

## WASTE MANAGEMENT – WASTE STRATEGY

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### 1.0 EXECUTIVE SUMMARY

- 1.1 Argyll and Bute Council is both waste collection and waste disposal authority. Waste collection is carried out by council staff with assistance from third sector groups for recycled materials.
- 1.2 Waste disposal is dealt with by 3 separate models across the council. These are:
- Island sites which are operated directly by the council.
  - A 25 year PPP contract covering the mainland other than Helensburgh and Lomond – this runs until 2026.
  - Helensburgh and Lomond where collected waste is disposed of at third party sites outside Argyll and Bute.
- 1.3 Waste to landfill is environmentally unsound and legislation and guidelines have been put in place to reduce material to landfill. One of the measures introduced nationally is a landfill tax which currently costs the council £82.60 per tonne. National guidance is expected with regards to the ban on biodegradable waste going to landfill from 2021.
- 1.4 The annual council budget for waste management is some £11,727,934 for 2015/16.
- 1.5 At its October 2012 meeting council approved a waste strategy which included progressing a contract variation allowing co-mingled materials for recycling to be collected and general waste collections moving to 2 weekly. This provided an improved and increased recycled material collection facility to be provided to the residents of mainland Mid Argyll, Oban/Lorn and Cowal. This has been delivered. It was agreed as part of the Council's budget in February 2016 that general waste collections would move to a 3 weekly cycle during 2016/17. By restricting the capacity for waste that is sent to landfill it is hoped that further changes in behaviour can be encouraged, further increasing recycling.
- 1.6 The landfill sites operated by the council and those returning to the council in 2026 will have an ongoing maintenance requirement. This will include monitoring for leachate and gas, restoration works and environmental compliance as well as general health and safety.

- 1.7 A revised waste strategy is required to deal with the known requirements over the coming years and also to shape service delivery over the next 25 year period and beyond. Whilst the current delivery model is working and can be contained within budget over the next 2 financial years this is not a sustainable position in the longer term. This has been demonstrated by the 25 year waste model detailed in the report. Doing nothing is not an option, by 2028/29 the financial model indicates that the council would be at an adverse budget position of £3,912,094 increasing to £9,286,413 by 2039/40 should we continue as is. The profile of the service within the current financial year projects a favourable variance of £134K. It was agreed as part of the Council's budget in February 2016 that this favourable variance would be earmarked for waste management providing the funding to cover otherwise adverse positions in 2016/17 and 2017/18 of £45K and £88K, thereby removing the deficit within these years. This provides time to develop an alternative waste strategy to mitigate future financial pressures.
- 1.8 From an environmental position the council should be pursuing options that divert waste from landfill. The emerging waste strategy should consider additional diversion from landfill. There is a range of options available including energy from waste, gasification, additional recycling etc.
- 1.9 It is recommended that Environment, Development and Infrastructure Committee:
- Notes the report,
  - Endorses work being progressed towards a long term waste strategy,
  - Notes recruitment of a project manager to lead on the provision of a new waste strategy.
  - Notes that a further report will be brought to a future meeting regarding the Waste Charter

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**2.0 INTRODUCTION**

- 2.1 This report sets out the current position relating to waste collection and disposal. The report considers the financial, contractual and legislative implications regarding waste and seeks to put in place a long term waste strategy.
- 2.2 This report will have budget implications and consideration will need to be given to the financial requirements as part of the budget process.

**3.0 RECOMMENDATIONS**

- 3.1 That Environment, Development and Infrastructure Committee:
- Notes the report,
  - Endorses work being progressed towards a long term waste strategy,
  - Notes recruitment of a project manager to lead on the provision of a new waste strategy.
  - Notes that a further report will be brought to a future meeting regarding the Waste Charter.

**4.0 DETAILS**

**4.1 Waste Model – Existing Disposal Arrangements**

- 4.1.1 Waste disposal is dealt with by 3 separate models across the council. These are:
- Island sites which are operated directly by the council.
  - A 25 year PPP contract covering the mainland other than Helensburgh and Lomond – this runs until 2026.
  - Helensburgh and Lomond where collected waste is disposed of at third party sites outside Argyll and Bute.
- 4.1.2 Appendix 1 details the operations of the three waste management areas within Argyll and Bute and includes a plan detailing the 3 areas.

## **4.2 Council Strategy (2012)**

- 4.2.1 The Waste Strategy approved by the Council in October 2012 was mainly as a result of the Waste (Scotland) Regulations 2012 which were introduced in May of that year. The Strategy was required to detail the implications of the Regulations and how the Council intended to comply including legal requirements by 2014 on collecting a range of recycling materials from households and offering various recycling collections to commercial premises who would have a local duty to recycle as would all public bodies.
- 4.2.2 In the main, the Council collections on Mull, Islay and Tiree complied as household and commercial recycling collection services were available for paper, card, plastic and cans (plastic/cans in separate bags). Mull and Tiree also had glass collections from households with Islay relying on bottle banks.
- 4.2.3 Helensburgh and Lomond was also seen as compliant with the 2014 requirements as this area also had recycling collections in place for paper, card, plastic, cans plus a separate glass collection. A food waste recycling collection was also in place in the Helensburgh area which was a requirement in the 2012 Regulations due to it being classed as an urban area (food waste exemptions applied in rural areas).
- 4.2.4 Kintyre and Bute household collections were already compliant due to the collections in place via Kintyre Recycling Ltd and Fyne Futures respectively for paper/card and plastic/cans uplifts. The Strategy indicated the intention to continue utilising the groups in these areas for the recycling collections with the Council carrying out the residual waste uplifts. Under this model third sector groups will carry out household collections of materials for recycling in partnership with the Council.
- 4.2.5 The main areas where compliance at the time would require significant collection changes was in the Mid Argyll, Oban/Lorn and Cowal areas within the PPP Contract. In these areas only paper/card blue bin collections from households were available. With the requirements from 2014 to also collect plastic and cans, the most efficient way deemed of achieving this at the time and as approved by the 2011 Waste Review, was to add plastic and cans into the blue bins while moving to an alternate weekly service with residual waste to ensure recycling uptake. This would also ensure collection savings as required from the budget and the 2011 Waste Review. Authority was given to negotiate with Shanks regarding a formal PPP contract change to allow for this.
- 4.2.6 The Contract Variation process with Shanks turned out to be complex and lengthy with several committee reports being presented to Members on progress and the Scottish Government were also informed. The PPP Variation was subsequently agreed in 2014 which allowed the change in collections to be implemented (albeit later than originally envisaged) during autumn 2014 for Mid Argyll, Oban/Lorn and spring 2015 for Cowal.

4.2.7 The change in collections have been generally successful. The schemes have resulted in an approximate 16% increase in recycling and a 13% reduction of residual general waste in the PPP area.

### **4.3 Financial Model**

4.3.1 A financial model covering a 25 year period, 2015-16 to 2039-40 has been developed for waste management.

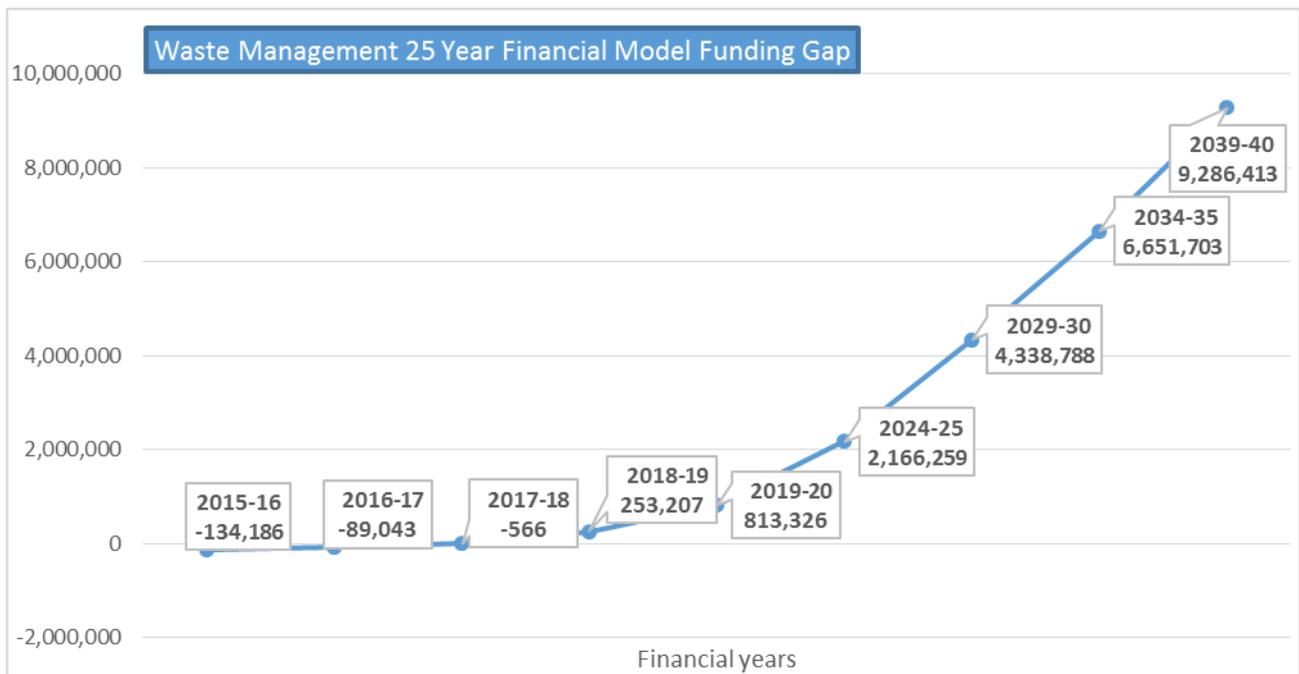
4.3.2 The model incorporates the PPP contract with Shanks which ends on 3 September 2026.

4.3.3 The main factors that influence the model are:-

- profile of contract variation repayment from Shanks.
- contractual Payments to Shanks which is index linked @ 0.85 of RPIx.
- landfill tax
- Capping/restoration and aftercare of island sites
- Waste volume based on proposed 2015-16 tonnage levels, future changes in volume not factored into model
- Sale of recyclates based on 2014-15 prices, future price changes not reflected in model
- Inflation only applied to employee costs, electricity, non-domestic rates, landfill tax and Shanks payments per budget outlook
- Budget reduction in waste model following the end of the Shanks contract

4.3.4 As part of the year end process for 2014-15 there was an accounting requirement to provide for the costs of decommissioning landfill sites within the value of the asset in the Council's annual accounts. The result of this requirement was that £1,477K was added to the value of the landfill sites and treated as capital expenditure. The revenue consequence is that the Council requires to fund the cost of this expenditure over 10 years at an annual cost of £227k per annum.

4.3.5 If the Council does nothing and continues the service delivery on the current basis the overall forecasted position for the 25 years will be a cumulative deficit at the end of the period amounting to £9.286m, as displayed in the graph below. Appendix 2 has the individual yearly position.



4.3.6 The profile of the service within financial year 2015-16 within the waste model is projecting a favourable variance of £134K. This favourable variance was earmarked at the February 2016 budget meeting of Council, for waste management to provide funding to cover the adverse positions in 2016/17 and 2017/18 of £45K and £88K, thereby removing the deficit within these years. This would provide time to develop an alternative waste strategy prior to an adverse financial position developing.

4.3.7 The model does not reflect the changes introduced by Service Choices which will reduce the capacity available for general waste by moving general waste bin collections from a two weekly cycle to a three weekly cycle. Whilst the three weekly collections will reduce the financial demands on the service, the significant costs are associated with landfill, contracts etc. The financial model will be updated once three weekly collections have settled in and any changes in waste volumes will be reflected.

4.3.8 Included in the financial model is provision for a project manager to lead on the provision of a revised waste strategy. This post is anticipated to be required for a time limited period of two years.

#### 4.4 Shanks Contract Requirements

##### Waste PPP

4.4.1 The Council has a PPP contract with Shanks Argyll and Bute Limited. The Council is obligated to deliver waste generated in the contract area to Shanks who require to process this in terms of the output specification in the contract. In addition they require to operate and maintain certain of the waste facility sites owned by the Council. In return the Council is obligated to pay to Shanks a Unitary Charge for this Service.

4.4.2 The Council has to date made 2 material variations to the contract. The first of these was in relation to retention of island sites, extracting revenue sums from the Unitary Charge payment in the contract. The second variation was in respect of the introduction of co-mingled waste collection to enable the Council to meet its requirements in terms of the zero waste regulations.

4.4.3 It should be noted that the process of variations is not a flexible process which allows the Council to easily add or subtract to the obligations of the contract. The process can be dictated by the funders to the project and their view of the risk involved in any particular variation.

#### Project Term and Handback

4.4.4 The contract subsists until 4 September 2026. After that date, if no other arrangement is entered in to, the Council will become responsible for the maintenance and operation of the sites currently operated and maintained by Shanks and the processing of waste at those sites. Prior to the expiry of the contract there are detailed requirements for the handback of the facilities to ensure that these are in a condition consistent with the output specification in the contract. The handback arrangements ensure that the facilities revert back to the Council in an appropriate condition with the transfer of relevant waste management licences, permits, maintenance, operation and training manuals for the operation and function of the facility.

#### Options Post 2026

4.4.5 Once the Waste PPP contract has completed, the Council has options in relation to how it wishes to operate its waste facilities and the processing of waste that is currently undertaken by Shanks.

4.4.6 These options will depend on how the service wishes to deliver waste services at that time but may include:

- Direct Council operation of the waste facilities;
- Further contracting with 3rd party for operation of waste facilities through private finance;
- Contract with 3rd party for operation of the waste facilities with Council funding;
- Reduction of capacity or use of current waste facilities dependent on waste strategy at that time.

4.4.7 As the Council approaches the end of the contract period and engages in the handback process with Shanks it would be prudent to undertake a more detailed option appraisal at that time to determine the most effective and efficient method of utilising the facilities currently operated by Shanks.

### **4.5 Legislation and Guidelines**

4.5.1 There is significant legislation and guidance relating to waste management dating back to the Refuse Disposal Amenity Act 1978 and the Environmental Protection

Act 1990. The most recent major piece of waste legislation is the Waste (Scotland) Regulations 2012 which followed on from the Scottish Government's Zero Waste Plan which was published in 2010.

4.5.2 The Scottish Government's Zero Waste Plan includes the following key targets:

- 50% recycling/composting from households in 2013
- 60% recycling/composting from households in 2020
- 70% recycling/composting from households in 2025 and no more than 5% of all waste to go to landfill

4.5.3 The Waste (Scotland) 2012 Regulations focus on delivering the following main objectives:

- Local Authority recycling services to domestic properties and businesses;
- The separate collection of recyclables;
- Food waste collections to domestic properties and businesses;
- High quality recyclates producing closed loop recycling;
- Restrictions on inputs to Energy from Waste Facilities (EfW); and
- Landfill bans.

4.5.4 The 2012 Regulations include duties such as:

- Councils must provide and promote separate collection(s) of glass ,paper, card, metals, plastics and food waste from domestic properties from January 2014 (Exemptions exist for food waste in rural areas);
- A separate collection of these recyclables must also be offered by Councils to businesses and other non-domestic properties from January 2014;
- Businesses to present metal, plastic ,glass ,paper and card for separate collection from January 2014;
- Food businesses (except in rural areas) which produce over 50 kg of food waste per week to present food waste for separate collection from January 2014;
- Food businesses (except in rural areas) which produce over 5 kg of food waste per week to present that food waste for separate collection from January 2016;
- A restriction on inputs to Energy from Waste;
- A ban on biodegradable municipal waste to landfill from January 2021.

4.5.5 In the summer of 2015, The Scottish Government produced 'Making things last: Consultation on Creating a More Circular Economy in Scotland'. The consultation had many intentions including a proposal to "review the rural exemption for food waste in the Waste (Scotland) Regulations 2012 in partnership with local government as part of the process to support the proposed Household Recycling Charter, as well as businesses and the waste management sector."

4.5.6 The Scottish Government has a strong desire that food waste collections should be available to households throughout Scotland although COSLA is strongly

highlighting the potential cost implications if this requirement is extended to rural areas. Further guidance from the Scottish Government/SEPA on how the 2021 landfill ban on biodegradable waste will be implemented is awaited. This further guidance would help to determine whether food waste collections will ultimately be required by 2021. Currently there are no rural exemptions with regards to the 2021 landfill ban.

## **4.6 Household Recycling Charter**

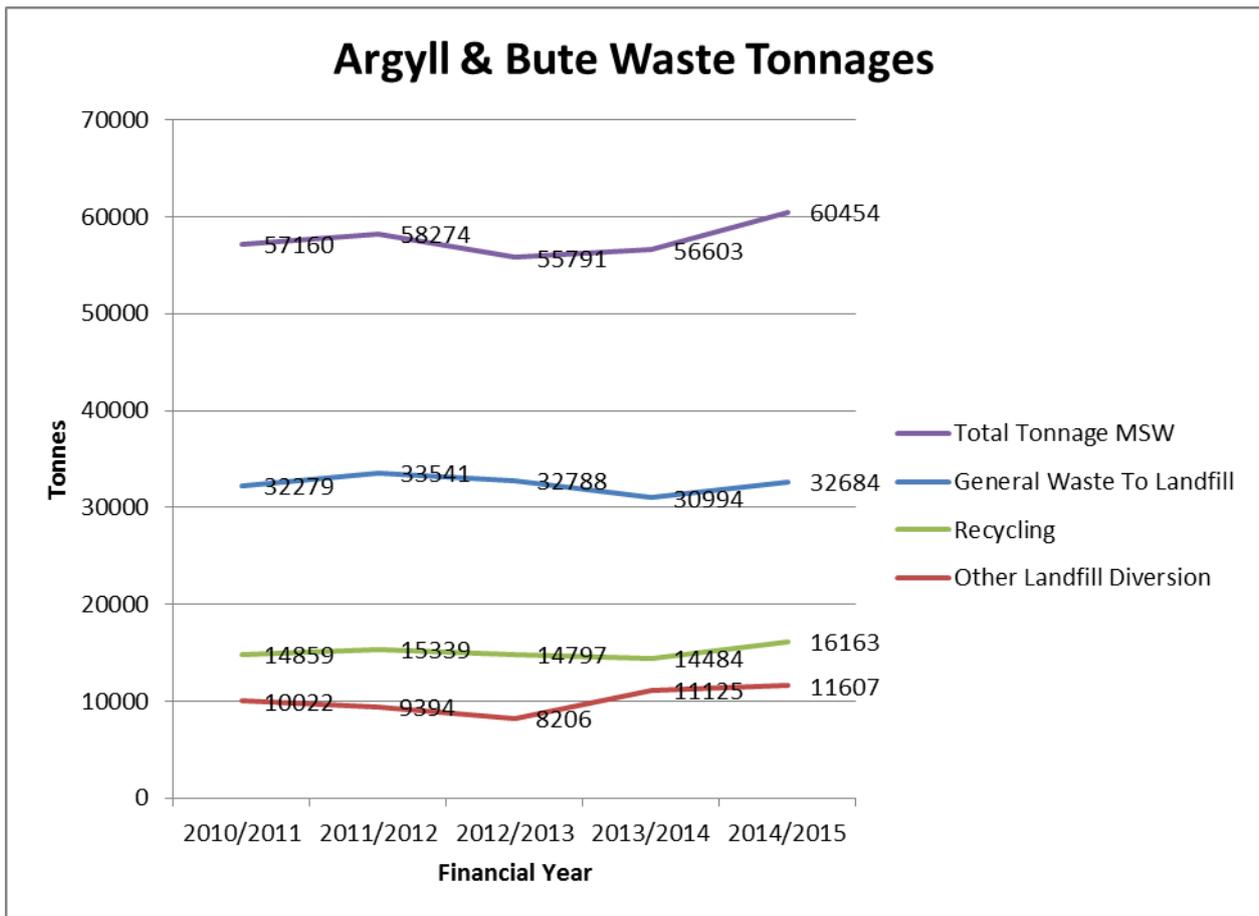
- 4.6.1 During 2015, COSLA, Scottish Government, SOLACE and Zero Waste Scotland have been working on producing a Household Recycling Charter with an associated Code of Practice.
- 4.6.2 The background for the Household Recycling Charter goes back to 2014 when the Scottish Government/COSLA Zero Waste Taskforce was convened in order to identify recommendations with the aim of transformation of the management of public sector waste into an effective feedstock for the circular economy by encouraging high community participation in recycling, supporting the emergence of new industries and maximising cost benefit to local authorities.
- 4.6.3 One of the Taskforce's key recommendations was that local authorities be empowered and enabled to move towards more consistent recycling collection systems, thus creating a high volume stream of high quality materials to stimulate reprocessing and remanufacturing industries within Scotland whilst also allowing for clearer communications to householders and opportunities for national approaches.
- 4.6.4 The purpose of the Charter and associated Code of Practice is to articulate this consistent approach to the collection of household waste material streams across Scotland. The Charter sets out the high-level principles and is supported by the Code of Practice which details the specific approaches to material segregation and collection dependant on household type and collection area. Further detail relating to the Household Recycling Charter and a draft of the Charter is included in Appendix 3.
- 4.6.7 The Scottish Government have indicated to COSLA that there may be funding available to Local Authorities signing the Charter should there be a funding shortfall when compared to existing budgets. It is not clear if the potential funding would be limited only to initial implementation costs e.g. for new/additional containers and vehicles or it would extend to any additional ongoing revenue costs. Indicative modelling for Argyll and Bute to collect food waste across the area adds an additional cost of approximately £1M to waste collection.
- 4.6.8 The Charter and Code of Practice was considered at the COSLA Development, Economy and Sustainability Executive Group on 20<sup>th</sup> November and at COSLA Leaders meeting on 27<sup>th</sup> November.
- 4.6.9 The charter advocates that kerbside boxes are used. Anecdotal feedback from residents in Argyll and Bute suggests that bins are preferable to boxes given our weather and wildlife. It is proposed that no immediate action is taken regarding the waste charter. It is proposed that take up with the charter is monitored and a further

report brought to the Environment, Development and Infrastructure Committee detailing National take up and considering Argyll and Bute Council's position.

#### 4.7 Amount of Waste and Recycled Material Collected and Disposal

4.7.1 The tables in Appendix 4 show the Municipal Solid Waste (MSW) tonnages for Argyll and Bute including breakdowns of the 3 main areas in relation to waste i.e. Shanks (i.e. most of mainland Argyll and Bute), Helensburgh/Lomond and Islands (i.e. Mull, Islay, Colonsay, Coll and Tiree).

4.7.2 As can be seen from the tables, the Council is diverting from landfill 46% of its waste but is recycling only 27%, which falls short of the national recycling targets. Within the 3 areas the Shanks Area has the highest overall level of landfill diversion at 48.9% with Helensburgh and Lomond having the highest recycling rate at 38.9%. Virtually all of the highest performing councils in Scotland, who are achieving over 50% recycling, have kerbside garden waste collections in place where green garden waste is collected from households and subsequently composted to a high quality compost standard i.e. PAS100. With the geography and rural nature of Argyll and Bute it is not considered that green garden waste collections would be affordable.



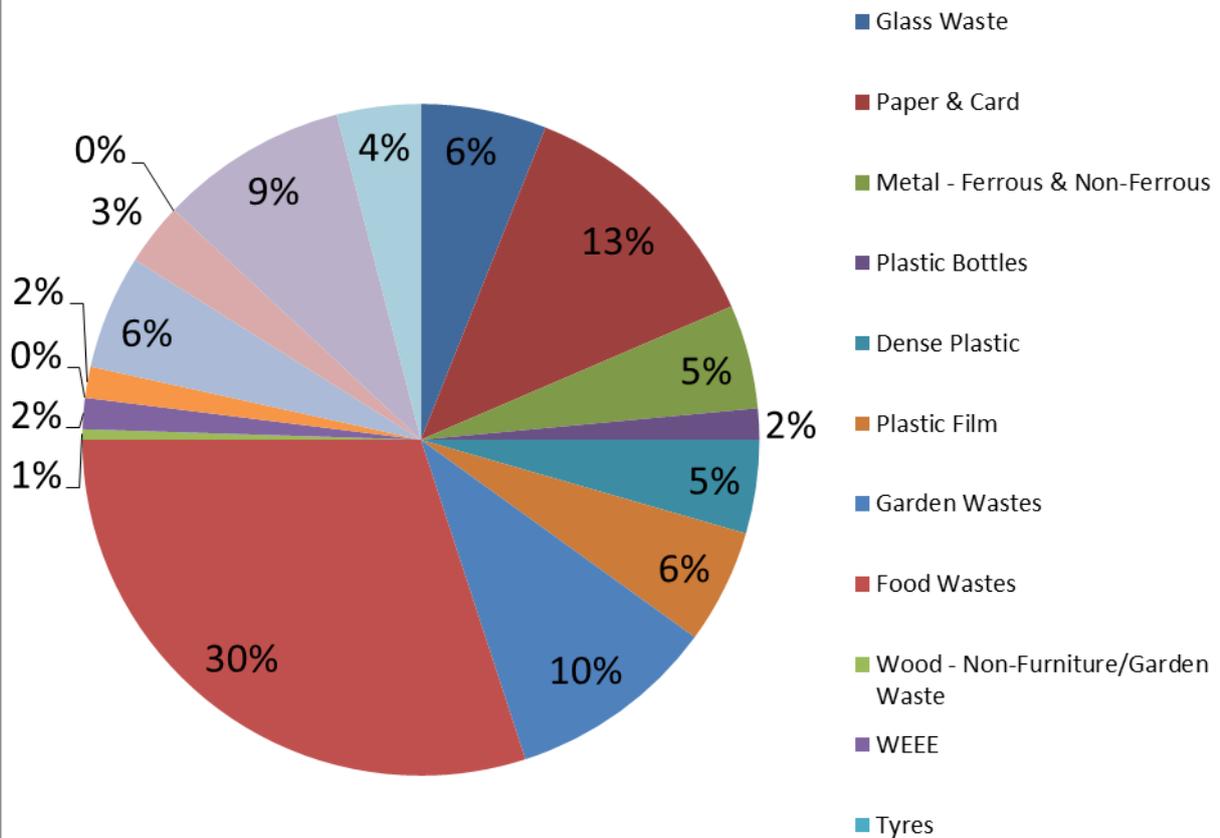
Note Appendix 4 – summary of municipal waste (MSW) tonnage provides the above figures in tabulated format.

- 4.7.3 Argyll and Bute does not carry out any kerbside garden waste collections. There is no requirement to do so under the 2012 Waste Regulations and it will be left to Councils discretion if signing up to the Household Recycling Charter.
- 4.7.4 There is currently provision at the main Recycling and Civic Amenity Sites for depositing green waste for onward composting and/or landfill diversion. Currently only the green waste from Helensburgh goes for PAS 100 compost. Green waste deposited at Shanks sites goes for onward composting but not to PAS 100 Standard and therefore it counts as landfill diversion but not recycling. Requiring Shanks to process garden waste to PAS100 Standard would add additional costs to the Contract although it would improve the Councils recycling rate by around 5%.
- 4.7.5 Rolling out kerbside garden waste collections in Argyll and Bute would add at least a further 5 percentage points (assuming it was composted to PAS100 Standard) to the recycling rate. Food waste collections throughout would also add a further 5 percentage points plus kerbside glass collection an additional 3 percentage points. Introducing these collections could increase the Council's recycling rate to around 39% however they would have significant cost implications and has previously stated are not considered to be cost effective. Given the current treatment arrangements for waste it is also arguable that there would be limited environmental benefit.
- 4.7.6 The Zero Waste Plan recycling targets referred to earlier in 4.3 are not currently mandatory although the Scottish Government have mooted that they may be minded to make these targets statutory in future if they come to the view that Councils are not sufficiently prioritising working towards achievement of them.
- 4.7.7 The current recycling and residual general waste collections in the 3 areas are summarised in Appendix 5.

## **4.8 Waste Composition**

- 4.8.1 In late 2014, the Council (using mainly grant funding from Zero Waste Scotland) appointed Albion Environmental to carry out a waste composition analysis of it's general waste (residual) in both the Shanks and Islands areas (the grant funding did not extend to cover 3 areas). An analysis was carried out in Dunoon over a 2 week period and on Islay over a 1 week period.

## Residual Waste Composition



	Waste Stream	Dunoon	Islay	Combined
1	Glass Waste	7%	5%	6%
2	Paper & Card	14%	11%	13%
3	Metal - Ferrous & Non-Ferrous	5%	5%	5%
4	Plastic Bottles	2%	1%	2%
5	Dense Plastic	5%	4%	5%
6	Plastic Film	5%	6%	6%
7	Garden Wastes	15%	5%	10%
8	Food Wastes	28%	32%	30%
9	Wood - Non-Furniture/Garden Waste	1%	0%	1%
10	WEEE	2%	1%	2%
11	Tyres	0%	0%	0%
12	Miscellaneous Combustible	2%	1%	2%
13	Textiles & Footwear	4%	7%	6%
14	Miscellaneous Non-Combustible	1%	5%	3%
15	Hazardous Wastes	0%	0%	0%
16	Healthcare Waste	9%	9%	9%

17	Fines	1%	7%	4%
		<b>101%</b>	<b>99%</b>	<b>100%</b>

4.8.2 The main conclusions included were are follows:

#### Dunoon (PPP Area)

- The contents of the green residual waste bin could potentially be reduced by 49% if all recycling options were utilised.
- Food waste accounted for 28% of the green residual waste bin.
- Changing green bin collections from weekly to fortnightly could provide a significant reduction in the amount of materials disposed (this change was made in Cowal during spring 2015).

#### Islay (Islands Area)

- The contents of the green waste residual waste could be potentially reduced by 36% if all recycling options were utilised through residents composting.
- Food waste accounted for 32% of the green residual waste bin.
- Efforts could be made to increase public awareness about what materials could be diverted from the green bin to the blue bin and recycling sacks. Results indicate that there is the potential to double the materials in the recycling sack and in the blue bin by almost 20%.

4.8.3 The Code of Practice associated with the Household Recycling Charter indicates that Councils should consider waste composition analysis on a minimum basis every 3 years or prior to any major service change. It should be noted that the analysis carried out in 2014 cost around £25k and would not have been affordable without the grant funding from Zero Waste Scotland.

## 4.9 Commercial Collections

4.9.1 Under the Environmental Protection Act 1990, Local Authorities have a legal duty to provide (if asked) a waste collection service to commercial premises for which a charge can be made. This legal duty was extended in the 2012 Waste Regulations to include from January 2014, recycling collections provision for paper, card, plastic, cans and glass to commercial premises (again if asked for and a charge could be made). Food waste collection provision was also a requirement in some areas where household provision was required i.e. Helensburgh. Commercial premises would have a legal duty from 2014 to recycle these materials (if not already doing so). Food waste recycling by food serving or producing premises (in urban areas) was also a legal duty from 2014 or January 2016 depending on the approximate amounts of food waste produce.

4.9.2 For the Councils commercial recycling services, similar to household provision in 2012, Helensburgh and Lomond and several of the islands were already compliant but there were gaps in respect of most of the PPP area mainly regarding plastic and cans. Agreement was reached with Kintyre Recycling for them to provide commercial recycling provision for paper, card, plastic and cans in Kintyre and with

Fyne Futures on Bute for a commercial plastic and cans service. The anticipated agreement for co-mingled recycling (i.e. paper, card, plastic and cans in blue bin) with Shanks for the Mid Argyll, Oban/Lorn and Cowal areas did take longer than expected due to the delays in agreeing a PPP Contract Variation with Shanks . Once the co-mingled recycling schemes were introduced in autumn 2014 and spring 2015, this allowed commercials in these areas to have a similar recycling service to households. Commercials throughout mainland Argyll and Bute could also use the existing commercial glass collection service provided via Greenlight Environmental.

- 4.9.3 To ensure collection efficiencies, most of the commercial blue bin recycling uplifts are carried out on same runs as the household runs. This also applies in much of rural areas of Argyll and Bute with regards to commercial residual general waste uplifts being done along with household uplifts. There are some mainly commercial only runs in the more populated areas e.g. Helensburgh, Oban and Dunoon.
- 4.9.4 The Council has over 2,000 commercial customers. The income received from commercial collections in 14/15 was £1,747,743 which equates to around 14.9% of the overall waste budget.
- 4.9.5 There has, however, been a drop off over the past year or so in the commercial income received compared to budget expectation. This could be due to a number of factors including:
- Competition from private waste contractors.
  - As commercials recycle more (as per the regulations) they have less general waste. Recycling charges are less than for general waste as no landfill tax element applied.
  - Commercials are improving waste minimisation measures.
  - 'Leakage' of commercial waste into household system.
  - Economic issues e.g. if say a business downsizes.
- 4.9.6 Some Scottish Councils have their commercial services separate from household collections although most rural councils have combined collection runs to ensure collection efficiencies. However, depending on whether the Council signs up to the Household Recycling Charter and the impact of implementing the Service Choices option, any subsequent changes to household collections could potentially have a significant bearing on the commercial services provision which would require closer examination.

#### **4.10 Next Steps**

- 4.10.1 Doing nothing is not an option as this would lead to none compliance with emerging government guidelines and also result in significant financial pressures as detailed in the financial section of this report.
- 4.10.2 The 2012 Strategy has served its purpose and needs to be refreshed, particularly given the emerging changes to waste disposal requirements highlighted in this report. It is proposed that work commences to produce a new strategy which deals with not only changes to legislation and guidance but also takes into consideration

the remainder of the SHANKS contract and any provision to replace this arrangement.

4.10.3 The strategy is a significant piece of work that will require a dedicated project manager for an estimated 2 year period. The cost of this is assumed within the overall waste model.

## **5.0 CONCLUSION**

5.1 This report sets out the current position relating to waste collection and disposal. The report considers the financial, contractual and legislative implications regarding waste and seeks to put in place a long term waste strategy.

5.2 This report introduces a 25 year financial model, highlights the budget implications of doing nothing and proposes that a detailed waste strategy is produced detailing how waste is managed over the remainder of the Shanks contract and beyond.

## **6.0 IMPLICATIONS**

6.1	Policy	Existing Strategy was agreed in October 2012
6.2	Financial	The report introduces a 25 year financial model and raises financial pressures in future years if no action is taken to amend the waste strategy.
6.3	Legal	Various – detailed in the report
6.4	HR	None identified
6.5	Equalities	Waste collection has equality implications – these to be dealt with as part of any emerging strategy.
6.6	Risk	Financial risks have been identified in the report
6.7	Customer Services	Various contractual and legal obligations.

**Executive Director of Development and Infrastructure**  
**Policy Lead** Ellen Morton

February 2016

**For further information contact:** Jim Smith – Head of Roads and Amenity Services.

## **APPENDICES**

Appendix 1 – Argyll and Bute Waste Management Operational Areas including plan.

Appendix 2 – Annual Financial Forecast

Appendix 3 – Charter for Household Recycling in Scotland

Appendix 4 – Summary of Municipal Solid Waste (MSW) Tonnages

Appendix 5 – Area Summary

Appendix 6 – Compost Process Diagram

## **Appendix 1 – Argyll and Bute – Waste Management Operational Areas**

### 1.0 Island Sites

- 1.1 The Council currently operates three Pollution Prevention Control (PPC) Permitted Island Waste Facilities which are at Glengorm on Mull, Gartbreck on Islay and Gott Bay on Tiree. These sites are regulated by the Scottish Environment Protection Agency (SEPA) under strict permit conditions for site operation, on-going maintenance and aftercare. Attached in Appendix 2 is the Island Sites Landfill Asset Management Plan which highlights the on-going requirements and costs to continue landfill site development and aftercare in line with Permit conditions, guidance and legislation.
- 1.2 Each site has a specific PPC Permit which is issued by SEPA. The Permits detail conditions that the Council must achieve to operate the site and comply with all relevant legislation for the acceptance, treatment and disposal of waste. These conditions cover waste disposal operations, monitoring requirements, construction requirements for new landfill cells, capping of cells plus cell closure and aftercare requirements.
- 1.3 The current landfill cells have remaining capacity up to 2020, thereafter a ban comes into force (under Waste Scotland Regulations 2012) which prevents the landfilling of biodegradable municipal wastes. Combined the island sites currently landfill approximately 3,500 tonnes of waste which contains biodegradable materials. By the end of 2020 when the landfill ban comes into force, the Council will require a waste transfer shed each at Glengorm on Mull and Gartbreck on Islay to allow the transfer of non-recycled municipal waste for compliant disposal.
- 1.4 The combined sites also deal with approximately 1,000 tonnes per annum of recycling materials which are sorted and baled by the Council and/or Third Sector Partner (ie. Re-JIG on Islay) and then sent for onward recycling/re-use.
- 1.5 The Council also operates Recycling and Civic Amenity Sites (on closed landfill sites) on the islands of Coll and Colonsay.

### 2.0 Public Private Partnership (PPP) Area

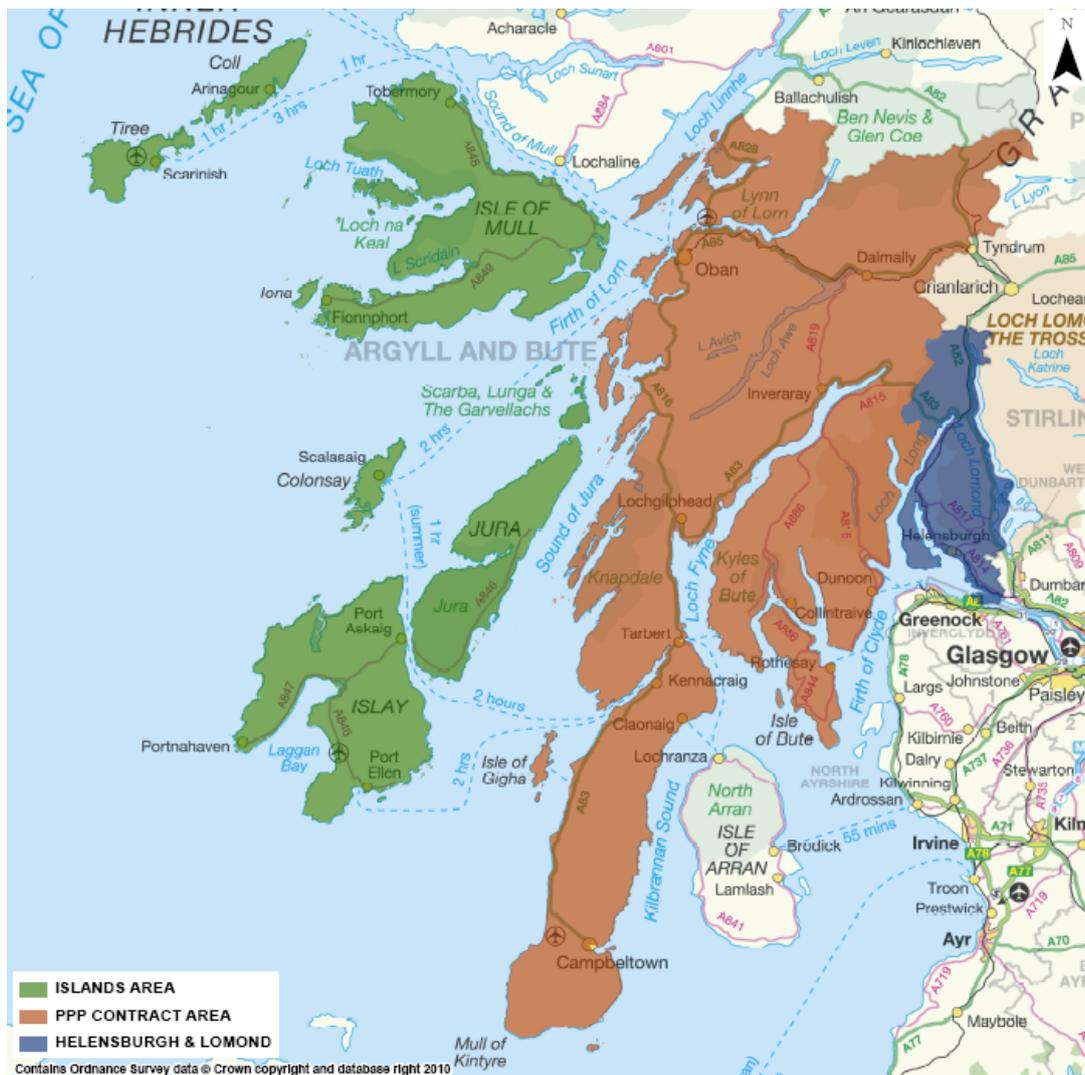
- 2.1 The Council is currently over half way through a 25 year Waste Management PPP with Shanks which runs until 2026. The PPP includes most of the mainland area (except Helensburgh and Lomond) and the Island of Bute. The PPP includes for Shanks initial site upgrades with new waste infrastructure plus on-going operation and maintenance of the various waste facilities which include Lingerton (Lochgilphead), Dalinlongart (Dunoon), Moleigh (Oban), Westlands (Rothesay) and the Roding (Campbeltown).
- 2.2 Shanks have PPC Permits and Waste Management Licences for the various sites which includes 3 Mechanical Biological Treatment (MBT) Plants, 4 Landfill Sites (2 are open and 2 are closed), 3 Transfer Sheds and 5 Recycling and Civic Amenity Sites. This is shown in Appendix 3. Recycling materials handled by Shanks are bulked up on sites and sent for onward sorting and recycling.

2.3 In addition within the PPP area for the Council, Third Sector Partners Kintyre Recycling and Fyne Futures collect, sort and bale recycling in Campbeltown and Rothesay respectively plus Greenlight Environmental (based in Alexandria) collect glass.

### 3.0 Helensburgh and Lomond

3.1 The waste from the Helensburgh and Lomond area is currently taken mainly to three main sites out-with the area as follows :

- General mixed waste is sent to a Barr Environmental Waste Treatment and Landfill Site at Auchencarroch, Alexandria.
- Most recyclates are sorted by Greenlight Environmental who are based in Alexandria.
- Food Waste collected is processed through an Anaerobic Digestion Plant in Cumbernauld which produces a biogas for energy and a compost digestate.



## Appendix 2 – Annual Financial Forecast

2015-16 to 2027-28

Waste Model v Waste Annual Budget															
Year	2015-16	2016-17	2017-18	2018-19	2019-20	Ban on biodegradable municipal waste to landfill from Jan 2021	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Contract with Shanks ends 3 September	2026-27	2027-28
Waste Model	11,593,747	11,754,784	11,902,053	12,212,697	12,678,368		11,722,266	12,770,622	13,110,905	13,347,022	13,480,098	13,666,292		12,869,300	12,466,402
Annual Budget	11,727,934	11,709,640	11,813,576	11,958,924	12,118,249		12,280,295	12,445,117	12,612,742	12,783,226	12,956,600	13,132,904		12,476,204	12,062,328
Variance	-134,186	45,144	88,477	253,773	560,119		-558,029	325,505	498,163	563,796	523,498	533,388		393,096	404,074
	Favourable	Adverse	Adverse	Adverse	Adverse		Favourable	Adverse	Adverse	Adverse	Adverse	Adverse		Adverse	Adverse
Accumulative	-134,186	-89,043	-566	253,207	813,326		255,298	580,802	1,078,966	1,642,762	2,166,259	2,699,648		3,092,743	3,496,818
	Favourable	Favourable	Favourable	Adverse	Adverse		Adverse	Adverse	Adverse	Adverse	Adverse	Adverse		Adverse	Adverse

2028-29 to 2039-40

Waste Model v Waste													
Year	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	Total
Waste Model	12,625,935	12,787,877	12,952,244	13,119,073	13,288,383	13,460,196	13,634,538	13,811,439	13,990,917	14,172,998	14,357,706	14,545,059	326,320,921
Annual Budget	12,210,658	12,361,183	12,513,905	12,668,850	12,826,040	12,985,493	13,147,231	13,311,269	13,477,625	13,646,324	13,817,381	13,990,810	317,034,507
Variance	415,277	426,694	438,339	450,223	462,343	474,703	487,307	500,170	513,292	526,674	540,325	554,249	9,286,413
	Adverse												
Accumulative	3,912,094	4,338,788	4,777,127	5,227,350	5,689,694	6,164,396	6,651,703	7,151,872	7,665,164	8,191,838	8,732,164	9,286,413	
	Adverse												

### Appendix 3 – Charter for Household Recycling in Scotland

The associated Code of Practice contains 48 pages including a number essential and desirable requirements in respect of a number of facets including collections, recycling materials accepted, policies, customer service, workforce development and communications with citizens.

If signing up to the Charter and Code of Practice, some of the main details in respect of collections which would likely have significant financial pressures and require changes to service include:

- Paper/card must be kept separate from plastic/cans – This has the potential for cost pressures in some areas where co-mingled recycling collections exist e.g. Helensburgh and Lomond, Mid Argyll, Oban/Lorn and Cowal. Additional and/or changes to containers and collections would likely be required in these areas plus a further or amended PPP Contract Variation may also be needed.
- Glass collections - There is an expectation that glass collections will be provided to most households. While there are currently some household collections in place e.g. most of Helensburgh and Lomond plus islands of Mull and Tiree, the rest of Argyll and Bute relies on using the nearest recycling point with bottle banks. The Code of Practice appears to indicate that recycling points will be acceptable for glass but only if sites are available with sufficient glass capacity ie. 10ltrs per week for each property in community, are within 1km in urban areas from residents and that glass yields collected from recycling points should be comparable to kerbside schemes. It is unlikely that the current recycling points provision provided for glass would meet the criteria and therefore either a large increase in the number and size of bottle bank sites would have to be installed or kerbside glass collections would have to be provided. Both of these options would likely have cost implications and probable practical issues if a large increase in number and size of bring sites was required, if kerbside uplift could not be provided.
- Food waste collections – There is a desire that food waste collections should also be provided to areas out-with the current regulatory requirement for urban areas as per the 2012 Regulations. Currently the Council provides food waste collections only in the Helensburgh and Lomond area (it is a legal requirement in Helensburgh). Modelling for a full Argyll and Bute area wide food waste collection provision indicates potential additional costs of approximately £1 million per year. The Code of Practice indicates that consideration should be given that food waste should be collected weekly at the same time as other recyclates in multi-compartment vehicles as this is viewed as potentially overall the most effective collection for food waste and recycling to meet a number of the aims of the Charter. This type of collection has not yet been costed by the Council, however, if any such change occurred, this would likely result in a move towards kerbside boxes (instead of bins), different vehicle fleet required for recycling collections and would likely impact on commercial recycling services available. The Code of Practice states that where food waste collections are not provided, the Council should provide advice on home composting, mini home digesters including visits to properties to advise on appropriate units which can be used. This would have staffing resource implications. While food waste collections are currently only a legal requirement in urban areas. The Scottish Government under its recent Circular Economy Consultation is proposing to increase the requirement to some areas where currently exemptions apply and COSLA have strongly pointed up the potential cost implications for rural authorities. In addition, it should also be noted there is

the ban on biodegradable waste going to landfill from 2021 and currently no rural exemptions are in place for this.

### **Charter for Household Recycling in Scotland**

This charter is a declaration of our organisation’s intent to provide services that deliver local and national benefits, encouraging high-levels of citizen participation in waste prevention, recycling and reuse.

We, as leaders in local government and the main providers of services to households, acknowledge that significant progress has been made in achieving greater value from recycling and reusing household waste over the past 10 years. We also acknowledge that further progress is required to achieve better national and local outcomes.

We welcome the opportunity to make a commitment to our future waste, recycling and reuse services that will build on the progress achieved to date to ensure that waste is considered a resource and our services support sustainable employment and investment within the Scottish economy.

We recognise the opportunities of a more circular economy and better resource management to support sustainable employment and investment in the economy for the benefit of Scotland and its local communities.

We commit:

- To improve our household waste and recycling services to maximise the capture of, and improve the quality of, resources from the waste stream, recognising the variations in household types and geography to endeavour that our services meet the needs of all our citizens.
- To encourage our citizens to participate in our recycling and reuse services to ensure that they are fully utilised.
- To operate our services so that our staff are safe, competent and treated fairly with the skills required to deliver effective and efficient resource management on behalf of our communities.
- To develop, agree, implement and review a Code of Practice that enshrines the current best practice to deliver cost effective and high-performing recycling services and tell all of our citizens and community partners about both this charter and the code of practice.

Signatories

..... Council Leader

..... Chief Executive

Scottish Ministers welcome this declaration and will work in partnership with the signatories and their representatives to support the delivery of these commitments.

.....

Cabinet Secretary for Rural Affairs, Food and Environment

To achieve this, we will do the following:

#### **Designing our services**

1. We will design our household collection services to **take account of the Code of Practice (CoP)** for the variety of housing types and geography in our community. In doing so, over time, **we will establish common collection systems, as appropriate**, for paper, card, glass, plastics, metals, food and other commonly recycled materials deemed feasible (e.g. textiles, small WEEE, nappies) across Scotland.
2. We will ensure that **all citizens have access to services** for recycling to include paper, card, glass, plastics, metals and food. Thus, we will ensure that all citizens, whether at the kerbside or within their local community, are provided with adequate volumes of containers in line with the Code of Practice (CoP).
3. We will ensure that our household collections give **consistent definition of materials** (paper, card, glass, plastics, metals and food) that can be competently recycled in line with the Code of Practice (CoP). Thus, we will eradicate discrepancies on what can and cannot be recycled in different localities across Scotland.
4. We will **reduce the capacity provided for waste that cannot be recycled** to give the appropriate motivation to our citizens to recycle. Thus, we will ensure that all citizens, whether at the kerbside or within their local community, are limited to non-recyclable (i.e. black bag/general waste/residual waste) waste volumes in line with the established Code of Practice (CoP).

#### **Deliver consistent policies**

5. We will ensure that our local policies, in line with the Code of Practice (CoP), encourage citizens to recycle by **reducing the collection of waste that cannot be recycled** (i.e. excess waste/side waste).
6. We will ensure that our local policies **provide citizens with sufficient capacity for their waste**, recognising that some households will produce more waste than others, in line with the Code of Practice (CoP).
7. We will ensure that our local policies **direct our collection crews to not collect containers for waste that cannot be recycled that clearly contain recyclable materials** (including paper, card, glass, plastics, metals and food) in line with the Code of Practice (CoP).
8. Where citizens have not followed our collection advice and policies, we will ensure our **policies for communicating and taking corrective action are delivered consistently** in line with the Code of Practice (CoP).
9. We will ensure that policies for **bulky or excess waste encourage citizens to recycle and reuse, where this is practicable to do so**.

#### **Operating our services**

10. We will **collect household waste when we have said we will** and ensure materials are managed appropriately upon collection.
11. We will manage materials so that the **highest possible quality is attained and we seek to accumulate value** by working with partners to encourage inward investment for our economy.
12. We will **record complaints and alleged missed collections** and ensure that we respond to these in line with the Code of Practice (CoP).
13. We will **listen to special requests or challenges** that citizens are having in relation to household waste collections and ensure that we respond to these in line with the Code of Practice (CoP).

14. We will deliver services so that they **take account of current policies with regards to environmental crime, litter and flytipping** in line with the Code of Practice (CoP).
15. We will deliver services so that our **staff and citizens are not endangered or at risk from harm** in line with the Code of Practice (CoP).

### **Communicating our services**

16. We will **clearly explain to all citizens** what services we provide by providing information on a regular basis. This will take recognition of different housing types, collection routes and service availability and be as specific to each property as necessary, in line with the Code of Practice (CoP).
17. We will **deliver service information directly** to citizens periodically in line with established Code of Practice (CoP).
18. Where we need to **change our services for any reason, we will communicate with citizens directly.**
19. We will **provide clear instructions to citizens on what can and cannot be recycled**, giving clear explanations where materials cannot be competently recycled.
20. We will communicate with citizens when they have not understood our services to **improve awareness and reduce contamination of recyclable materials.**
21. We will **record accurate information** on the amount of waste collected and the destinations, as far as practicable, of these materials in order to give confidence to citizens that it is being properly managed.

### **Citizens**

To aid with the delivery of this charter and the Code of Practice, we expect our citizens to participate in the recycling, re-use and non-recyclable waste services that we deliver, using them in accordance with the policies communicated to them, and hence assisting in improving both the quality and the quantity of materials provided for recycling.

### **Partners**

In committing to this charter we request that our partners in national and local government, the resource management industry, retailers, manufacturers, packagers, the third sector and others provide leadership and support in helping us deliver this commitment.

This charter is a clear statement of local government's intent to encourage high-levels of citizen participation in waste prevention, recycling and reuse. All of our partners will have a part to play in utilising the influence they have on our citizens to compliment this intent.

Furthermore, our partners are requested to assist the development of the Code of Practice by providing expertise, information and evidence wherever possible.

## Appendix 4 – Summary of Municipal Solid Waste (MSW) Tonnages

<b>ARGYLL AND BUTE</b>	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
General Waste To Landfill	32,279	33,541	32,788	30,994	32,684
Landfill Diversion (Compost Like output)	8,530	8,026	6,998	8,910	8,724
Green Waste*	3,059	3,022	3,074	3,877	4,812
Food Waste	693	662	636	578	606
Recycling	12,599	13,023	12,295	12,244	13,628
Total Tonnage MSW	57,160	58,274	55,791	56,603	60,454
Recycling Rate	26.00%	26.30%	26.50%	25.60%	26.70%
Other Landfill Diversion Rate	17.50%	16.10%	14.70%	19.70%	19.20%
Combined Recycling & Landfill Diversion Rate	43.50%	42.40%	41.20%	45.20%	45.90%

<b>SHANKS AREA</b>	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
General Waste To Landfill	20,088	20,444	20,119	18,550	19,084
Landfill Diversion (Compost Like Output)	8,530	8,026	6,998	8,910	7,683
Green Waste*	1,186	1,249	1,070	2,106	2,801
Recycling	8,028	8,203	7,778	7,173	7,751
Total Tonnage MSW	37,832	37,922	35,965	36,739	37,319
Recycling Rate	21.20%	21.60%	21.60%	19.50%	20.80%
Other Landfill Diversion Rate	25.70%	24.50%	22.40%	30.00%	28.10%
Combined Recycling & Landfill Diversion Rate	46.90%	46.10%	44.10%	49.50%	48.90%

<b>HELENSBURGH &amp; LOMOND</b>	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
General Waste To Landfill	8,746	9,781	9,487	9,435	10,283
Landfill Diversion (Compost Like Output)	0	0	0	0	1,041
Green Waste*	1,567	1,654	1,866	1,662	1,929
Food Waste	693	662	636	578	606
Recycling	3,332	3,591	3,265	3,857	4,665
Total Tonnage MSW	14,338	15,688	15,254	15,532	18,524
Recycling Rate	39.00%	37.70%	37.80%	39.30%	38.90%
Other Landfill Diversion Rate	0.00%	0.00%	0.00%	0.00%	5.60%
Combined Recycling & Landfill Diversion Rate	39.00%	37.70%	37.80%	39.30%	44.50%

<b>ISLANDS</b>	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
General Waste To Landfill	3,445	3,316	3,182	3,009	3,317
Green Waste*	306	119	138	109	82
Recycling	1,239	1,229	1,252	1,214	1,212
Total Tonnage MSW	4,990	4,664	4,572	4,332	4,611
Recycling Rate	24.80%	26.40%	27.40%	28.00%	26.30%
Other Landfill Diversion Rate	6.10%	2.60%	3.00%	2.50%	1.80%
Combined Recycling & Landfill Diversion Rate	31.00%	28.90%	30.40%	30.50%	28.10%

\* As green waste from Helensburgh and Lomond is composted to PAS 100 Standard, it is the only garden waste material which is counted as 'recycling'. Non PAS 100 composting (Shanks Area and Islands) is included in 'Other landfill diversion rate' figures. Non PAS 100 compost was counted by SEPA as recycling up until 2013.

## Appendix 5 – Area Summary

The current recycling and residual general waste collections in the 3 areas can be summarised as follows (collections carried out directly by the Council unless stated otherwise):

### Shanks Area

- Mid Argyll, Oban/Lorn and Cowal - Fortnightly blue bin for co-mingled recycling mix of paper, card, plastic and cans. Bring sites with bottle banks for glass which are serviced by Greenlight Environmental. Fortnightly green bin for residual general waste.
- Kintyre -Fortnightly 2 bags recycling service (1 bag for paper/card and 1 bag for plastic/cans) provided by Kintyre Recycling Ltd (KRL).Bring sites for glass which are serviced by Greenlight Environmental. Weekly green bin for residual general waste. Gigha is serviced monthly by KRL with bring site provision for paper, card, plastic and cans. Weekly green bin for residual general waste.
- Bute - Fortnightly bin and bag recycling service (blue bin for paper/card plus bag for plastic/cans) provided by Fyne Futures (FF). Bring sites for glass which are serviced by Greenlight .Weekly green bin for residual waste.
- Appendix 5 details the composting process deployed by Shanks at the plants in Oban, Lochgilphead and Dunoon.

### Helensburgh and Lomond

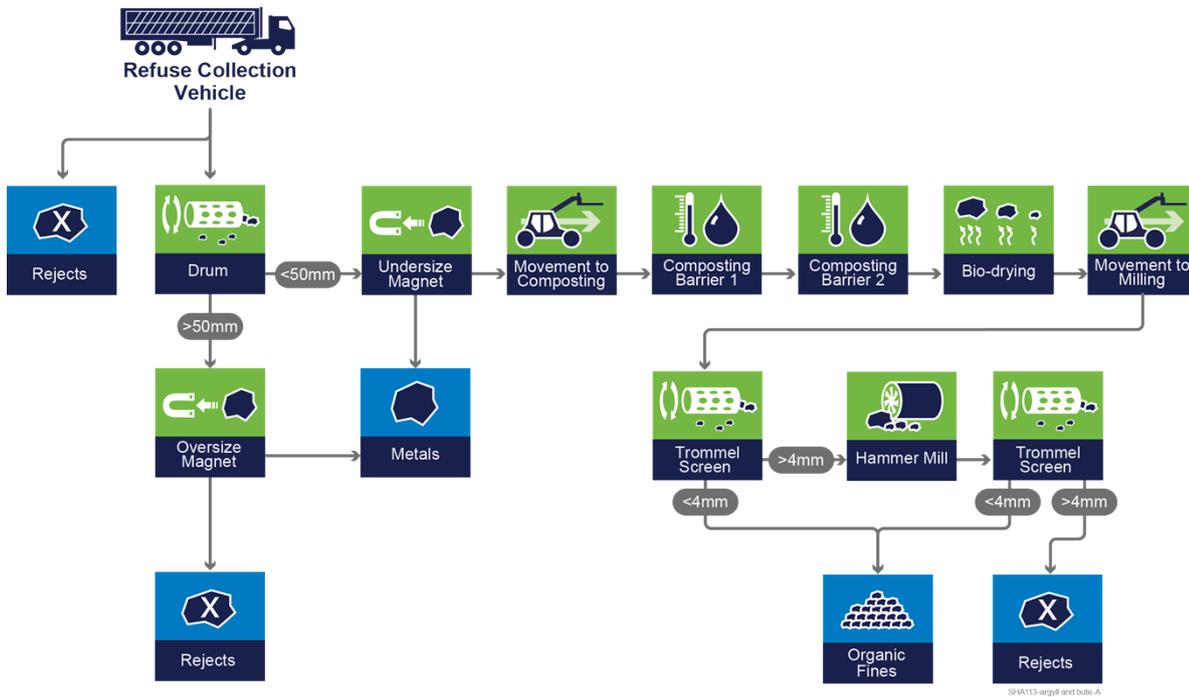
- Fortnightly blue bin for co-mingled recycling mix of paper, card, plastic and cans.
- Weekly food waste collection in 23ltr caddy.
- 4 weekly grey bin for glass (covers most but not all of Helensburgh and Lomond)
- Fortnightly green bin for residual general waste.

### Islands

- Islay and Jura - Fortnightly blue bin for paper/card including separate bag for plastic/cans (which are sorted by Re-JIG). Bring sites with bottle banks for glass. Fortnightly green bin for residual general waste.
- Mull, Iona and Tiree - Fortnightly blue bin for paper/card including separate bags plastic/cans, 4 weekly grey for glass. Fortnightly green bin for residual general waste.
- Coll and Colonsay - Bring site provision for paper, card, plastic, cans and glass (Coll recycling group service plastic and can banks on Coll). Fortnightly green bin for general waste in winter with weekly collection in summer.

## Appendix 6 – Compost Process Diagram

Illustrative process deployed at the Shanks PPP sites to divert general waste from Landfill. Recovered metals are recycled, Organic Fines are used as landfill site cover material and rejects are landfilled.



Compost outputs:

Rejects are landfilled

Metals are recycled

Organic fines also known as CLO are used in restoration and classed as diverted from landfill.