

---

<b>Report To:</b>	<b>Environment &amp; Regeneration Committee</b>	<b>Date:</b>	<b>3 March 2022</b>
<b>Report By:</b>	<b>Head of Roads &amp; Environmental Shared Services</b>	<b>Report No:</b>	<b>ENV020/22/KL</b>
<b>Contact Officer:</b>	<b>Kenny Lang</b>	<b>Contact No:</b>	<b>01475 715906</b>
<b>Subject:</b>	<b>Residual Waste Procurement Strategy</b>		

---

## 1.0 Purpose

- 1.1 The purpose of this report is to advise Committee of the Councils long term waste procurement requirements to meet the landfill ban which comes into effect in 2025, to market test to determine the best value procurement strategy for the Council, and based on that market testing develop tender documentation.

## 2.0 Summary

- 2.1 The Council currently have a residual waste contract with Barr Environmental Ltd which expires on the 31 December 2024 with the option of a further 12 month extension to 31 December 2025.
- 2.2 The Contract is for the disposal of waste through landfill which will be banned in Scotland from December 2025. It is likely that this policy change could have a significant impact on waste costs for the Council
- 2.3 A procurement exercise was undertaken with West Dunbartonshire and Argyll and Bute Councils in 2018/19 to procure long term residual waste, the outcome of the tender was deemed unaffordable at the time largely due to the lack of waste transfer infrastructure at West Dunbartonshire and Argyll and Bute Councils.
- 2.4 Zero Waste Scotland are now providing support to the Councils along with East and South Ayrshire to consider our procurement options and identify routes to market and carry out analysis to optimise the procurement outcome.
- 2.5 To meet the landfill ban it is highly likely that our residual waste management will rely on some form of energy from waste and will utilise large purpose built facilities. Inverclyde Council generate approximately 27k tonnes per annum.

## 3.0 Recommendations

- 3.1 It is recommended that Officers engage in the development of the joint residual waste procurement exercise and carry out market testing of potential suppliers able to meet the Landfill Ban.
- 3.2 It is recommended that Officers assess the market testing feedback to determine the best value procurement strategy for the Council, and a further report will be presented to Committee in the Autumn.

**Gail Macfarlane**  
**Head of Roads & Environmental Shared Services**

## **4.0 Background**

- 4.1 The Landfill Ban comes into effect in December 2025. The purpose of this ban is to:
- reduce waste landfilled by directing residual waste to alternative treatment;
  - extract remaining resource value from the residual waste stream;
  - reduce greenhouse gas emissions from landfilling biodegradable waste.
- 4.2 The ban largely is predicated on the biodegradable element of municipal waste which is estimated to contribute 4% to Scotland CO2 emissions.
- 4.3 The ban had initially been set to come into force in January 2021 but was delayed due to the lack of processing and treatment infrastructure available.
- 4.4 Inverclyde Council undertook a procurement exercise led by West Dunbartonshire and which included Argyll and Bute Councils in 2018/19. The aim was to procure long term residual waste treatment contracts to meet the ban. While there was a large degree of interest from waste management companies, only one bid was received.
- 4.5 The price submitted was deemed to be unaffordable. The lack of competition at the time was attributed to the lack of waste transfer infrastructure at West Dunbartonshire and Argyll and Bute Councils this effectively limited the location of potential future facilities.
- 4.6 A further comment from contractors was that the contract duration was deemed too short to pay back the significant capital outlay of treatment facilities with a lifespan in excess of 20 years.
- 4.7 It is likely that this policy change could have a significant impact on waste costs for the Council
- 4.8 West Dunbartonshire Council has commenced feasibility studies to develop a business case to develop and deliver a waste transfer facility site and this may be used by Argyll and Bute thus opening up the market for haulage. If this facility is unlikely to be on stream or is significantly delayed West Dunbartonshire Council may wish to consider its procurement options.

## **5.0 Future Residual Waste Contract**

- 5.1 Officers are currently working with West Dunbartonshire and Argyll and Bute Councils on developing a long term residual waste treatment contract to meet the challenges of the Biodegradable Municipal Waste Ban in 2025. This work is supported by Zero Waste Scotland who have engaged consultants to look at the various options and undertake market analysis to support Councils developing procurement strategies.
- 5.2 It is anticipated that the Councils future residual contract will most likely include a large element of thermal treatment and conversion of waste to energy and will replace the residual waste landfill contract. The current contract terminates in December 2024 with an option to extend to December 2025 by which time the ban will come into effect.
- 5.3 It is proposed that Inverclyde Council continue to engage with West Dunbartonshire and Argyll and Bute Councils to develop the tender document and carry out market testing with potential suppliers to determine whether a joint procurement or single council procurement will deliver best value for Inverclyde Council.
- 5.4 In advance of the tender being finalised for issue the assessment of the market testing feedback will be completed.
- 5.5 Subject to a further report being approved by Committee it is anticipated that the tender will be issued in Autumn 2022 for the long term waste procurement option and that

approval will be sought from the Committee on the recommended procurement route ahead.

## 6.0 Financial Implications

6.1 There are no financial implications arising from this report.

### Financial Implications:

#### One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments

#### Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments

## 6.2 Legal

The information contained within the report do not impact on the Councils Legal services.

## 6.3 Human Resources

There are no direct repopulation implications arising from this report.

## 6.4 Equalities

### Equalities

(a) Has an Equality Impact Assessment been carried out?

YES	
X	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

YES	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

X

YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.

NO

**6.5 Repopulation**

None.

**7.0 CONSULTATIONS**

7.1 None.

**8.0 BACKGROUND PAPERS**

8.1 None.