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Scotland's residual waste treatment landscape

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Scottish Futures Trust

Introduction

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- Policy and legislative drivers
- Demand forecasting
- What does success look like?
- Will the market deliver?
- SFT’s role
- Case studies
- Observations on the waste sector

Policy drivers

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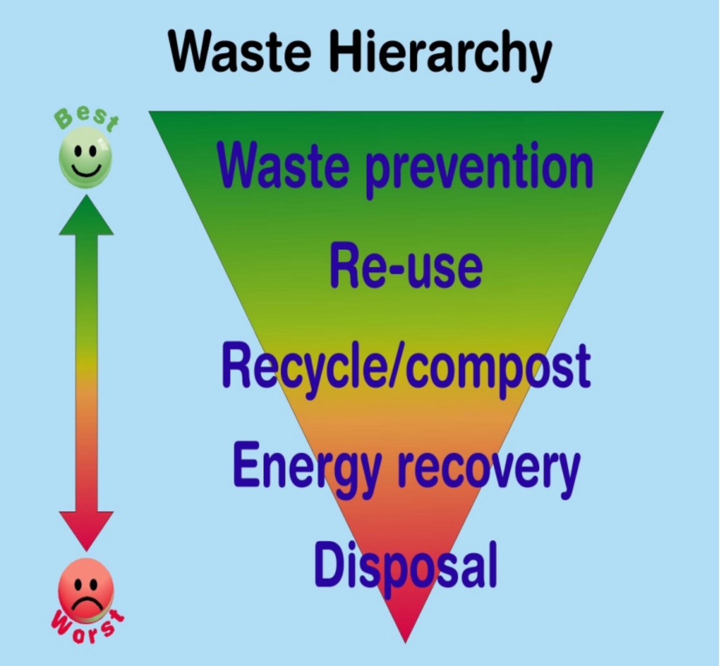

European

- Landfill Directive
- Waste Framework Directive

National

- Zero Waste Plan
- Waste (Scotland) Regulations 2012

Local

- Low carbon/sustainability agenda
- Increase recycling/recover value/reduce landfill
- Economic – local jobs & re-development of brown-field sites

Waste (Scotland) Regulations 2012

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Recycling targets

- 50% of household waste by 2013, 60% by 2020
- 70% of household and all other waste streams by 2025

Separate collection & treatment

- Dry recyclates - paper, glass, metal, plastic, card (2014)
- Food waste – collections to be introduced (end 2015)

Bans

- Mixing, incineration or landfill of source segregated waste (‘14)
- Incineration of unsorted waste without pre-treatment (‘16)
- Disposal to landfill of biodegradable municipal waste (‘21)

Demand forecasting

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- Scotland will need around 1.7m tonnes per annum of capacity to treat unsorted (residual) waste by 2020
  - Local authorities forecast demand: 1.2mtpa by 2020, potentially falling to around 1mtpa by 2025
  - Remainder is largely in the commercial / industrial sector
- Current operational capacity: < 20% of what is required
- Total proposed capacity is 2- 3 times forecast demand
- Is there a problem?

What does success look like?

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Nationally

- Network of treatment facilities
- Accessible to local authorities
- Affordable to local authorities
- Adaptable to future changes
- Supports UK compliance with EU law
- Supports Zero Waste policy
- Supports economic development

What does success look like?

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Locally

- Compliance with statutory duties
- Improved service performance
- Security of access to treatment capacity
- Price certainty
- Value for money
- Affordable
- Economic development

Will the market deliver?

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- Most planned facilities are in the central belt
- Accessibility and affordability of facilities influenced by:
  - Planning / permitting decisions
  - Contractual arrangements & procurement issues
  - Transport costs
  - Access to finance
- Significant uncertainty as to the resulting landscape
- Will Scotland get the right amount of infrastructure, of the right type, in the right place, by the right time?

SFT's role

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"Scottish Futures Trust is charged with helping local authorities secure value for money when establishing contracts for their residual waste management needs"

BRIA, Waste (Scotland) Regulations

SFT's role

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- Acts as centre of expertise for the public sector
- **General support services**:
  - Waste Procurement Forum
  - Guidance
  - Help desk
- **Project specific support, including:**
  - Glasgow
  - Edinburgh & Midlothian
  - Clyde Valley

Glasgow residual waste project

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- Contract awarded to Viridor in July 2012
- 200,000 tonnes residual treatment capacity
- Planning permission granted January 2013
- £150m investment
- New facilities at Polmadie
  - Materials Recycling Facility
  - Anaerobic digestion plant
  - Gasification plant
- Service commencement 2016

Edinburgh & Midlothian Zero Waste

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- **Food waste project**
  - Contract awarded to Alauna Renewable Energy (Feb 2013)
  - 30,000tpa anaerobic digestion facility at Millerhill
  - Service commencement - December 2015
  - 1st successful collaborative waste project in Scotland
- **Residual waste project**
  - Pre-treatment facility at Millerhill + secondary treatment
  - 135,000 tonnes treatment capacity required
  - Contract award in 2014, service commencement in 2017

Clyde Valley residual waste project

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- 5 Authority procurement: North Lanarkshire , Renfrewshire, East Renfrewshire, East Dunbartonshire, North Ayrshire.
- Strong commitment to joint working by authorities
- 25 year residual waste treatment service contract
- 190,000 treatment capacity required
- No publicly owned site offered
- Launched procurement in January 2013
- Contract award in 2015
- Service commencement in 2019

Observations on the waste sector

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- Policy and legislation continue to change
- How to build for today without comprising the future?
- Once in a generation activity:
  - No need to replicate standard processes
  - Competitive Dialogue can be a long & expensive process
  - Sharing knowledge across the public sector
- Contractors finding trading conditions difficult
- Availability and cost of private finance – getting worse
- Public sector investment promotes economic growth
- Awarding a contract – *the end of the beginning*

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Questions?