

**The Highland Council**

**Community Services**

**18 August 2016**

Agenda Item	<b>12</b>
Report No	<b>COM 31/16</b>

**Update on Waste Strategy**

**Report by Director of Community Services**

**Summary**

This paper outlines the current situation regarding residual waste disposal and proposes the preparation of a final business case to enable Members to decide on the medium term option for residual waste treatment to ensure that the Council meets its obligations in terms of the ban on the landfill of biodegradable municipal waste on 1 January 2021.

**1 Background**

- 1.1 Members will recall the Council's Waste Strategy of 2009 based on three Energy from Waste plants and a proposal to meet 70% diversion through recycling, and composting.
- 1.2 A tentative saving of £2.8m (recurring) was added to the corporate register of savings for 2018/19 on the basis of moving from landfill to Energy from Waste.
- 1.3 Further work on the proposal to develop Energy from Waste was carried out in 2015, when it became clear that there was not time to develop plant in the timescales, and that a more measured approach, particularly given the evolving policy environment, should be adopted.
- 1.4 The Council's future planning is dependent on and should take account of the ban (in Scotland) on the landfill of municipal biodegradable waste on 1 January 2021; the current contractual position; and whether the Council intends to sign and adopt the Household Waste Recycling Charter and Code of Practice (the subject of another paper to this committee).
- 1.5 There are clearly opportunities and risks associated with these approaches, which are explained below.
- 1.6 Members will recall that the Council itself does not have recycling targets to meet.
- 1.7 However there are Scottish Government national targets which are more onerous than current EU targets, viz:

2014	50% Household waste recycled
2020	60% Household waste recycled

2025            70% all waste recycled/composted

1.8      The household recycling rate in Highland has settled at around 45%.

## **2.      Household Waste Recycling Charter & Code of Practice**

2.1      A paper explaining the detail of the Charter and accompanying Code of Practice is the subject of a separate report to this committee.

2.2      The residual waste strategy will be impacted on the decision and actions of the Council on whether or not to sign the Charter and implement the Code.

2.3      The outcome sought by implementation is to drive down residual waste (and ultimately the actual quantity of waste being generated in the first place) in favour of high quality recycling.

2.4      Both the absolute reduction and rate of reduction in residual waste arisings may have significant implications for both the choice of treatment and the mode of delivery of the treatment option.

2.5      Careful modelling with sensitivity analysis should reduce the risks inherent in such an enterprise.

## **3.      Residual Waste**

3.1      Residual waste is landfilled either at one of two Council-operated landfill sites (Seater, Caithness and Granish, Badenoch & Strathspey) or through a number of long standing residual waste contracts with the private sector.

3.2      As stated previously, landfilling municipal biodegradable waste will cease by law in Scotland on 1 January 2021 and as such landfilling of this waste at the Council sites will cease by this date.

3.3      Our existing residual waste contracts may be extended to 2019 which will give the Council time to more fully develop its options for both the medium and long term.

3.4      The time will also give the Council a more accurate view of the length of time involved in fully complying with the Household Recycling Code of Practice (should Members decide to approve signing of the Charter) and, as a consequence, the reductions in residual waste which might be expected.

## **4.      Market Conditions**

4.1      The residual waste treatment market in Scotland is slowly maturing given the above mentioned ban.

4.2      Discussion with existing contractors and others indicate that over the next five years the market intends to respond positively to the ban by creating further treatment capacity in Scotland.

4.3      One of the existing Council contractors has already indicated a willingness to

alter its approach and in the process provide a saving over current costs.

- 4.4 Further initiatives are likely, including a final decision from the Supreme Court on the planning application for the waste to energy plant proposed at Invergordon, and will be closely monitored.

## **5. Proposed Next Steps**

- 5.1 Whether the Charter is signed or not the Council must make decisions on:

1. The medium term option (2019 – 2025 or so); and
2. The long term option (beyond 2025)

- 5.2 As stated above, a great many factors will influence the outcome, for example, if a merchant waste to energy plant was constructed in Highland over the next five years (and an agreeable gate fee was available and duly procured) it may obviate the need for any further work on residual waste treatment.

- 5.3 Given the complexity of the issue, the interplay with recycling policy and practice, and market developments it is proposed that a final business case for the medium term is prepared.

- 5.4 The final business case will develop detailed proposals for residual waste treatment for all Highland at a plant(s) located in Highland.

- 5.5 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.

- 5.6 The outcome of this analysis, together with the developing market, should help determine the long term strategy.

## **6. Implications**

- 6.1 There are no known rural, Gaelic or equality implications associated with this report.

- 6.2 Preparation of the final business case will require external assistance and may cost upwards of £40k. This will be paid from Environmental and Amenity Services waste budgets.

- 6.3 There are no legal implications associated with this report.

- 6.4 Where residual waste is diverted from landfill there is likely to be a benefit in terms of climate change and carbon reduction.

## **Recommendation**

Members are invited to:

1. approve the preparation of a final business case to develop detailed proposals for residual waste treatment for all Highland at a plant(s) located in Highland; and
2. note that the corporate saving of £2.8M attributable to Energy from Waste from 2018/19 is not achievable and alternative savings will have to be sought.

Designation: Director of Community Services

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