
Report to Place Committee

Date of Meeting: 12th September 2019

Subject: Scottish Materials Brokerage Service for Residual Waste Treatment/Disposal

Report by: Strategic Director (Place)

1.0 Purpose

The Council have been disposing of residual waste at Avondale's landfill facility near Polmont for around 15 years. From 1 Jan 2021, landfill operators in Scotland will be prohibited from accepting Biodegradable Municipal Waste for disposal at landfill.

- 1.1. To detail how the Council has moved to (1) put in place a legally compliant short-term secure contractual arrangement for the processing and treatment of its 8,000 tonnes (per annum) of residual waste (2) and, begin to undertake market insight into a longer-term treatment solution, optionally as part of a potential Local Authority collaboration.

2.0 Recommendations

- 2.1. It is recommended that the Committee notes :
- 2.2. The Service has signed an Agency Agreement for the 'Scottish Materials Brokerage Service for Residual Waste Treatment/Disposal' to permit Scottish Procurement to contract on behalf of the Council, which has enabled the Council to enter into contract until 1st October 2022, with the potential for 2 further 1 year extensions.
- 2.3. The requirement to explore a long term best value and secure residual waste treatment solution, potentially through Local Authority partnership arrangements (by inter-authority agreement or collaborative procurement process).

3.0 Considerations

- 3.1. From January 2021 there will be a ban on landfilling of biodegradable municipal waste in Scotland. In addition to this future Scottish Government targets set that only 5% of waste to be landfill by 2025, coupled with 70% recycling and composting target. Even with maximum levels of recycling and reuse, and the promotion of waste prevention there will remain a considerable amount of waste that alternative treatment must be identified for.

- 3.2. A 2019 Waste Market Study (commissioned by the Scottish Government) identified a treatment capacity gap when the ban is introduced in 2021 of between 1 and 2.4 million tonnes (dependent on recycling rates at the time). The capacity gap in Scotland and the increased demand this will place on remaining capacity in England and continental Europe is likely to drive the cost of securing capacity up. This places some urgency on Scottish local authorities to identify and secure treatment capacity for non-recyclable waste to limit future financial consequences.
- 3.3. The Scottish Government are potentially reviewing the timescales of the Ban given national concerns regarding compliance and related fiscal matters. A further Government statement is expected in the near future.
- 3.4. The Scottish Materials Brokerage Service was set up in 2014 to help local authorities get a better deal for the recycled materials and non-recyclable waste collected in their areas. It is sponsored by the Scottish Government and is a partnership between the Scottish local authorities, Zero Waste Scotland and Procurement Scotland. The brokerage service places and manages contracts for the service. It uses the combined tonnages of all the Councils involved to negotiate competitive prices.
- 3.5. In October 2017 a collaborative residual waste service contract was established by the Materials Brokerage Service. The contract remains open to Local Authority entrants with Falkirk, Stirling and Perth & Kinross having already signed up. In April 2019, Clackmannanshire Council was one of nine Scottish Local Authorities without a residual waste treatment contract solution to ensure compliance under the upcoming Bio-Ban. This has now been resolved.
- 3.6. The Brokerage Service was awarded to Avondale in Falkirk which is advantageous for Clackmannanshire given its geographic location, particularly with regard to waste transfer costs and subsequently our carbon footprint. Avondale has been the Council's primary residual waste disposal provider for a number of years.
- 3.7. Clackmannanshire Council signed up to the Materials Brokerage Service for residual waste treatment/disposal on 1 July 2019 through Delegated Authority.
- 3.8. At present, Clackmannanshire's residual waste continues to be disposed of within Avondale's landfill facility at Polmont. Avondale will re-open their 'Materials Recovery Facility' (MRF) at the same site from 1 October 2019.
- 3.9. A Materials Recovery Facility is a specialised plant that receives, separates (through a series of conveyor belts and picking stations) and prepares materials for marketing to end-user manufacturers.
- 3.10. Under this contract from 1 October 2019, residual waste will be taken to this Material Recovery Facility where it is understood it will be processed into Refuse Derived Fuel (RDF) by being sorted (recyclable materials removed), shredded and then baled. The separation stage allows the recovery of all recyclates within the waste stream, which currently would be sent to landfill.

- 3.11. Avondale's business model, based on sector experience, works on the assumption that 28% of the materials sent to the Material Recovery Facility are recyclates, which will be recovered from the residual waste stream. The remaining material will then be shipped to Sweden where it is used as fuel in Combined Heat and Power (CHP) plants. All of these plants generate electricity and heat is utilised via district heating systems.
- 3.12. The Service has been in discussion with Zero Waste Scotland, industry consultants and senior waste officers in neighbouring authorities regarding the available disposal opportunities for residual waste. If the Council had alternatively undertaken a tender exercise either through Scotland Excel's 'Dynamic Purchasing System' or as an OUEU level tender direct to the market, the results would likely be (1) limited bid responses (2) unfavourable contract terms or price to the disproportionate benefit of the contractor (3) an unbudgeted for increase in treatment and haulage costs and (4) another RDF export treatment solution due to no merchant capacity being available in existing 'Energy from Waste' plants.
- 3.13. Due to Clackmannanshire Council's comparatively low residual waste tonnage, there is recognition of the requirement to enter into Local Authority collaboration to produce economies of scale and value for money both for (1) the immediate residual waste treatment contract solution (2) and, any long-term residual waste treatment contract solution.
- 3.14. While this Contract provides a short-term solution for the disposal of Clackmannanshire's residual waste in accordance with Legislation, further consideration is required on the longer term method of disposal and the end-of-life destination of the waste.
- 3.15. Council Officers are in discussions with several other local authorities regarding potential options for longer-term solutions for non-recyclable material post 2022. As with the Brokerage Service, the combined tonnages across all the parties involved would allow the negotiation of competitive prices.
- 3.16. A detailed evaluation report (probably supported by external consultancy) will be brought to Council, looking at all the options in order that Council can make an informed decision on its long term residual waste disposal preference.

4.0 Sustainability Implications

- 4.1. The reduction in waste to landfill, through recovery of additional recyclable materials, supports the Scottish Government's Zero Waste Plan.
- 4.2. Energy from waste will contribute to Scotland's renewable heat and electricity targets under the Climate Change (Scotland) Act 2009. The Scottish Government proposes to introduce regulatory measures to ensure that energy from waste is truly sustainable. Doing so will make sure that only wastes offering no greater environmental or economic benefits through reuse or recycling are incinerated.

5.0 Resource Implications

Financial – The revenue cost of residual waste treatment sits within the existing Waste Services disposal budget. The changeover to the short-term Contract through the Scottish Material Brokerage is cost neutral.

There are no additional resource implications.

6.0 Exempt Reports

6.1. Is this report exempt? Yes (please detail the reasons for exemption below) No

7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please click on the check box)

Clackmannanshire will be attractive to businesses and people and ensure fair opportunities for all

Our families, children and young people will have the best possible start in life

Women and girls will be confident and aspirational, and achieve their full potential

Our communities will be resilient and empowered so that they can thrive and flourish

(2) **Council Policies** (Please detail)

8.0 Equalities Impact

Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations? Yes

9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

10.0 Appendices

10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

None

11.0 Background Papers

- 11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered) Yes ✓

Landfill Scotland Regulations 2003

<http://www.legislation.gov.uk/ssi/2003/235/contents/made>

Waste (Scotland) Regulations 2012

<http://www.legislation.gov.uk/ssi/2012/148/contents/made>

New Climate Change Plan <https://www.gov.scot/publications/scottish-governments-climate-change-plan-third-report-proposals-policies-2018-9781788516488/>

SEPA Guidance: Biodegradable Municipal Waste Ban

https://www.sepa.org.uk/media/352595/sepa_bmw_landfill_ban_guidance_note.pdf

Zero Waste Scotland: Scottish Materials Brokerage Service

<https://www.zerowastescotland.org.uk/brokerage>

Public Contract Scotland – Scottish Materials Brokerage Service contract award notice

https://www.publiccontractsscotland.gov.uk/Contracts/Contracts_View.aspx?id=514180

WRAP Gate Fees Report 2017

http://www.wrap.org.uk/sites/files/wrap/Gate%20Fees%20report%202017_FINAL_clean.pdf

SEPA – Frequently asked questions about Energy from Waste facilities

https://www.sepa.org.uk/media/28979/energy-from-waste_faqs.pdf

Department for Environment, Food & Rural Affairs – Energy from Waste (Guide to the debate)

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/284612/pb14130-energy-waste-201402.pdf

European Commission – The role of waste-to-energy in the circular economy

<http://ec.europa.eu/environment/waste/waste-to-energy.pdf>

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