

**REPORT TO: ENVIRONMENTAL SERVICES AND SUSTAINABILITY COMMITTEE
- 16 JANUARY 2006**

**REPORT ON: REPORT ON PROGRESS AND FINDINGS OF THE TAYSIDE
STRATEGIC OPTIONS REVIEW GROUP**

**REPORT BY: HEAD OF WASTE MANAGEMENT
DIRECTOR OF PLANNING AND TRANSPORTATION**

REPORT NO: 46-2006

1.0 PURPOSE OF REPORT

1.1 To inform members of progress made to date by the Tayside Strategic Options Review group, and seek approval to proceed with the preferred options for future waste management infrastructure within Tayside as outlined within this report.

2.0 RECOMMENDATIONS

2.1 It is recommended that, subject to committee approval being granted by our partner Authorities, the following preferred options be approved and submitted to the Scottish Executive on behalf of the Tayside Area Waste Group. This submission will form the basis of a bid for funding from the Strategic Waste Fund:

- (a) That an In-vessel composting facility be provided within each of the three Tayside Authorities.
- (b) That a Materials Recovery Facility be provided within Perth and Kinross Council, with a bulking and baling facility being provided within Dundee City Council if required.
- (c) That a 50,000 tonne per annum Energy from Waste facility be provided within Perth and Kinross Council.

3.0 FINANCIAL IMPLICATIONS

3.1 There are no financial implications arising from this report at this stage. Costs for the infrastructure outlined above will be met in full by the Scottish Executive, or will be the subject of a further committee report once financial implications are known.

4.0 DUNDEE 21 IMPLICATIONS

4.1 The review group's work has a major impact on the following themes of the Local Agenda 21 strategy – “resources are used efficiently and waste is minimised” and “local needs are met locally”.

5.0 EQUAL OPPORTUNITIES IMPLICATIONS

5.1 There are no equal opportunities implications arising from this report.

6.0 BACKGROUND

- 6.1 In March 2003, the three Councils within the Tayside Area Waste Group independently submitted bids to the Strategic Waste Fund to finance their waste implementation plans. Some elements of these bids were awarded funding in early 2004, but funding for other elements, including the provision of major waste treatment infrastructure, was withheld pending a 'Strategic Review' process.
- 6.2 The aim of this review process was to quantify any efficiencies and economies of scale which may be gained through further partnership working between the local authorities in Tayside, particularly in the provision of:
- Composting operations compliant with the Animal By Products (Scotland) Regulations 2003,
 - Materials Recovery Facilities, and
 - Energy from Waste facilities
- 6.3 To carry out the review, the Tayside Strategic Options Review Group was formed, incorporating officers from the Scottish Executive, the Scottish Environment Protection Agency (SEPA) and the three Tayside local authorities. It was agreed that Perth and Kinross Council would act as lead authority, with an external consultant being appointed to undertake the actual review on behalf of the group. The Scottish Executive agreed to fund 80% of this study from the Strategic Waste Fund, with the Tayside Local Authorities meeting the costs of the other 20% equally.
- 6.4 The primary objective of the review was to examine projected waste arisings within the Tayside Area, and assess whether the existing waste treatment infrastructure had the capacity to deal with this waste in a manner which would ensure legislative compliance in future years. It would also make recommendations on the optimum use of existing waste processing infrastructure, as well as identifying the number, type and strategic location(s) of new waste handling and treatment facilities. This would involve assessing a range of strategically located sites and reporting on their suitability for use as waste treatment facilities.
- 6.5 Once completed, the findings of the review will be presented to the Scottish Executive in the form of an Outline Business Case (OBC), which will also serve as a bid for funding from the Strategic Waste Fund.
- 6.6 Due to the need to inform the Scottish Executive Spending Review to be carried out in 2006, a deadline date of 31 January 2006 has been set for submission of OBCs and associated bids. It is expected that further discussion and clarification will be required after this date, and ultimately the Scottish Executive expects to respond to each bid and to have made appropriate funding decisions by autumn/winter of 2006.
- 6.7 The inception meeting with the appointed consultants, Mouchelparkman, was held on 10 August 2005. This report provides an update on progress to date, and outlines the final preferred options proposed to the group by the consultants.

7.0 PROGRESS TO DATE

- 7.1 Key strategic issues relating to the provision of major facilities were identified, including any potential problems or barriers which may exist and how these might be overcome. This work looked at practical developments elsewhere in the UK and Europe to highlight any established good practice that could be utilised in Tayside.
- 7.2 An extensive data gathering exercise was then undertaken. An important element of the waste data collection was to provide a 'baseline' model which would be used to

predict the nature and capacity of additional facilities required to ensure future legislative compliance and penalty avoidance.

- 7.3 The baseline modelling involved the collation of:
- Waste Arisings
 - Waste Composition
 - Waste growth predictions
 - Current and proposed waste management practices including the various collection methods
 - Participation rates, 'put out' rates and public attitude survey
- 7.4 Once the data modelling exercise had been completed, it became apparent that the current waste treatment infrastructure within Tayside would not be sufficient to ensure compliance with the EU Landfill Directive in future years. This could leave the Tayside Authorities increasingly exposed to significant financial penalties under the Landfill Allowance Trading Scheme.
- 7.5 In particular, the exercise highlighted a requirement for In-vessel composting facilities capable of treating 45,000 tonnes of material per annum. This would be required to allow the three Authorities to collect and treat food waste in accordance with the Animal By-Product Regulations. In addition, a need was identified for a Materials Recovery Facility capable of processing 30,000 tonnes of recyclate per annum, and finally a 50,000 tonne shortfall was highlighted in Energy from Waste capacity.
- 7.6 In order to identify and assess possible sites for this necessary additional infrastructure, a comprehensive review of existing and potential waste treatment sites was undertaken. This review examined issues such as strategic location, access, planning and building control. The appraisal comprised both a desk-based study and site visits. Baseline environmental data was also provided and relevant structure and local plans were reviewed prior to site walkovers.
- 7.7 The eleven sites, including public and private sites that were identified throughout Tayside were as follows:
1. Friarton (Perth and Kinross)
 2. Binn Farm (Perth and Kinross)
 3. Riverside (Dundee City)
 4. Marchbanks (Dundee City)
 5. Baldovie (Dundee City)
 6. Dundee Energy Recycling Ltd – DERL – (Dundee City)
 7. Angus Communities Recycling Opportunities Partnership – Dens Road (Angus)
 8. Angus Communities Recycling Opportunities Partnership – Peasie Hill, Elliot Industrial Estate (Angus)
 9. Cairnie (Angus)
 10. Restenneth (Angus)

11. Orchardbank (Angus)

7.8 On completion of the above work, the Group held an Options Appraisal workshop to identify a range of possible options to be taken forward for further waste data modelling. These options were chosen taking into account the site investigation information and local planning and waste capacity information.

7.9 The resultant options which were taken forward for further appraisal can be summarised as follows:

Material Recovery Facility (MRF)

Option 1 An MRF sited in Perth & Kinross at Friarton with capacity to accept recyclate from Dundee, with a separate bulking and baling facility sited at Marchbanks.

Option 2 An MRF sited at an alternative location within Perth & Kinross with capacity to accept recyclate from Dundee, with a separate bulking and baling facility sited at Marchbanks.

Option 3 Both Dundee and Perth & Kinross to use an existing MRF provided by a private contractor outwith the Tayside area.

In-Vessel Composting Facility

Option 1 One facility located in each of the three areas.

Option 2 Two facilities to be shared between the three Authorities, located at Riverside, Dundee and a suitable location within Perth & Kinross.

Option 3 One centralised facility located at a suitable location within Perth & Kinross.

Energy from Waste Facility

Option 1 An extension to the existing DERL plant to accept 50,000 tonnes of additional waste from Perth & Kinross and Angus. This extension would incorporate a pre-treatment facility located on the site of the existing Baldovie Waste Transfer Station.

Option 2 A 50,000 tonne per annum Energy from Waste plant sited at a suitable location within Perth & Kinross.

Option 3 A 250,000 tonne per annum Energy from Waste plant sited at a suitable location within Perth & Kinross with the strategic capacity to accept waste from outside Tayside.

7.10 In order to arrive at one preferred option for each facility, the options above were submitted to a rigorous technical and financial appraisal process. The technical appraisal involved each Authority independently scoring the options according to a range of factors such as deliverability, public acceptance and most importantly compliance with the Best Practicable Environmental Option set out in the Area Waste Plan. The financial appraisal examined the cost of each option over a 25 year contract, and was carried out by the consultant. Once complete, the scores from the financial and technical appraisal were aggregated to give the preferred option for each waste treatment process.

7.11 Upon completion of the appraisal process, the preferred options for In-vessel composting and the Materials Recovery Facility were clear cut and were agreed by each Authority. It was agreed to recommend Option 1 for the MRF, and Option 1 for the In-vessel Composting Facility. The final option for Energy from Waste, however, proved to be far more complicated due to concerns over the deliverability of two out of the three options.

7.12 It was therefore agreed that in order to meet the deadline for submission of the OBC to the Scottish Executive, the preferred option at this stage would be the 50,000 tonne Energy from Waste plant to be situated within Perth and Kinross Council. Further work will be carried out on the two other Energy from Waste options over the next few months, and should either option prove to be deliverable and provide best value then the OBC will be amended accordingly. Any such change would be the subject of further committee approval.

8.0 CONSULTATION

8.1 Chief Executive
Depute Chief Executive (Support Services)
Depute Chief Executive (Finance)

8.0 BACKGROUND PAPERS

8.1 None.

Jim Laing Date: 22nd December 2005
Head of Waste Management

Mike Galloway Date: 22nd December 2005
Director of Planning and Transportation