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## **WASTE MANAGEMENT PLAN**

**Report by Service Director Neighbourhood Services**

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### **SCOTTISH BORDERS COUNCIL**

**25 June 2015**

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#### **1 PURPOSE AND SUMMARY**

- 1.1 This report outlines the approach to developing a new Waste Management Plan following the Council's decision to terminate the Waste Treatment Contract with New Earth Solutions in February 2015.**
- 1.2 On 19 February 2015, the Council terminated the Contract with New Earth Solutions and requested that a further report be brought back to Council setting out the process for developing a new Integrated Waste Management Plan and reviewing necessary waste treatment and disposal services.
- 1.3 Over the last decade Scottish waste policy, regulations and targets have changed and evolved, and this continues to be the case. This has made short, medium and long term decision making in relation to Waste Management extremely challenging for the Council.
- 1.4 The development of a Waste Management Plan will be governed and managed as a Corporate Transformation project, the performance of which will be regularly reported to the Council Executive.
- 1.5 Integral to the project is the establishment of a Member-Officer Reference Group adopting the practice followed for the establishment of SBC cares to test proposals and provide advice and feedback throughout the development of the Waste Management Plan.

#### **2 RECOMMENDATIONS**

- 2.1 **I recommend that the Committee:-**
  - a) Agrees the approach to developing a new Waste Management Plan as outlined in section 4.**
  - b) Agrees that a Member-Officer Reference Group be created for the duration of the project and development of the new Waste Management Plan.**
  - c) Nominates five Elected Members to the Member-Officer Reference Group**

### **3 BACKGROUND**

- 3.1 It is the duty of all Local Authorities in Scotland to prepare an Integrated Waste Management Plan in accordance with the requirements of the Environmental Protection Act 1990.
- 3.2 On 12 December 2013, the Council approved its Integrated Waste Management Strategy (IWMS) which outlined the strategic direction for municipal waste management in the Scottish Borders taking account of European and National Policy including Scotland's Zero Waste Plan.
- 3.3 The overall aim of the Council's Integrated Waste Management Strategy was to deliver a waste service that is 'fit for purpose' and financially sustainable in the long term.
- 3.4 On 19 February 2015, the Council terminated the Contract with New Earth Solutions due to significant concerns relating to progress, technical deliverability and risk transfer and requested that a further report be brought back to Council setting out the process for developing a new Integrated Waste Management Strategy and reviewing necessary waste treatment and disposal services.
- 3.5 The Council's previous Integrated Waste Management Strategy was structured, to a large extent, around the New Earth Solutions Waste Treatment Contract.
- 3.6 This report outlines the recommended way forward to ensure the Council can continue to deliver a waste service that is 'fit for purpose' and financially sustainable in the long term.

### **4 NEW WASTE MANAGEMENT PLAN – DEVELOPMENT APPROACH**

- 4.1 In order to fully establish the basis upon which the new Waste Management Plan is to be developed the following key tasks have already been undertaken:
  - Soft Market Testing with Private Sector Waste Treatment and Disposal providers
  - Assessment of Scotland Excel Waste Treatment Providers
  - Discussions with Local Authorities
  - Discussion with Zero Waste Scotland
  - Review of current and future European and National Waste Policy and Regulations, including the following:
    - a. Circular Economy & Resource Efficiency
    - b. Zero Waste Task Force
    - c. Scottish Materials Brokerage Service
- 4.2 The waste treatment opportunities available to Scottish Borders Council have changed considerably since the commencement of the Waste Treatment Project in 2008 and its subsequent award to New Earth Solutions. There are now a number of treatment facilities with capacity, that are either operational or in the process of being developed as part of a

Long Term Waste Treatment Contract with Local Authorities (i.e. Zero Waste: Edinburgh & Midlothian) or stand-alone merchant facilities (i.e. Viridor's Energy from Waste Facility at Dunbar, East Lothian).

- 4.3 Research has also indicated that the gate fee for merchant treatment capacity is becoming increasingly competitive compared to landfill. This is in large part due to the landfill tax escalator (currently £82.60/t) combined with increased competition in the market place across the UK and Europe.
- 4.4 As a result, the development of a Waste Treatment Facility in the Scottish Borders is no longer the only viable option available to the Council, whether that is on its own or as part of a longer term waste treatment contract with a third party provider. However, that is not to say this may still present the best option.
- 4.5 Waste policy, regulations and targets continue to evolve over time and this is likely to continue to be the case for the foreseeable future. Outputs from the Zero Waste Task Force must be carefully considered as part of the plan going forward. Therefore, there may be merit in allowing the market and waste policy to stabilise prior to the Council making any significant long term investment in waste treatment contracts.
- 4.6 Partly as a consequence there is no one set system that Local Authorities have adopted in relation to the management of municipal waste. Officer research indicates that Councils are each taking different approaches depending on their individual circumstances.
- 4.7 There are also opportunities for joint working with neighbouring authorities and it is suggested that these should be investigated in more detail during the development of the new Waste Management Plan.
- 4.8 In light of the comments above, it is suggested that medium term flexibility should be a key outcome of the plan.
- 4.9 To ensure that the new Waste Management Plan delivers a value for money service, fit for purpose, flexible solution, the following service elements must be considered:
- a) Kerbside Collection
  - b) Transfer and Bulk Haulage
  - c) Waste Treatment
  - d) Waste Disposal

All elements of these will influence the analysis of the different options and the outcome of the new Waste Management Plan.

- 4.10 The development of a new Waste Management Plan will be managed as a Corporate Transformation project, the performance of which will be regularly reported to the Council Executive.
- 4.11 It is proposed that a Member-Officer reference Group (see Appendix 1) be developed in line with the model adopted for SB Cares with Elected Member able to test proposals and provide feedback and advice throughout the development of the Waste Management Plan.
- 4.12 Further details on the proposed structure and terms of reference of the Member-Officer Working Group can be found in Appendix 1.

- 4.13 Member input will be of critical importance when determining the Council's priorities for future service provision and determining the approach to be taken.
- 4.14 It is proposed the Member-Officer reference Group meet to discuss and agree the approach to the development of the new Waste Management Plan. Items that will need to be clarified include:
1. Confirmation of the Council's priorities and key drivers in relation to the provision of waste services:
    - Budgets/Savings
    - Alignment with European and National Waste Policy and Regulation.
    - Rural Proofing
  2. Confirmation as to the level of independent advice and support required throughout the project.
  3. Confirmation as to the level of public consultation and engagement.
- 4.15 **Strategic Environmental Assessment (SEA)**
- 4.15.1 As a minimum, the Council will be required to undertake a Strategic Environmental Assessment Screening Exercise. This will determine whether the Waste Management Plan will have a significant environmental impact.
- 4.15.2 If the Screening Exercise determines that the plan will have a significant environmental impact then the Council will be required to complete a full Strategic Environmental Assessment.
- 4.15.3 Strategic Environmental Assessments by their nature take time and are therefore likely to:
- impact project delivery timelines
  - have financial implications
  - have a bearing on the outputs of the plan
- 4.15.4 It is proposed that the screening exercise is carried out and that the Strategic Environment Assessment Gateway is contacted for further advice and guidance.
- 4.16 **Regulatory Review**
- 4.16.1 The waste industry is highly regulated. It is important that the Waste Services provided by the Council are undertaken in accordance with its statutory duties and wider Environmental Legislation.
- 4.16.2 It is therefore proposed that a legal review is undertaken to ensure that the Waste Management Plan complies with the Council's statutory duties and wider Environmental Legislation.

## **5 WASTE POLICY, REGULATIONS AND TARGETS**

- 5.1 Over the last decade Scottish waste policy, regulations and targets have changed and evolved, and this continues to be the case, see below:

- 2003 - Scottish Executive - National Waste Plan
- 2003 - Scottish Executive - Lothian & Borders Area Waste Plan
- 2005 - Landfill Allowance Scheme (Scotland) Regulations
- 2007 - Household Waste Prevention Action Plan (Scotland)
- 2008 - Scottish Government announces new policy approach to Scotland's waste, based on a concept of 'zero waste'
- 2009 - Climate Change (Scotland) Act 2009
- 2009 - SEPA Thermal Treatment of Waste Guidelines
- 2010 - Scottish Government issues Zero Waste Plan replacing previous National Waste Plan
- 2012 - Waste (Scotland) Regulations 2012
- 2013 - Scottish Government blue print for a more resource efficient and circular economy
- 2014 - Updated SEPA Thermal Treatment of Waste Guidelines
- 2015 - Waste (Recyclate Quality) (Scotland) Direction 2015
- 2015 - Code of Practice on Sampling and Reporting at Materials Recovery Facilities
- 2015 - Zero Waste Task Force announcement expected

Note - Above list is not exhaustive.

- 5.2 In large part of this is due to policy and regulatory change at a European level. This has made short, medium and long term decision making in relation to Waste Management extremely challenging for the Council.
- 5.3 At the current time the key policy and regulatory drivers in Scotland are the Scottish Government's Zero Waste Plan (Appendix 2) and the Waste (Scotland) Regulations 2012 (Appendix 3).
- 5.4 The key European and National Waste Targets are summarised in Appendix 4.
- 5.5 There are a number of additional considerations which may impact the direction of travel for waste policy, regulations and targets, as detailed below:
- Circular Economy & Resource Efficiency
  - Zero Waste Task Force
  - Scottish Waste Brokerage Service

These are explained in more detail below.

## 5.6 **Circular Economy & Resource Efficiency**

- 5.6.1 The 'Circular Economy' and 'Resource Efficiency' is already playing an increasingly important role in the direction of European and National Waste Policy.
- 5.6.2 In October 2013, the Scottish Government issued its programme to reduce waste and create a more productive and circular economy entitled "Safeguarding Scotland's Resources: Blueprint for a more resource efficient and circular economy".

- 5.6.3 The Scottish Government's programme aims to make today's model of production and consumption more resource efficient (doing more with less, and minimise waste), while also laying the foundations for a more circular model of resource use: circular economy.
- 5.6.4 At a European level, the European Commission's 'Circular Economy Package' was first proposed in July 2014 and included a proposed 70% recycling and reuse target for 2030, as well as a requirement for Member States to recycle 80% of packaging waste by 2030. However, by December 2014, it had been withdrawn to be replaced by a 'broader more ambitious' waste package.
- 5.6.5 The European Commission has indicated that it is aiming to present the more ambitious 'Circular Economy Package' in late 2015 with the aim of transforming Europe into a more competitive resource-efficient economy.

Note – The EU Circular Economy Consultation commenced on 28 May 2015.

- 5.6.6 The package is likely to include new legislative proposals on waste targets, which may be country specific, but keeping EU-wide goals on recycling.

## 5.7 **Zero Waste Task Force**

- 5.7.1 The Zero Waste Task Force was set up by the Scottish Government with the aim of delivering the leadership and vision needed to address barriers to maximising the economic footprint of Scotland's waste materials.
- 5.7.2 The Zero Waste Task Force has concentrated its efforts on the following workstreams:
1. Communicating the benefits of a circular economy for local government
  2. Measures to improve the recycling system to support a circular economy
  3. Managing the market interface
- 5.7.3 Task Force meetings have been jointly chaired by Richard Lochhead, Cabinet Secretary for Rural Affairs, Food and the Environment and Councillor Stephen Hagan, COSLA Spokesperson for Development, Economy and Sustainability. Membership has included Scottish Government, Zero Waste Scotland and COSLA.
- 5.7.4 The outputs of the Zero Waste Task Force are expected in June 2015 and have the potential to impact the way in which Councils deliver their waste services. The most prominent of these is under Workstream 2 which has been considering national consistency with regards to waste collection services, messaging and approach. In short, this may involve a standardisation of

waste collection methods across **All** Scottish Local Authorities.

- 5.7.5 At the conference 'Achieving Scotland's Environmental Goals' in Edinburgh on 5 March, Richard Lochhead, Cabinet Secretary for Rural Affairs, Food and the Environment said "radical steps" are being discussed as part of the Zero Waste Taskforce's review to improve the quantity and quality of recycling. It was also indicated that the government will be pushing for more uniformity in collection systems.
- 5.7.6 It is understood within the industry that Scottish Government is looking at the progress made in Wales in relation to their recycling rates, which has included a standardised approach to collection systems (called the Waste Collections Blueprint) across all Local Authorities and the implementation of statutory recycling rates.
- 5.7.7 The latest information indicates that the Zero Waste Task Force will present a 'Best Practice Charter' in relation to collection systems. Local Authorities will be given the opportunity to sign-up to the Charter in a similar manner to the Climate Change Charter. At this stage the full impacts of the Zero Waste Task Force are not known.

## 5.8 **Scottish Waste Brokerage Service**

- 5.8.1 Scotland's public sector handles around 3 million tonnes of waste material per year.
- 5.8.2 The aim of the Scottish Waste Brokerage Service is to:
- Provide a market place for the sale of recyclable materials
  - Provide certainty of demand for local authorities looking to sell recyclable materials into the reprocessing sector
  - Enable Local Authorities to use their combined scale, in terms of waste tonnage, to achieve better prices for recyclates
  - Help to develop a reprocessing industry in Scotland for recyclable waste materials
  - Help to deliver a Resource Efficient Scotland Programme and Circular Economy
- 5.8.3 It is understood that the first contracts will be awarded in the middle of 2015 with the service going live in 2016.
- 5.8.4 The Scottish Waste Brokerage Service should be considered as part of the Council's long term strategy for the treatment of recyclable materials.

## **6 IMPLICATIONS**

### 6.1 **Financial**

- (a) Officer and member resources will be required to provide input, direction and advice throughout the project.

- (b) The financial implications of developing the new Waste Management Plan are not currently known. These will be identified once the approach is agreed with the Member-Officer reference Group as outlined in section 4.
- (c) The costs for undertaking the Strategic Environmental Assessment Screening Exercise are yet to be identified but are anticipated to be in the region of £15,000. It is likely that consultancy support will be required to take this forward as this is a specialist area and will be funded from existing budgets.
- (d) The costs for undertaking the Legal review have been estimated to be in the region of £12,000 and will be funded from existing budgets.

## 6.2 **Risk and Mitigations**

- (a) Failure to develop a Waste Management Plan puts at risk the Council's ability to comply with future European and National Waste Policy and Regulatory requirements (see appendices 2, 3 and 4).
- (b) The risks and mitigations of the waste management plan are not known at the current time. These will be assessed and considered throughout the development of the Waste Management Plan.

## 6.3 **Equalities**

The equality implications of the Waste Management Plan are not known at the current time. Equality Impact Assessments (EIA) will be undertaken and considered throughout the development of the Waste Management Plan.

## 6.4 **Acting Sustainably**

The economic, social and environmental effects of the Waste Management Plan are not known at the current time. These will be assessed and considered throughout the development of the Waste Management Plan.

## 6.5 **Carbon Management**

The impact of the Waste Management Plan on the Council's carbon emissions are not known at the current time. This will be assessed and considered throughout the development of the Waste Management Plan.

## 6.6 **Rural Proofing**

The impact of the Waste Management Plan on the Council's Rural Proofing Policy is not known at the current time. This will be assessed and considered throughout the development of the Waste Management Plan.

## 6.7 **Changes to Scheme of Administration or Scheme of Delegation**

There are no changes to the Scheme of Delegation.

# 7 **CONSULTATION**

- 7.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer Audit and Risk, the Chief Officer HR and Clerk to the Council have been consulted and any comments received have been incorporated into this report.



- 7.2 The Corporate Equalities and Diversity Officer, the Corporate Transformation and Services Director, the Service Director Capital Projects, the Procurement Officer, Corporate Communications and the Depute Chief Executive Place have been consulted and any comments received have been incorporated into this report.

**Approved by**

**Service Director Neighbourhood Services Signature .....**

**Author(s)**

Name	Designation and Contact Number
Ross Sharp-Dent	Waste Manager +8857

**Background Papers:** 19 February 2015 - Waste Treatment Contract

**Previous Minute Reference:** NA

**Note** – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Jacqueline Whitelaw can also give information on other language translations as well as providing additional copies.

Contact us at Jacqueline Whitelaw, Place, Scottish Borders Council, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA, Tel 01835 825431, Fax 01835 825071, email [eittranslationrequest@scotborders.gov.uk](mailto:eittranslationrequest@scotborders.gov.uk).

## **Appendix 1- Member-Officer Reference Group – Terms of Reference**



**Corporate  
Transformation**

**Waste Management Plan**

**Member-Officer  
Reference Group  
(MORG) Terms of  
Reference**

**12th June 2015**

**Author:** Ross Sharp-Dent

**Issue No :**0.1 Draft

<b>Revision History</b>			
<b>Version</b>	<b>Date</b>	<b>Summary of Changes</b>	<b>Author</b>
0.1	12/6/2015	First Draft	Ross Sharp-Dent

<b>Purpose</b>
To agree the terms of reference of the Member-Officer Reference Group (MORG)

### **Purpose of the Reference Group**

- Test that the project team are going along the right lines, allowing suggested changes to be incorporated early while the Waste Management Plan is being developed and more chance of meeting member's requirements.
- Provide a sounding board for the project team on how best to tackle specific issues that have come up.
- Give an outside perspective on the project.
- Give a political perspective on the project.
- Allow concerns raised by Elected Members to be addressed by the project team.
- Assure SBC Elected Members that proposals have been well examined, allowing decisions on the Waste Management Plan to be taken.

### **Scope**

The MORG will focus on the major areas of the project, providing robust review of key aspects during the development of the Waste Management Plan.

The project board is the decision-making body for the project on an operational basis. The MORG will not affect this.

## Operation of the Reference Group

- The MORG will meet on a monthly basis
- An agenda will be prepared in advance with papers from the project team on areas they would like to discuss with the MORG that will also cover areas that elected members would like to discuss
- Jenni Craig, Service Director Neighbourhood Services will chair the meetings
- As well as the elected members chosen for the MORG, the following officers will attend the MORG meetings:-
  - Ross Sharp-Dent : Waste Services Manager
- Other individuals will be invited as required

## Appendix 2 – National Waste Plan – Zero Waste Plan 2010

The Zero Waste Plan outlines the Scottish Government's vision for a zero waste society, where **ALL** waste is seen as a resource; Waste is minimised; valuable resources are not disposed of in landfills, and most waste is sorted, leaving only limited amounts to be treated.

The Zero Waste Plan outlines twenty two actions through which the aims of the plan are to be achieved, including:

- *landfill bans for specific waste types aiming to reduce greenhouse gas emissions and capturing their value;*
- *separate collections of specific waste types, including food (to avoid contaminating other materials);*
- *two new targets that will apply to all waste (in the past only applicable to municipal waste): 70% target recycled and maximum 5% sent to landfill, both by 2025;*
- *restrictions on the input to all energy from waste facilities. Previously the Scottish Government stated this was only applicable to municipal waste. This replaces the 25% energy from waste cap for local authority collected municipal waste with an approach that requires equivalent treatment standards for all waste streams and sectors (household, commercial and industrial waste);*
- *development of a Waste Prevention Programme for all wastes, making prevention and reuse central to actions and policies;*

The new Zero Waste Plan is a plan for all of Scotland's waste (household, commercial and industrial waste), not just municipal waste.

Further information on Scotland's Zero Waste Plan can be found at [www.zerowastescotland.org.uk](http://www.zerowastescotland.org.uk)

## Appendix 3 – Waste (Scotland) Regulations 2012

The Zero Waste Plan outlined that a package of regulatory measures would be required in order to implement a number of its actions. This culminated in the introduction of The Waste (Scotland) Regulations 2012 which came into force on the 17<sup>th</sup> May 2012.

The Regulations provide for the collection, transport and treatment of key recyclable materials (paper, card, plastic, metal and glass) and food waste, placing additional requirements on local authorities and businesses in this regard.

Specific measures introduced by the Waste (Scotland) Regulations 2012 include:

- A requirement on local authorities to provide householders with:
  - A separate collection service for dry recyclables (paper, card, plastic metal and glass) from January 2014.
  - A separate collection service for food waste (apart from rural areas) from January 2016.
- A requirement on Local Authorities to take steps from 1<sup>st</sup> January 2014 to promote separate collection and recycling. This includes making arrangements for the provision of a food waste receptacle.
- A requirement for businesses to present:
  - Dry recyclables (metals, plastic, paper, card and glass) separately for collection from 1<sup>st</sup> January 2014
  - Food waste of more than 50kg/week separately for collection from 1<sup>st</sup> January 2014, with those producing less than 50kg/week exempt until the end of 2015.
- A ban on materials collected separately for recycling going to landfill or incineration from 1<sup>st</sup> January 2014.
- A requirement to remove dry recyclables (plastics and metals) from mixed waste prior to incineration (from July 2012).
- **A ban on biodegradable municipal waste going to landfill from 1<sup>st</sup> January 2021**
- A ban on the use of macerators and food waste disposal units from 1<sup>st</sup> January 2016 to ensure food waste is not deposited in a public drain or sewer. This does not apply to domestic properties or rural areas.

## Appendix 4 - Scottish Government and European Waste Targets

Target/Cap	Year	Derivation
50% recycling/composting of household waste	2013	Scottish Government target
No more than 1.8 million tonnes of biodegradable municipal waste to be sent to landfill	2013	EU Landfill Directive
50% recycling of household waste	2020	EU Waste Framework Directive
60% recycling/composting of household waste	2020	Scottish Government target
No more than 1.26 million tonnes of biodegradable municipal waste to be sent to landfill	2020	EU Landfill Directive
70% recycling of construction and demolition waste	2020	EU Waste Framework Directive
70% recycling/composting rate of all waste by 2025	2025	Scottish Government target
No more than 5% of all waste to go to landfill	2025	Scottish Government target