

Scotland Excel

To: CEOMG

On: 6th May 2020

**Report
By
Chief Executive of Scotland Excel**

Covid-19 - Environment Category Update

1. Summary

- 1.1 The purpose of this report is to inform the CEOMG of the impact of the Covid-19 pandemic on the Scotland Excel Environment Category and wider waste management sector. It will summarise council responses across the country to ensure frontline service are maintained, and the impact on associated markets and industry as a whole. Regularly updated information can be found via the Scotland Excel Covid-19 Newsroom (a link can be found in appendix to this report).

2. Background

- 2.1 During the course of recent weeks, councils have faced unprecedented challenges in delivering key frontline services in the face of the Covid-19 pandemic. One key frontline service is waste management, and specifically household kerbside waste collections. Challenges faced include higher levels of staff absence than normal and the introduction of new safe-working practices specific to the Covid-19 virus as well as the need to temporarily close recycling centres in order to protect staff and the public.

The wider sector has been forced to adapt to the same increase in staff absence and safe-working practices. Additionally, the suspension of commercial collections, the temporary suspension of feedstock from some council kerbside collections and difficulties relating to onward supply of material to export markets are creating issues.

- 2.2 The UK Government granted waste industry workers “key-worker” status, and to date councils across Scotland have refined operational practices to ensure the safety of crews whilst maintaining an acceptable level of service. Whilst a number of councils have been successful in maintaining a ‘business as usual’ service, others have been forced to temporarily suspend less vital collections,

focusing primarily on non-recyclable material and/or amend the types of material to be presented for collection by householders. Currently, many services that were suspended have since been reinstated, whilst plans are being formulated to resume full service, including the introduction of bulk waste collections and organised reopening of recycling centres. It should be noted that as the pandemic evolves, subsequent peaks may result in impacts to service including the reinstatement of temporary suspensions. Zero Waste Scotland has provided direct access to all relevant council website pages detailing up to date information regarding kerbside collections (a link can be found in the appendix to this report).

- 2.3 Throughout this pandemic, the framework arrangements available within the Scotland Excel Environment Category have remained live and largely unaffected. Key-worker status has ensured that treatment sites remain open and supply of equipment remains available. Given the pressures on both User Intelligence Groups (UIG) members and the supply base, Scotland Excel has kept communication to a minimum, temporarily suspending the requirement of suppliers to respond to management information requests for the last quarter and avoiding over-reliance on UIG input, instead reacting to support as and when requested to assist those councils that are continuing with tendering activity under the available Scotland Excel arrangements.
- 2.4 Scotland Excel has not received direct reports from service providers or suppliers of significant delay for delivery of goods or inability to service awarded contracts in line with agreed terms and conditions. Some waste streams are particularly at risk under the current constraints, particularly those that generate an income for councils. Scotland Excel regularly monitors common material market indices. Markets for paper and card materials have been in decline for a sustained period due to various factors including stringent quality requirements on exported material and a lack of demand. This trend has continued since the turn of the year, although a slight improvement was recorded in March to April figures. Similarly, the market value for glass materials has seen an improvement since the turn of the year, whilst plastic material value is higher in April 2020 than at the same point during 2019. Conversely, markets for Textiles and Scrap Metal have seen a sharp decline since the turn of the year and currently appear to be the most affected by the Covid-19 crisis. Scotland Excel will continue to monitor status of all key markets.
- 2.5 In relation to the risk of tendering activity over next year, those within the Environment Category arrangements are reasonably low as efforts will primarily focus upon contract management.

The potential exception is organic waste, which has entered its extension year and tendering activity will be required during the remainder of 2020 in order to ensure the next generation framework is in place for its expiry during March 2021. If kerbside collections continue to be disrupted, there may be an impact on current organic treatment facilities, which require regular garden and food waste to maintain operability.

- 2.6 Scotland Excel continues to support partner organisations including Zero Waste Scotland with whom Scotland Excel shares a long-standing relationship. Recent dialogue prompted the development of a set of guidance and contract documents which will support councils to engage and contract directly with external providers.

Scotland Excel has been in discussion with Zero Waste Scotland to develop a framework for the provision of waste composition analysis. This enables councils to understand the content of waste streams in order to measure progress against policy objectives. This dialogue will resume later in the year.

- 2.7 The industry has reacted to this crisis and a number of policy interventions and support networks are assisting councils with maintaining continuity of service. In addition to the Covid-19 related SPPNs in relation to procurement practices/regulation, the Scottish Government has delayed its planned Deposit Return Scheme - which is expected to have a direct impact on household tonnage and potentially collection practices - by one year and will now not go live until 1st July 2022. Scotland Excel will continue to keep abreast of related policy and support, disseminating to UIG members and influence where appropriate on behalf of our procurement community.

3. Recommendations

- 3.1 Members of the CEOMG are invited to note the content of this report.

Appendix

Link to Scotland Excel Covid-19 Newsroom:

<https://scotlandexcelcovid19-newsroom.prgloo.com/our-news/welcome-to-our-covid-19-newsroom>

Link to Zero Waste Scotland Covid-19 webpage

<https://wasteless.zerowastescotland.org.uk/topics/coronavirus>