	3,226	4,151,683	1,422	6%	4,649
26/27	123,677	3,230	4,186,891	1,424	6%	4,654

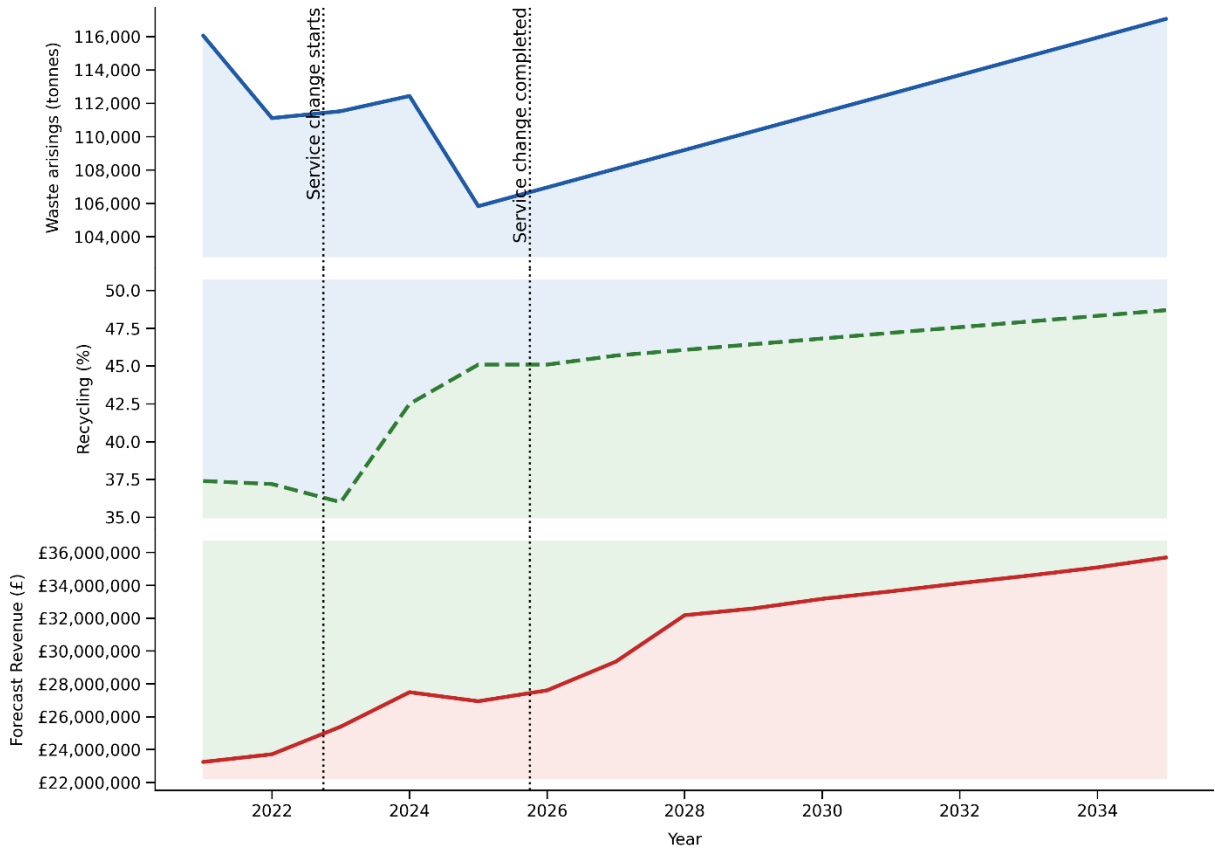
OVERALL GAE	Waste Collection GAE as % of Overall GAE
656,293	0.69
663,031	0.69
689,745	0.66
734,113	0.63
767,379	0.61

Waste Disposal

WASTE DISPOSAL HIGHLAND GAE SUMMARY	Adjusted population	Share	GAE (£000s)
22/23	263,736	5%	5,060
23/24	266,368	5%	5,098
24/25	260,167	5%	5,017
25/26	259,718	4%	4,964
26/27	255,363	4%	4,891

OVERALL GAE	Waste Disposal GAE as % of Overall GAE
656,293	0.77
663,031	0.77
689,745	0.73
734,113	0.68
767,379	0.64

Appendix 3 – Performance Trend Indicators



Appendix 4 – Overview of potential regulatory changes

Those aspects that have a higher certainty in being implemented are included in Appendix 4 (as well as general waste growth from housing growth). These are specifically stated below. Costs from the other highlighted aspects are not modelled in Appendix 4.

- 1) **Household Recycling Code of Practice.** Legislated to be a mandatory requirement on Councils to ensure consistent recycling across Scotland. Consultations are ongoing as to the exact contents with the proposed timeframe to be published in 2027. Those aspects which have the potential have more significant impacts on the Council are detailed below: -
 - (i) **Bulky Waste collections** (under consultation)
Review of whether these continue to be a service a Council can levy a collection charge.
 - (ii) **Green waste collections** (under consultation)
Review of whether these continue to be a service a Council can levy a collection charge and whether this should be expanded to all householders.
 - (iii) **Kerbside textile collections** (under consultation)
Review of whether how this could be provided and whether Councils should provide this.
 - (iv) **Food Waste collections** (under consultation)
Removal of the 'rural exemption' resulting in equivalent service as already being provided in Inverness, Fort William and Easter Ross being rolled out across the Highland.
 - (v) **Plastic Film collection and treatment** (commitment)
Plastic film collections to be mandatory from April 2027. This estimated cost is modelled in Appendix 4.
- 2) **Deposit Return Scheme.** The Deposit Return Scheme (DRS) is to be rolled out UK wide in October 2027. The scheme will be operated outside of the Council collections. However, the recyclables collected cross-over as to those collected by the Councils 'containers' collection (i.e. metal cans and plastic bottles, tubs and trays). The Council obtains a significant income from the sale of some of these recyclables and 90% of these are forecasted to be removed from household bins. Glass is not currently proposed to be included within DRS. This estimated cost is modelled in Appendix 4.
- 3) **Emission Trading Scheme (ETS).** From 2028 Energy from Waste Facilities (and any other waste facility that produces a product that is intended to be burnt or used as a fuel) will be required to buy allowances for every tonne of 'fossil carbon' they emit. The ETS is a wider scheme that incorporates a number of industries so there is existing knowledge of the value of these allowances. It is a 'traded' scheme, the value of allowances varies over time

(monthly) dependent on the overall market demand. Costs would be transferred to Councils for the waste that is managed through these facilities. This estimated cost is modelled in Appendix 4.

- 4) **Landfill Ban of Biodegradable Municipal Waste.** The ban to landfill of biodegradable municipal waste has been deferred until 1st January 2028 due to a lack of treatment capacity in the market, which risks upward pressures on costs due to lack of competition.