

Agenda Item	11.
Report No	CP/14/22

THE HIGHLAND COUNCIL

Committee: Communities and Place Committee

Date: 17 August 2022

Report Title: Waste Management Service Update

Report By: Executive Chief Officer, Communities and Place

1. Purpose/Executive Summary

- 1.1 This report provides Members with information on current waste management within Highland and on future intentions for waste service delivery. This includes: the development of waste transfer station infrastructure; an update on the position regarding the Household Waste Recycling Centre in Fort William; detail of key service work; progressing Longman Green Energy Hub Programme Phase 1.

2. Recommendations

2.1 Members are asked to note:

- i. The significant work being undertaken to deliver Waste Management Services, both current and looking to the future;
- ii. the Aviemore waste transfer station construction is completed;
- iii. the construction programme for Inverness waste transfer station is well underway;
- iv. Heads of Terms are awaited for the preferred site upon which to develop the Fort William waste transfer station and the new lease for the existing Household Waste Recycling Centre in Fort William;
- v. the progress to expand garden waste collection services with support from the Recycling Improvement Fund (RIF);
- vi. the use of digital technology (Route Optimisation) supporting the implementation of changes in service delivery;
- vii. a strategic options appraisal examining future waste and recycling collection possibilities is being undertaken with the aim to determine how Highland Council might align with Scotland's [Household Recycling Charter](#)
- viii. progress with site investigation studies in support of the Longman Green Energy Hub ambition;
- ix. the award of disposal services for residual waste, as a medium-term solution, becoming effective from 2023 reduces the Council's reliance on landfill from 2023

and will be fully compliant with the ban on biodegradable waste entering landfill which will come into effect as from the 31 December 2025.

- x. key recommendations from the independent review instructed by the Scottish Government into the role incineration plays in Scotland's waste hierarchy; and
- xi. key work being undertaken by Waste Management.

3. Implications

3.1 Resource implications

3.1.1 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. During mid-October 2021 Scotland Excel issued a briefing note regarding the construction materials market. The Market Disruption Briefing Notes state: "The construction materials supply chain has been subject to unprecedented disruption through a combination of the Coronavirus (COVID-19) pandemic and Brexit" and also that "Ongoing engagement with suppliers confirms that materials shortages, longer lead times and steep price increases will continue to impact the supply chain".

3.1.2 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.

3.2 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.

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

The implementation of waste management services is undertaken in accordance with Scottish Government legislation and takes community waste services into account. A key aim of the RIF programme is to level up recycling services and where the Council is successful in bidding this will have a positive impact, particularly in rural areas.

3.4 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.

3.5 Risk implications

3.5.1 There are risks connected to the Fort William transfer station development.

3.5.2 Work is at an advanced stage to secure a lease and associated planning permission for the waste transfer station before the waste management contracts with commercial providers conclude in December 2022. To mitigate this risk an extension to current contractual arrangement is required.

3.5.3 A new lease for the waste transfer station will enable the Council to secure a new lease for the existing Household Waste Recycling Centre site; this will negate the need to look at a new site and hence any other development project.

3.6 Gaelic implications

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

4. Waste Service Operating Environment

4.1 The annual operating budget showing gross expenditure and income for 2021/22 is summarised in the table below.

Table 1: Highland Council Waste Service, 2021/22 Expenditure and Income Summary

	Gross Expenditure	Income	Net Expenditure
Refuse Collection	£9,640,709	£5,235,085	£4,405,624
Waste Disposal	£12,677,143	£532,627	£12,144,516
Recycling	£5,277,516	£314,399	£4,963,117
Total	£27,595,368	£6,082,111	£21,513,257

4.2 Highland Council collects waste and other recyclable materials from circa 119,000 domestic premises under its statutory duty. This is substantially funded via the Council's revenue budget; no specific charge is made to households. For the garden waste collection service provided by Highland Council a specific charge is made to residents who wish to utilise the voluntary service. Highland Council also collects general waste and recycles from approximately 6000 commercial customers, services which are paid for through a contract agreement between The Highland Council and each commercial customer. The number of households in Highland is anticipated to grow by approximately 1000 annually over each of the next 10 years.

4.3 Waste management is a statutory obligation for a local authority. As noted at paragraph 3.3 above, it is a heavily regulated environment.

4.4 In addition to adhering to legislation there are numerous other factors which currently, and are likely to continue to, affect the waste management activities undertaken by The Highland Council. These are identified in **Appendix 1** under the structure of a PESTLE analysis (Political, Economic, Social, Technological, Legal and Environmental factors affecting the operating sphere). This management exercise is regularly undertaken as it can help deliver services identify opportunities and support our commitment to continuous improvement.

4.5 The Highland Council reports on two Key Performance Indicators under Environmental Services within its annual report to Council which relate to waste management activity: a street cleanliness score and a household waste recycled score. The most recent annual report covering 2020/21, [Item 11](#) tabled at the Council meeting of 10th March 2022, notified that:

- a. The street cleanliness score was 95% in 2020/21. The Scottish average was 90.1% and comparable councils averaged 95.1%. Highland Council is ranked 8th in Scotland on this basis, with the target being to remain in the top 8.
- b. In the calendar year 2020, 35.7% of Highland Household waste was recycled. The Scottish average was 42% and for comparable councils it was 33.4%. On this factor the Highlands is ranked 25th in Scotland.

4.6 Other waste management performance indicators reported through the [Local Government Benchmarking Framework for Scotland](#) indicate that compared to other Scottish councils:

- a. Amount spent on refuse collection in 2020/21 (net, £ per premise) was £83.70 with a Scottish average of £72.40 which placed Highland Council 28th of 32 councils.
- b. Amount spent on waste disposal (net, £ per premise) was £97.70 in 2020/21 with the Scottish average being £105.90 which placed Highland Council 11th of 32 Scottish councils.
- c. How satisfied are residents with local refuse collection – within Highland 87.8% of residents indicated they were satisfied during 2020/21, whilst in Scotland the average satisfaction rate was 74.3%. Highland was placed 2nd of 32 councils in this regard.

5. Waste Management Activity

5.1 This section of the paper outlines some existing key waste management activities being taken forward.

5.2 Future Collection Service Change – Options Appraisal

5.2.1 Highland Council's Waste Service is accessing free services provided by Eunomia to assist with a strategic options appraisal examining future waste and recycling collection possibilities. The aim is to determine how Highland Council might align with Scotland's [Household Recycling Charter](#) to which Highland Council is a co-signatory. The work with Eunomia is expected to conclude in the 3rd quarter of this year. Waste Management will subsequently prepare proposals and recommendations for consideration at a future Communities and Place Committee.

5.3 Business Waste Collection Service

5.3.1 The Highland Council operates one of the largest business waste collection services of any local authority in Scotland, providing a service to around 6000 customers across Highland. Business waste collections operate in a highly competitive market, particularly within the Inner Moray Firth.

5.3.2 Since 2020, a series of business improvements have been introduced to transform the service to help retain and secure new customers with the aim to increase the income generated from business waste collections. These include the development and introduction of a Customer Management System which is used by the service for prioritising customer care and to improve the overall business customer experience when engaging with the service.

5.3.3 Future work includes:

- Continuing to target Non-Domestic Rated (NDR) properties that are operating without a business waste collection contract and who may be in breach of their legal duty. The aim is to improve compliance with waste regulations from local

businesses, achieve a reduction in costs for the Council handling business waste for free and increased recycling.

- Continue to prioritise customer retention by improving the customer experience.
- Improve the promotion of the Council's business waste collection service to further increase customer numbers.
- Develop new income streams including offering a chargeable bulky waste service for businesses and providing waste services to events.

5.4 **Garden Waste**

- 5.4.1 The garden waste collection service was first introduced in 2005; at that time the service was made available to approximately 67,000 households focusing mainly on areas of higher population. The capital costs for providing the service were provided centrally by The Scottish Strategic Waste Fund.
- 5.4.2 Garden waste collections are not a statutory service that the Council is required to provide. Charging for the collection of garden waste was introduced in 2017 to help bridge a funding gap faced by the Council. The current service is optional, and householders can still take their garden waste along to their local Recycling Centre free of charge and/or compost at home. Current participation in the garden waste collection service is approximately 33% of households where this service has been made available to
- 5.4.3 Previous service expansion - In 2018, Culbokie and Kirkhill communities were offered the service; and in 2020, householders in Dornoch were offered the service. In 2022, the current expansion of the garden waste collection service has been supported by the Council successfully securing capital funding from the Scottish Government's Recycling Improvement Fund. The funding has paid for the purchase an additional Refuse Collection Vehicle and brown wheeled bins.
- 5.4.4 The current expansion is focusing on areas of high housing growth in East Inverness; this includes Tornagrain, Stratton, Ardiersier and Croy. Additionally, householders in Drumnadrochit are being offered the service. In Caithness, Watten and Dunnett communities will also be offered the service from 1st September 2022.
- 5.4.5 Future work for garden waste collections includes:
- exploring the opportunity to streamline the application process including to utilise online Direct Debits to help make it quicker and easier for householders to apply;
 - analysing data on customer retention rates to help inform decisions on future developments for the service across the Council; and
 - continuing to promote garden waste collection throughout the year, highlighting the environmental benefits of using the service, to maximise the amount of garden waste collected and composted.

5.5 **Route Optimisation**

- 5.5.1 The Webaspx Easy Route software solution continues to prove a useful tool in the optimisation and management of the Council's waste and recycling collection services.
- 5.5.2 April 2022 saw the successful implementation of new, safer and efficient optimised collection routes to almost 8000 householders and 645 business waste customers in Badenoch and Strathspey.

- 5.5.3 Current efforts are focussed on the garden waste collection service in Nairn and Inverness. This, combined with funding from the Scottish Government's Recycling Improvement Fund, will increase the efficiency allowing the service to keep pace with housing growth and to expand into additional areas.
- 5.5.4 The next planned work is optimising collection routes in the Caithness area. The team are currently assessing how the service is currently delivered with a view to how it can be improved in the near future.
- 5.5.5 Although the focus has been on optimising current collection routes, it should be recognised that the Route Optimisation software is an ideal tool for investigating any number of waste collection scenarios. This is particularly useful to the service in assisting to steer future decisions on how waste and recycling services are delivered in Highland.

5.6 Highland Waste Community Partnership Engagement

5.6.1 The Highland Community Waste Partnership (HCWP) is a new programme funded by The National Lottery Community Fund and coordinated by environmental charity Keep Scotland Beautiful, which will be implemented in collaboration with eight partner community groups across the Highlands, including:

- [Thurso Community Development Trust](#)
- [Lairg & District Learning Centre](#)
- [Broadford and Strath Community Company](#) (Isle of Skye)
- [Ullapool Community Trust](#)
- [Transition Black Isle](#)
- [Velocity Café and Bicycle Workshop](#) (Inverness)
- [Lochaber Environment Group](#) (Fort William)
- [The Highland Good Food Partnership](#) (Highland-wide)

5.6.2 Running over three years starting April 2022, the £1.5M funded project will seek to build collaboration across the eight partner community groups and beyond, aiming to reduce waste and build a movement for more sustainable consumption across the Highlands. The Council's Waste Services Team are a key stakeholder in the partnership and are working closely with the HCWP to help identify areas for collaboration to help reduce the amount of waste generated in Highland as well as providing advice and support.

5.7 Highland Council's Internal Waste

5.7.1 The Council has over 300 premises where waste is generated, including offices, schools, care homes, depots, piers, harbours, cemeteries and store rooms. The amount and type of waste generated at each site varies dependent on each building's purpose and use.

5.7.2 Reducing emissions arising from our corporate waste and adopting circular economy principles across council service delivery areas forms one of 8 themes within the Council's Net Zero Strategy. Emissions associated with the treatment and processing of waste are included within our Scope 1 and 2 emissions. A much larger footprint is included within our scope 3 emissions. While detailed base lining is being carried out as part of the Council's Net Zero Strategy. The high-level forecast based on procurement data has been estimated at 115 kt Co2. These are emissions associated with the production of goods we procure; an example of this would be growing food

that ends up going to waste. The associated emissions could be avoided if we reduced waste and recycled.

5.7.3 A corporate approach will support how the Council can continue to improve its environmental performance as well as deliver financial savings from reducing waste and increasing recycling.

5.7.4 A review of current internal waste policies and practices will also be undertaken to ensure the Council continues to comply with current waste legislation across its estate and is managing its resources effectively. Digital Transformation developments and Asset Management are ongoing projects which will also support waste management services including overheads.

5.8 **Waste Composition Analysis**

5.8.1 The Highland Council is working with Zero Waste Scotland as part of their National Waste Composition Analysis Programme. The aims and objectives of the programme are as follows:

- complete a programme of individual local authority studies to a consistent high quality;
- use those studies in the production of national composition estimates and in subsequent analysis work by Zero Waste Scotland; and
- to provide local authorities with the evidence to evaluate and “forecast” their services.

5.8.2 During this autumn, we will be sampling the kerbside presented waste and recycling (green, blue, brown and food caddies where appropriate) from 250 households and sorting the materials collected into over 60 fractions. The information gained from this project will enable us to make decisions on the best way to improve services and increase recycling across Highland.

5.9 **Waste Data**

5.9.1 During 2020 the amount of waste and recycling collected, and the overall recycling rate, were significantly affected by the pandemic lockdowns, including the temporary closure of the recycling centres and cessation of the garden waste collections.

5.9.2 In 2021 the amount of waste and recycling including the recycling rate has increased compared to 2020 but is not back to the 2019 levels. The amount of waste and recycling collected at the kerbside has mostly recovered although the amount of kerbside green waste remains less than before.

6 **The Journey Undertaken by Highland Council’s Collected Waste**

6.1 The residual waste (i.e. that which is not reused or recycled) collected by Highland Council is primarily landfilled at present. The current/future journey is described pictorially at **Appendix 2**.

6.2 Looking to the future, Highland Council has recently awarded a residual waste contract that will achieve compliance with the landfill ban. This is a significant achievement and delivers a solution to comply with the ban ahead of schedule. The contract covers the period 2023-27, with an option for both parties to agree an extension of the contract of up to 36 months. The contract becomes operational on 1st January 2023. This will

redirect, on a rolling timetable basis, Highland Council's residual waste to an energy-from-waste (EfW) processing plant in East Lothian.

- 6.3 By the end of 2023/24 there will be around 37,000 tonnes of residual waste being sent to EfW which was previously being landfilled. By the end of 2025 all of the residual waste collected by Highland Council will be taken to that end processor (anticipated to be 72,000 tonnes annually). Highland Council is therefore well-prepared for the advent of this significant change to waste management practices in Scotland.
- 6.4 For the management of residual waste beyond the lifespan of the 2023-2027/30 contract there are two principal options presently: seek a broadly similar, but longer-term third-party solution (10-15 years minimum contract with an extension option); or develop a Highland-located energy-from-waste facility.
- 6.5 The Scottish Government has accepted the recommendations of the Independent Review of the Role of Incineration in the Waste Hierarchy in Scotland. ([Independent review of the role of incineration in the waste hierarchy: Scottish Government response - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2022/06/Independent-review-of-the-role-of-incineration-in-the-waste-hierarchy-Scottish-Government-response-gov.scot)). The recommendations included (at recommendation 10) that options for future energy-from-waste facilities for rural councils might, if fully justified, lead to the creation of a small amount of (EfW) additional capacity. The Highland Council continues in dialogue with Scottish Government officials.
- 6.6 Highland Council is currently exploring the potential for an energy from waste facility option through the Green Energy Hub Programme, Phase 1 which was awarded support funding from Council on 9th September 2021. The concept and programme were set out in these reports:
- [Future Highlands – Health and Prosperity Strategic Partnership Plan \(Section 5\)](#)
 - [Medium Term Financial Plan – Update \(Section 7\)](#)
- 6.7 The two Scottish Government consultations active at present that are likely to have influence on our future service provision are:
- [Delivering Scotland's Circular Economy – Proposed Circular Economy Bill](#)
 - [Delivering Scotland's Circular Economy – Route Map to 2025 and Beyond](#)
- 6.8 An initiative that is scheduled to become fully active in August 2023 is the [Deposit Return Scheme](#), part of a wider Extended Producer Responsibility thrust, which aims to increase recycling rates and recycle quality in Scotland, and to achieve behaviour change such as reducing littering and maximising economic and social benefits from improved recycling. As we develop our net zero strategy and action plan to align with the Scottish Government Climate Change Route Map, a full review of the implications of circular economy will encourage the reuse of products with opportunities to develop a reuse and repair network, tackle our reliance on single use items. Explore new initiative to tackle areas including textile pollution/fast fashion. The Council should lead by example developing both a corporate and schools recycling plan that could support and encourage community development of similar projects.

7 Waste Management Infrastructure

- 7.1 Highland Council currently utilises a network of eight waste transfer stations throughout the area, where residual waste and recycle collections are gathered and aggregated before being transported to onward destinations for processing. The network of transfer stations operated by Highland Council extends across Skye (Portree), Sutherland (Lochinver, Tongue and Brora), Caithness (Seater), and Ross-shire

(Gairloch, Ullapool, and Invergordon). Within Inverness, Highland Council contracts with a commercially operated WTS.

- 7.2 In 2018 capital programme funding was secured to develop three new waste transfer stations. Working to robust programme and project governance, the three new waste transfer stations intended are:
- a. Aviemore – construction is complete, the building completion certificate has been applied for, and the facility is expected to become fully operational during this autumn;
 - b. Inverness – construction is underway and is scheduled for completion towards the end of January 2023 and to be operational from April 2023; and
 - c. Fort William – working to secure a ground lease for a development site and to have a facility in place and operational for late summer/early autumn 2024.
- 7.3 The aim of the investment in waste transfer stations includes retaining fuller control of waste management operations and costs.

Designation: Executive Chief Officer, Communities and Place

Date: 3 August 2022

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Highland Council Waste Service, PESTLE Analysis

P	E	S	T	L	E
Appetite to risk	Cost of living crisis Affecting operating costs (e.g. fuel) and potentially contractor charges Also impacts energy costs and security for individuals and businesses	New ways of working & changes to employment patterns - potential to affect corporate and household waste collection	Hydrogen production possibility - potential customer for an EFW's energy output - also alternative fuel for fleet revamp	Imposed statutory obligations - there are several legislative items of relevance to waste such as The Environmental Protection Act 1990, The Environment Act 2021, the Waste (Scotland) Regulations 2012, The Waste Management Licensing (Scotland) Regulations 2011, The Waste Batteries (Scotland) Regulations 2009, and The Landfill (Scotland) Regulations 2003	Net zero ambitions
Understanding of waste as a subject	General economy performance will affect THC income generation and collection from commercial sector waste customers	Attracting talent to positions in THC waste service	Waste collection and pre-treatment practices in the handling of residual waste - possible future removal of additional hydrocarbons before EFW and potential requirement to incorporate carbon capture in EFW standards	Future changes to legislation – Deposit Return Scheme, Textiles, WIEE, Garden and Food Waste	Responsible consumption
National Planning Framework 4 and proposed 6 spatial principles – one of which is conserving and recycling assets, another of which is just transition to net zero and environmentally sustainable ways of living	What is the business model going forward for heat and energy production and supply (local production/importing)	Community engagement and empowerment - developing partnerships with communities	Digital connectivity across Highland (ability of citizens to see range of, and book use of, waste services online)	Working time directive – Potential changes in work patterns (HR implications) e.g. Recycling centre opening hours	Forecasting future waste tonnage - difficult to accurately predict with attendant risks for operating facilities and collection services provision
National waste management agenda and circular economy agenda	The Local Heat and Energy Efficiency Strategies (Scotland) Order 2022 - local heat and energy efficiency strategy and delivery plan - a requirement for each local authority to prepare and publish on or before 31st December 2023	Public expectations and attitudes towards waste management and recycling, and use of facilities	Digital exclusion (lack of having an app vs aging population who struggle to use/access) - improving digital access and digital use could help with building awareness and modifying behaviours to use waste services appropriately	Expected adherence, as a signatory, to the 2015 Household Recycling Charter and Code of Practice	Scottish Government alignment with European standards
Scotland Biodegradable Municipal waste landfill ban – as from 31st December 2025	Unknown future taxation on waste activities (e.g. will a tax on EFW operations be introduced?)	Influence of (social) media on public expectations and attitudes	Carbon capture and storage – location considerations, technological and cost implications (either for building own EFW or reflected in higher gate fees)		Future carbon metric calculations (e.g. Zero Waste Scotland)
Scotland's recycling targets	Housebuilding occurring and planned, and larger number of smaller households - potential for increased waste tonnage as a result	Impacts on waste collection - areas of depopulation and areas of population concentration	Period of technological change – composition of waste will change too as circular economy evolves (THC waste composition study and analysis occurring between September - November 2022)		Public perception around waste treatment, e.g. incineration
Household recycling charter	Future grant funding (revenue and capital) as provided by Scottish Government to THC	Impacts on waste collection - aging populations	Implementation of digital solutions in service delivery - for example, in-cab devices would provide ability to record/prove bin contamination, applying vehicle number plate recognition software at recycling centres could help to identify those repeatedly using the facilities incorrectly		
Deposit return scheme Full implementation intended from 16th August 2023	Opportunity Cromarty Firth - UK Government funding opportunity if Highland is successful in bid. Also likely growth in jobs, and migration impact too, potentially affecting waste services required.	Lower recycling linked to areas of deprivation			
Circular Economy Bill Consultation & Route Map 2025 Consultation	Other UK Government funding avenues	Second homes and holiday accommodation			

Current Residual Waste Journey from Collection to disposal including future Energy from Waste



YOUR REFUSE



The journey from collection to Landfill or Energy from Waste

1. Your waste:

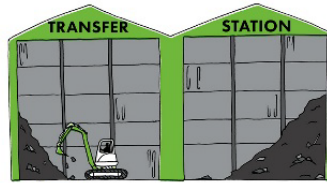
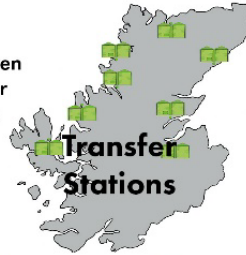


Around 127,000 tonnes of waste are produced by Highland households and Highland Council Business Waste customers each year. At present 35% of your waste is recycled. The majority of the remaining 65% is currently destined for landfill.



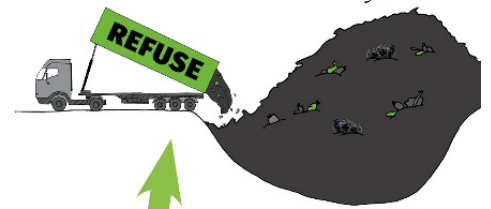
3. Bulking up for Transportation:

Once it has been collected your refuse is currently taken directly to a landfill site or to 1 of 8 Transfer Stations in Highland. Transfer Stations are used to hold and bulk up larger loads of refuse for more efficient transportation.

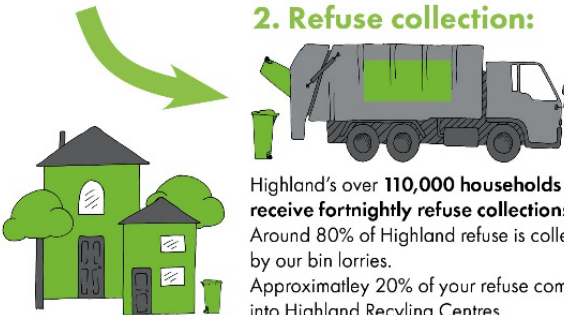


5. Landfilling your refuse:

79,000 tonnes of Highland refuse is currently landfilled each year. From 2023 we will reduce the amount that is landfilled by sending refuse to EFW.



2. Refuse collection:



Highland's over 110,000 households receive fortnightly refuse collections. Around 80% of Highland refuse is collected by our bin lorries. Approximately 20% of your refuse comes into Highland Recycling Centres.

4. Transport to Landfill sites or Energy from Waste (EFW):

Highland refuse is currently sent to 4 landfill sites located in Wick, Aviemore and Fort William within Highland or Stoneyhill in Aberdeen-shire. From 2023 we will gradually move away from landfilling by sending refuse to an EFW plant in Dunbar.

