

Agenda Item	16
Report No	CP/22/21

THE HIGHLAND COUNCIL

Committee: Communities and Place

Date: 12 May 2021

Report Title: Recycling Improvement Fund (RIF)

Report By: Executive Chief Officer, Communities and Place

1. Purpose/Executive Summary

- 1.1 This report provides Members with information on the launch of the Scottish Government's Recycling Improvement Fund, a five-year fund of £70m for which local authorities can apply.
- 1.2 All Local authorities are invited to submit their first early stage expression of interest (EOI) for funding by 19 May 2020 to support eligible projects before a stage 2 application may be invited. The fund programme will operate on a rolling basis with EOIs called for regularly and Stage 2 applications invited throughout the programme period.
- 1.3 Areas identified so far for the Council to submit its first EOI are included in the report. There will be further engagement with Members as any stage 2 bids are developed and for future rounds of EOI over the 5-year programme. To inform future work a programme of discussion with Members locally in ward business meetings will be developed.
- 1.4 There is a strong case for the Council to be supported given our performance on recycling compared to other Councils, the rural challenges we face and the levelling up of service communities could benefit from within the region.

2.

Recommendations

- 2.1 Members are asked to Note:
 - i. that the Recycling Improvement Fund has been launched by the Scottish Government with the first call for Expressions of Interest (EOI) by 19 May 2021. The fund is a five-year programme of £70m and it will operate on a rolling basis for EOI forms and Stage 2 applications from local authorities;

- ii. the objectives of the fund, the funding availability and eligibility and the process for applying as described in sections 5-7 of the report;
- iii. the Council requires support to improve recycling infrastructure given relative performance on recycling rates, waste landfilled and associated green-house gas emissions. The public show high satisfaction with refuse collection and recycling facilities and they are regarded among the most important services provided to the public. If successful in gaining funding the Council will be able to improve services further, particularly in areas where services could be levelled up;
- iv. the initial list of proposals as set out in section 8 of the report. These were considered in the Members' Waste Strategy Working Group on 23 April 2021, as reported separately in the minute to this Committee meeting. Feedback from the Committee is sought on the initial list of areas for improvement as set out in paragraph 8.1. Not all may be ready for the first EOI;
- v. discussion with Members in Ward Business meetings will be programmed over the period of the Fund to consider other potential service improvements and discussion on developing any stage 2 applications; and
- vi. the Waste Management team will complete and submit the first initial EOI that is consistent with the eligibility criteria for the fund, with future updates brought to the Committee.

3. Implications

3.1 Resource implications

Part of the objectives of the Recycling Improvement Fund (RIF) is to provide financial support to Local Authorities to help with aligning the waste collection service to the revised Code of Practice under the Household Recycling Charter. Any change to service delivery may have future revenue implications, this will only be understood when service changes are planned and agreed.

3.2 Legal implications

The RIF should support waste and climate change legislations and directives.

3.3 Community (Equality, Poverty, Rural and Island) implications

One of the criteria for assessing Stage 2 bids is levelling up recycling services. If successful in these bids that will improve access to recycling services especially in rural and remote communities. There is scope for partnership working with 3rd sector and community bodies. There is scope for links to be made with other projects e.g. links across food waste, food poverty and community growing.

3.4 Climate Change implications

Any increase and/or improvement achieved in the quality of recycling reduces the effect of greenhouse gas emissions.

3.5 Risk implications

The recycling fund does not provide an allocation to each local authority. Funding will be made based on the quality of the EOIs and applications made. It will be competitive. There is a risk of the Council not being successful with all EOIs and applications. This will be mitigated by strong submissions and taking advice from Zero Waste Scotland.

3.6 If the Council is not successful in accessing funding, there is a risk that the Council's relative performance on recycling rates and greenhouse gas emissions will worsen.

The SPEA annual return for 2019 shows that the Council:

- generates the 2nd highest amount of household waste per person of all Scottish Local Authorities at 0.53 tonnes per person (2019) and compared to a Scottish

average of 0.44 tonnes per person. In 2019 this led to 297,898 tonnes of CO₂ being emitted;

- has the 5th highest level of emissions per person of all Scottish Council at 1.26 TCO_{2e} per person compared to a Scottish average of 1.04 TCO_{2e}. These data reflect the relatively low proportion of waste that is recycled;
- recycled 41.3% of household waste in 2019 compared to a Scottish average of 44.9% and a higher proportion of household waste is landfilled; and
- has the 3rd highest rate of household waste going to landfill at 51.2%.

These data highlight the need for support to improve recycling and such data will be included to help make the case in our EOI forms and Stage 2 applications made.

3.7 Feedback from the Council's Citizens' Panel (2019) shows relatively high satisfaction with recycling facilities and refuse/bin collection, with 70% and 67% net satisfaction rates respectively. Both services have been in the top 7 of most satisfaction with Council services (out of 46 service areas) for the past 5 years. Refuse/bin collections are ranked 3rd most important service and recycling facilities the 5th most important service. There is a risk that this positive feedback is not sustained if we are unable to refresh and improve recycling services.

3.8 Gaelic implications

The are no Gaelic implications arising from the new fund.

4. **Background - Recycling Improvement Fund**

4.1 To transition to a fully circular economy the Scottish Government acknowledged that 80% of global climate emissions are estimated to be linked to the production, consumption and waste of products and resources. It made a programme commitment to launch a £70 million Recycling Improvement Fund. The Fund will support the national target for net zero emissions from waste by 2045.

4.2 The fund was opened in March 2021 for expressions of interest from local authorities and guidance from Zero Waste Scotland was provided in April 2021. The fund covers a five-year period.

4.3 The arrangements for the fund were developed in collaboration with Cosla, SOLACE, waste managers, Zero Waste Scotland. Cosla and Solace are involved in the management of the fund and in overseeing allocation of grant alongside the Scottish Government as fund holder and Zero Waste Scotland is the principal administrator and facilitator of the fund.

5. **Objectives of the Recycling Improvement Fund**

5.1 The fund has been established to help improve local authority recycling infrastructure resulting in increased consistency of collections and improvements to the quality and quantity of recycling material collected. There are 9 objectives as follows:

1. develop infrastructure projects at a scale which will improve the quality of recycling at both collection and treatment level;
2. assist Local Authorities identify and explore the projects that have the greatest potential to increase recycling performance through infrastructure changes and adopt innovative new approaches and low carbon technologies;
3. support initiatives that tackle our throwaway culture and encourage a circular economy; providing the enhanced opportunities to reduce, reuse and recycle as vital to our green recovery and tackling Scotland's contribution to climate change;

4. support Local Authorities with aligning collection services to the revised Code of Practice under the Household Recycling Charter (once complete), funding service design changes that maximise yield and delivery of high-quality materials;
5. support strategic projects that prepare Local Authorities longer-term for the introduction of the Food Waste Action Plan, Circular Economy Action Plan and changes resulting from the implementation of Extended Producer Responsibility and Deposit Return Scheme;
6. promote the collection of problematic materials in addition to identified high carbon impact materials including garden waste, food waste, plastics, and textiles etc.;
7. support projects which generate further progress either in terms of replicating best practice or innovation within existing systems; and
8. maximise the value of awards by working with local authorities and other stakeholders to ensure projects are coordinated across all available and relevant funding streams.

6. Funding available and eligibility

6.1 A total of £70m of grant funding has been made available over a 5-year period from 2021 with the initial allocation as:

- Year 1 - £16m
- Year 2 - £16m
- Year 3 - £18m
- Year 4 - £10m
- Year 5 - £10m

6.2 The fund can be for capital or revenue funding. Where capital funding is sought the implications for ongoing revenue are to be described including any in-house resources available. Applications can be match-funded from other sources.

6.3 The fund is open to individual Councils, groups of Councils and Council led partnerships involving other organisations e.g. third sector/private sector.

6.4 Eligible costs may include but are not limited to:

- Plant, equipment, and machinery
- Collection containers and equipment
- Delivery and installation
- Buildings or compounds
- Site alterations (e.g. HWRC or improvements to communal recycling facilities or Recycling Points)
- Modifications to reception, storage, sorting, processing, and onward movement of materials (including modification or upgrades to existing plant and equipment)
- Digitalisation and automation
- Vehicles

7. Process for applying

7.1 Submitting an expression of interest (EOI) is not an application for funding and does not commit the Council to anything. It does enable the fund administrator (Zero Waste Scotland) to provide feedback and advice prior to any funding application being invited. EOIs can be for short term projects or those spanning the 5years of the Fund. EOIs are

to be invited at regular intervals, so there will be other opportunities for the Council to submit these over the programme period.

7.2 The EOI submitted needs to highlight the following factors which means they are important to whether an application for funding will subsequently be invited:

- Nature of proposal
- Impact on material quality
- Impact on recycling rate
- Impact on waste arisings
- Potential Carbon Savings
- Additional benefits of changes
- Timescale of project
- Indication of cost
- Status of Member approval
- Alignment with Household Recycling Charter (where applicable)
- Alignment with other Scottish Government & Local Government Policies (e.g. DRS)

7.3 Stage 2 applications would be invited based on the feedback from the EOI and on a rolling basis. The assessment criteria for those is attached at Appendix 1. Notably funding to level up services is included. This will be helpful for the Council given the different service provision currently across the region.

8. Proposals for the expression of interest

8.1 Current areas for improvement are highlighted below. They include where levelling up services would provide benefits, where there would be alignment with improvements already planned and underway as well as future developments linked to national policy. This includes the Deposit Return Scheme (DRS) from 1 July 2022 and the Extended Producer Responsibility (EPR) from 2024. Further guidance on how these and the Household Recycling Charter are to be implemented is awaited. The areas for improvement are described below. This is not an exhaustive list and further work by officers prior to the Member Working Group may identify other projects as well.

Levelling up services

1. Additional food waste collections
2. Expansion of the garden waste collection
3. Additional rural Household Waste Recycling Centre (HWRC) provision targeting areas where people have longest drive times (see Appendix 2), with an initial focus on Wester Ross/Lochalsh
4. Schools project to increase recycling rate within the Council's estate and wider waste awareness within the School curriculum

Alignment with improvements underway or planned

5. In cab devices linked to route optimisation (transformation project underway)
6. Compaction units for Small isles and Knoydart
7. Potentially funding for additional costs incurred at Fort William TS to accommodate food waste
8. Support of the community food growing / larders project to start this year.

Links to future national requirements

9. Textile collections

10. Service change (Alignment with Charter CoP) Post DRS

11. Upgrade existing recycling centres/transfer stations

8.2 The Recycling Improvement Fund was reported to Waste Strategy Working Group on the 23rd of April 2021. The views of the Committee are sought on this initial list of areas for improvement. Not all may be ready for the first EOI. To engage Members fully in the 5-year programme it is proposed that a programme of Ward Business meetings is developed to discuss ideas Members have and drawing also on their local knowledge of community groups active in waste reduction in their area. The network of waste groups in Highland will also be contacted as part of future EOI submissions.

8.3 The Waste Management team will complete and submit the first initial EOI that is consistent with the eligibility criteria of the project for the fund.

Designation: Executive Chief Officer Communities and Place

Date: 23 April 2021

Author: Alan McKinnie, Senior Waste Manager

Background Papers: Scottish Government – Letter and Zero Waste Scotland guidance.

Recycling Improvement Fund Assessment Criteria for Stage 2 Applications

Prioritised: The fund shall be managed to ensure that the maximum possible benefit is realised from each intervention by supporting impactful projects designed to improve or level-up existing infrastructure, as well as a targeted needs-based approach.

Transparency: The fund shall be structured to be as open, but coordinated, as possible offering options to support transformational improvements at an individual local authority level, as well as projects that will generate impact regionally and nationally.

Improvement and Innovation Focused: The fund shall be supportive of new ideas, early adopters and those projects which demonstrate scale and replication of existing best practice and which are already well developed.

Accountable: The fund shall ensure projects are delivered to maximum effect, through due diligence, planning, strong project management and targeted communication of infrastructure changes. Impact will also be robustly monitored and evaluated over time against an agreed framework of impact / performance criteria.

Evidence-led: Proposed project is based on the best industry and sectoral knowledge and recognised good practice and addresses a demonstrated gap or improvement need.

Strategic: Proposed project shows alignment with current & future policy developments and local, regional or national priorities. The project also considers any broader impacts.

Transformational: Proposed project will support significant shifts in performance locally, regionally, or nationally in terms of recycling performance, waste prevention or reuse.

Impactful: Proposed project is focussed on high carbon impacts through increasing the capture of priority materials such as food waste, garden waste, plastics and textiles, and the adoption of new and low carbon technologies.

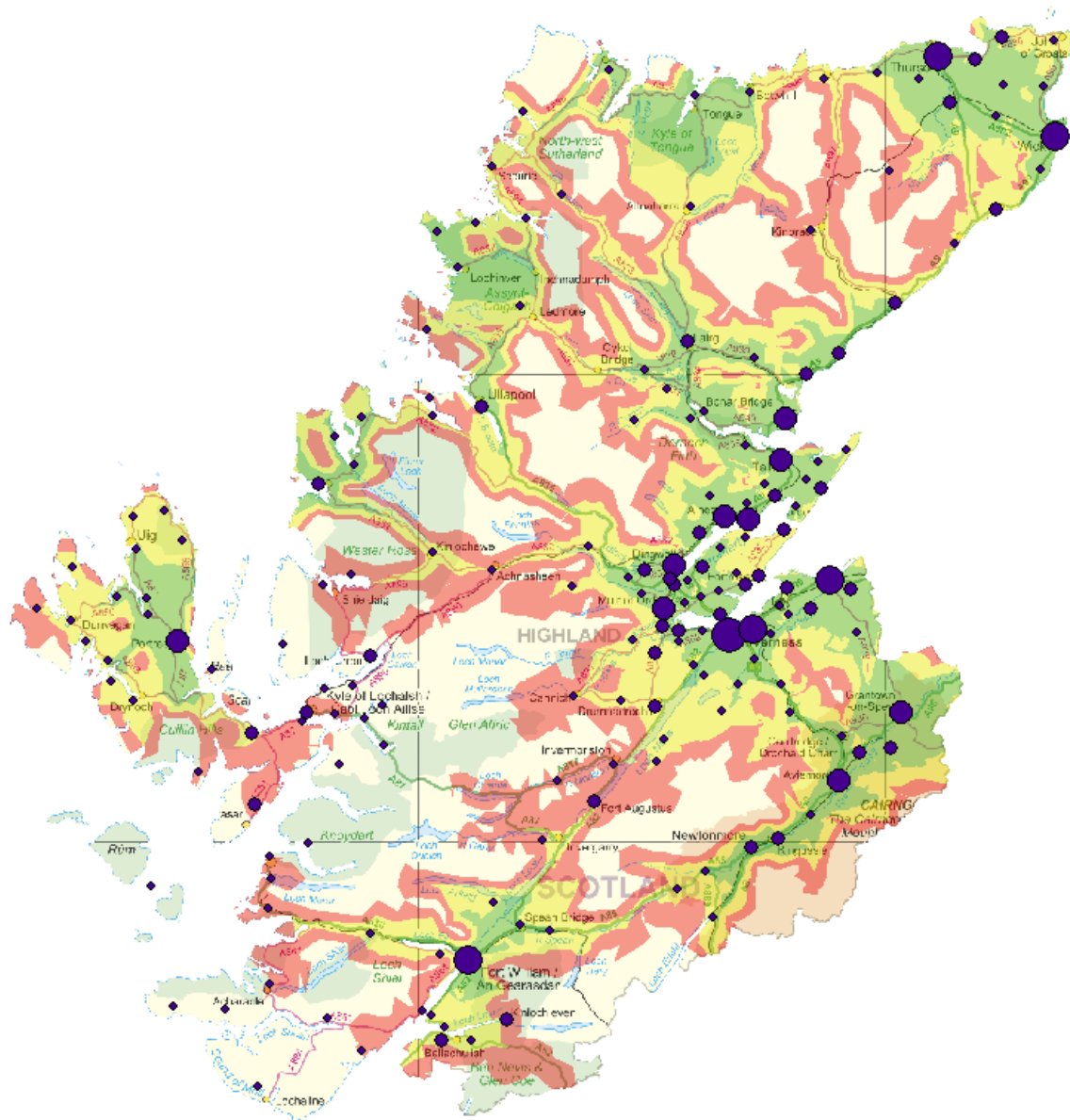
Additionality: The proposed project is one which, for reasons of scale, timing, or perceived risk, may not otherwise be progressed or would take significantly longer without grant funding.

Collaborative: The proposed project adopts an approach to developing and delivering projects in partnership across key stakeholders and/or across multiple authorities where opportunity allows.

Feasible: The proposed project is deliverable within the timeframes and practicable within the scope and criteria of the fund.

Acceptable: Proposed project fits within the regulatory and planning frameworks and be found acceptable to both Scottish ministers and local decision makers and stakeholders.

Travel time to Household Waste Recycling Centres



GREEN	93,199 properties are less than 20 minutes travel time from a recycling centre
AMBER	12,264 properties are between 20- and 40-minutes travel time from a recycling centre
RED	3,962 properties are between 40- and 60-minutes travel time from a recycling centre
NO COLOUR	3,387 properties are more than 60 minutes travel time from a recycling centre