

Agenda Item	10
Report No	CP/28/21

## THE HIGHLAND COUNCIL

**Committee:** Communities and Place Committee

**Date:** 31 August 2021

**Report Title:** Waste Projects Update

**Report By:** Executive Chief Officer, Communities and Place

### 1. Purpose/Executive Summary

- 1.1 This report provides members with information on the development of waste transfer station infrastructure which is supported by the Council's current capital programme; an update on the position regarding the Household Waste Recycling Centre in Fort William; and progress with the work being undertaken to explore the options for a long-term solution to manage the residual waste collected by Highland Council.

### 2. Recommendations

2.1 Members are asked to note:

- i. the Aviemore waste transfer station is progressing towards completion;
- ii. the programme of works for Inverness waste transfer station is underway;
- iii. the more positive outlook for developing similar waste transfer infrastructure in Fort William;
- iv. the improving prospect of securing a new lease for the existing Household Waste Recycling Centre in Fort William; and
- v. the process for preparing recommendations for a long-term residual waste solution is on target using the approach set out in the report to the last meeting of the Committee. A verbal update of the options appraisal process will be provided at the meeting and further Member engagement and reporting will be programmed from early September 2021.

### 3. Implications

#### 3.1 Resource implications

The waste transfer station developments identified in this paper are supported by the Council's existing capital programme. Construction programme variations may arise which would put pressure on the approved capital allocations. There is a possibility of

this occurring for the Inverness and Fort William waste transfer station developments. Initial indications of this are identified in this update at Paragraphs 4.1.2, 4.1.3 and 4.3.4.

3.2 Separately, should it not be possible to negotiate a new lease for the Household Waste Recycling Centre at Fort William a capital resource pressure would arise.

3.3 Until the Council's own infrastructure is in place there is a continual reliance on private suppliers for the transfer of waste. Inevitably there are annual inflationary increases (RPI/CPI) in contract costs that result in additional year costs. In addition, required new or renewed contractual arrangements can also result in increased costs. For example, contract increases for 2021/22, largely due to inflationary increases, require a budget feed of £147k, as approved at Council in March 2021.

### 3.4 Legal implications

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 waste as introduced through the Waste Management (Scotland) Regulations 2012. There is to be full compliance by the end of 2025.

### 3.5 Community (Equality, Poverty, Rural and Island) implications

The implementation of waste management services is undertaken in accordance with Scottish Government legislation and takes community factors appropriately into account.

### 3.6 Climate Change implications

The infrastructure developments highlighted in this paper are intended to contribute to the effective management of waste in the Highlands. Highland Council is very much aware that its investments should have positive climate/carbon impacts, lowering the area's environmental footprint.

### 3.7 Risk implications

There are risks and issues most particularly with the Inverness waste transfer station development and in the two infrastructure projects in view at Fort William.

- Inverness
  - Programme delay, estimated at 20 weeks, due to increased endangered species activity on the site. Concern this may also have financial impacts. Continuous monitoring will inform the necessary actions.
  - Whilst there have been considerable ground conditions investigations in preparing for a planning application and tender specification, the construction programme's detailed engineering design and the commencement of drilling work for piling supports, may impact on the project in terms of time and cost. Internal engineering advice, independent specialist piling advice and contract negotiations will help to mitigate any new risks emerging.
  - Value engineering proposals to the weighbridge office and main waste handling building will require Planning Authority approval. There is engagement with the Planning Authority to proceed appropriately.
- Fort William
  - Securing a new lease for the Household Waste Recycling Centre in good time will negate the need to look at a new site and hence an investment project.

- Work is underway to secure a suitable site and associated planning permission for the waste transfer station before the waste management contracts with commercial providers conclude in December 2022.

### 3.8 Gaelic

Any new signage required for new waste transfer stations will be provided in accordance with the Council's policy for Gaelic.

## 4. **Waste Infrastructure Projects**

### 4.1 Inverness Waste Transfer Station.

4.1.1 The contractor's works compound has been established at the Longman site. NatureScot has issued the protected species licence, to permit work to progress whilst maintaining a 10m exclusion zone. During the next three-four months, work will be undertaken to prepare for the site access road and associated gullies and drainage, and to commence piling for the main building.

4.1.2 Following programmed site investigation, civil engineering design work has been on-going to select the most appropriate piling methods for different areas of the construction site. The contractor's initial proposal (pitched as a worst-case scenario) identifies a potential additional cost of £508k for the piling solutions, the management of additional waste soil arising from the piling options, and an additional piling crew to avoid construction programme delays. Highland Council is assessing the contractor's proposal. A trial piling rig will be deployed to carry out further investigations to assist decision-making.

4.1.3 The current net effect on the total project cost incorporating the current piling proposal, other necessary design changes (e.g. to weighbridge on/off ramps), loss and expense (to cater for the 20-week programme delay), associated professional fees and opportunities for value engineering (to weighbridge and main building) could add £576k. This potential cost increase will be notified as a potential risk in the Communities and Place Q1 capital monitoring report.

### 4.2 Aviemore Waste Transfer Station

4.2.1 The facility is forecast to be completed on target by 17<sup>th</sup> September 2021.

### 4.3 Fort William Waste Transfer Station

4.3.1 There are two issues to resolve at Fort William:

- The need for a new lease to be negotiated for the Household Waste Recycling Centre (HWRC). The HWRC is located at Ben Nevis Industrial Estate, land owned by Jahama Estates.
- Establishing a waste transfer station as part of the strategic infrastructure investment supported by the Council's capital programme.

4.3.2 Following recent interaction between Highland Council officers and the landowner's representatives, work is progressing with the intention to secure a new lease to remain at the current HWRC site.

4.3.3 Highland Council's preferred site for developing a waste transfer station is adjacent to the HWRC. Council officers are in dialogue with the landowner's representatives about the potential for leasing the site. Permission has been granted for the Council to

undertake an environmental assessment of the inert materials on-site during August 2021 as part of the process.

- 4.3.4 The capital allocated in the current reprofiled capital programme for waste transfer stations at Aviemore and Fort William and other infrastructure (such as replacement recycling banks and bins) is circa £3m. Early indications, in advance of a detailed specification being developed and tenders received, are that this sum may be insufficient for all of the forthcoming demands, including delivering the Fort William waste transfer station. An unknown factor, which may require up to £500k to resolve based on an early estimate of the volume of material, relates to the potential site contamination clean-up requirement at Fort William. This will be notified as a potential risk in the Communities and Place Q1 capital monitoring report.

## 5. Long-term Waste Management

- 5.1 Highland Council is responsible for disposing of the waste it collects from circa 110,000 households and 5,800 business customers. In previous years, the Council has sent approximately 80,000 tonnes of residual waste per annum to landfill. A Covid impact has resulted in a reduced tonnage of 74,500 tonnes being sent to landfill in 2020/21. From 1<sup>st</sup> January 2026 it will not be legally permissible to landfill biodegradable municipal waste (residual waste) in Scotland.
- 5.1 A [report](#) (CP/21/21) to May's Communities and Place Committee outlined the steps that had been taken to that point, as part of the process of sourcing information and creating knowledge which will support future decision-making towards the most appropriate long-term waste management solution for Highland Council. Members agreed the framework for critically appraising the three long-term waste management options and the timeline for reporting. The three options are:
- do nothing and continue landfilling;
  - contract with providers in Scotland or England to receive and treat Highland municipal waste; and
  - develop and energy from waste facility to serve the region.
- 5.2 A key part of the Phase 1 activity was for officers to examine the three options through a qualitative consideration of the existing evidence, critically appraising the strengths and weaknesses of the options as well as risk and feasibility factors. This took place in a cross-service workshop in mid-June. The intended visit to an operating Energy-from-Waste (EfW) facility on 1<sup>st</sup> July was postponed due to Covid wave 3 concerns. It is provisionally intended that this visit should occur during late August 2021.
- 5.3 Phase 2 requires peer challenge and scrutiny of the appraisal. External and internal peer review is arranged to confirm the options appraisal findings by the end of August 2021. A verbal up-date can be provided at the Committee meeting and this will be reported to Members from early September 2021 onwards including to a meeting of the Members' Waste Strategy Working Group, an all-Members' seminar and if resources are to be considered, to any Council meetings. The scope to derive value from the Council's residual waste through an energy from waste combined heat and power plant as well as contribute to wider climate change targets is a key part of the options appraisal.
- 5.4 As existing residual waste management contracts will be terminating, Highland Council will require an interim or medium-term solution from 2023, in advance of the landfill ban coming into effect. This involves the second option above, contracting with third parties

outside of this region through lengthier contracts to receive and treat Highland Council collected residual waste in a legally compliant manner. A procurement exercise supported by the shared procurement service is underway. The tender seeks a solution for the period 2023-2027, with the option for extending by up to 36 months. The procurement process is running as scheduled and it is anticipated that the preferred medium-term contractor will be appointed in the early months of 2022, providing preparation time for the service provider and the Council's Waste Service ahead of the new contract(s) commencement.

## **6. Conclusions**

- 6.1 With funding provided through the Council's capital programme, the waste transfer station infrastructure project at Aviemore is progressing towards completion. The Inverness waste transfer station programme is underway, with initial civil engineering work taking place over the next four months.
- 6.2 There has been helpful dialogue with landowner representatives as Highland Council seeks to secure a suitable site upon which to create new a waste transfer station, and to secure the future of existing recycling infrastructure in Fort William, both of vital importance for waste operations in the Lochaber area. Site lease details are to be developed and submitted to Council officers.
- 6.3 The procurement process to acquire the medium-term management of Highland Council's residual waste tonnage is progressing to schedule, with the preferred contractor likely to be appointed during the early months of 2022.
- 6.4 A verbal update of will be provided at the Committee on the outcome of the options appraisal for the long-term solution and further engagement with Members and reporting will be programmed from early September 2021.

Designation: Executive Chief Officer Communities and Place

Date: 9 August 2021

Author: Stephen Graham, Project Manager