

RURAL AFFAIRS AND ENVIRONMENT COMMITTEE
SCOTTISH GOVERNMENT'S DRAFT BUDGET 2011-12

SUPPLEMENTARY EVIDENCE FROM THE SCOTTISH GOVERNMENT

I refer to your email following the Cabinet Secretary for Rural Affairs and Environment's appearance before the Committee on 1 December 2010 in connection with the 2011-12 draft budget. At this meeting, the Cabinet Secretary agreed to provide the Committee with information on current waste infrastructure projects that are in the pipeline and the criteria for the young farmer and new entrant schemes. I am writing to provide you with this information.

Waste Infrastructure Projects

The term 'infrastructure' is often associated with large residual waste treatment facilities e.g. energy from waste or mechanical/biological treatment plants. Whilst such facilities are of course 'types' of waste infrastructure it is important to recognise that 'infrastructure' includes all the component parts that make up a waste collection and treatment service.

Delivery of Scottish Government's Zero Waste Plan (the Plan) will necessitate new and improved waste collection and treatment infrastructure. The Plan seeks to encourage high levels of source segregated recycling, as this maximises recyclate capture and quality and reduces to a minimum the need for residual waste treatment plants. The new legislative measures to be introduced under the Plan (currently being consulted on) will drive this change as these measures will require the separate collection of certain recyclable materials, ban certain materials from landfill and restrict the materials that can go to incineration plants. Accordingly, much of the infrastructure required to deliver the Plan will be associated with enhanced collection and recycling services, not just treatment facilities for the residual element.

The latest data from SEPA shows that in Scotland we continue to landfill around 3.2 million tonnes of municipal type residual waste annually. Approximately 2 million tonnes of this residual waste is under the control of local authorities. A high percentage of this local authority controlled waste is capable of being recycled or composted and the legislative measures that Scottish Government seek to introduce should ensure that this happens. Through time these new measures are likely to reduce the amount of residual waste infrastructure required, as the material to feed large-scale treatment facilities will simply not be available.

Across Scotland, 17 local authorities have already met or exceeded the 2010 40% recycling target, with a few pushing on towards 50%. Much of the progress being made by these authorities is not down to investment in large treatment facilities, but can instead be attributed to investment in improved collection systems and intensive public engagement. Fife Council, for example, has recently rolled out a new 4 bin system to some 22,000 households. When trialled between August 2009 and March 2010, this system achieved a recycling rate of 67.5%. Fife's recycling performance at March 2010 was 45.1%, so this equates to a jump of 22.1%. This new system is to

be rolled out across Fife over the next 3 years. There is considerable scope to make significant improvements without needing to invest in large-scale infrastructure.

As indicated by the Cabinet Secretary at the Committee meeting, there is a stream of new waste infrastructure in the pipeline which demonstrates that both local authorities and the waste sector are moving forward proactively and that progress is being made. In considering the information provided the Committee will need to keep in mind that there is no guarantee that infrastructure presently in the planning system will be approved and built. Nonetheless the information does provide a reasonable indication of where we are to date. In addition to the information provided below, Zero Waste Scotland are pulling together a list of current and planned treatment infrastructure and my colleagues will forward this to the Committee as soon as they receive it.

Anaerobic Digestion (AD) and In-Vessel Composting (IVC) Capacity

The figures below show current and planned treatment capacity for biodegradable wastes likely to be under the control of local authorities. Other facilities for treating organic waste streams do exist in Scotland, however these are generally involved in the processing of abattoir, agricultural and distillery wastes.

AD / IVC Treatment Capacity – Dec 2010

Treatment Process	Operational (tonnes)	In Planning System (tonnes)	Total potential capacity (tonnes)
AD	188,000	300,000	488,000
IVC	139,800	32,000	171,800
Total	327,800	332,000	659,800

Significant additional capacity is already being planned to treat biodegradable wastes, food waste in particular. Current estimates suggest that there is around 400,000 tonnes of food waste collected annually by local authorities from households and commercial premises, most of which goes to landfill. From 2015 biodegradable waste, which includes food waste, will be banned from landfill. This means that it will need to be collected and treated separately. Given the AD and IVC capacity currently in the planning system (circa. 332,000 tonnes), there is already a close match between potential capacity and likely future need, particularly given the fact that not all the food waste in the residual wastestream is likely to be captured. The Scottish Government recognises that the picture will continue to evolve over time.

Residual Waste Treatment Capacity

The following table shows the current situation in respect to treatment capacity for residual waste in Scotland. So called 'Merchant' facilities are facilities that are designed, built, financed and operated by the private sector.

Residual Waste Treatment Facilities – Dec 2010

	Operational (tonnes)	With planning permission	In planning system	Procurement stage	Total (tonnes)
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		(tonnes)	(tonnes)	(tonnes)	
Merchant	285,000	822,000	790,000		1,897,000
Local Authority	22,000			546,000	568,000
Total	307,000	822,000	790,000	546,000	2,465,000

Some local authority procurements are at an early stage in their development and accordingly the tonnage capacity to be secured is not yet finalised. The Scottish Government understands however that local authorities at a more advanced stage in the procurement process are collectively seeking to procure some 546,000 tonnes of residual treatment capacity and this is reflected in the table above. This potential local authority capacity is in addition to the operational or planned merchant capacity of 1,897,000 tonnes. If the local authority procurements (where capacity is known) come to fruition, and assuming all infrastructure currently in the planning system is approved (unlikely given past experience), this would serve to increase overall residual treatment capacity to 2.465 million tonnes. This demonstrates that good progress is being made to ensure that Scotland has sufficient residual treatment capacity.

The Scottish Government's commitment to achieve high levels of recycling, will, over time, lead to a reduction in the amount of residual waste in Scotland. This, in turn, will reduce the need for, and dependency on, residual treatment infrastructure. Scottish Government will be working closely with SEPA and Zero Waste Scotland to monitor progress in the delivery of Scotland's residual treatment capacity.

The Scottish Government recognises that there are challenges associated with the overall infrastructure necessary to deliver a Zero Waste Society. However, it is important that we all recognise that treatment facilities, irrespective of the technology to be employed, are only part of the solution.

Criteria for the young farmer and new entrant schemes

Through the Scotland Rural Development Plan (SRDP), grants are available to young new entrant farmers of up to £27,397 to help meet the interest payments on a commercial business development loan with a further £20,548 available through an establishment grant.

Rural Development regulations do, however, place some restriction on the funding mechanism. In particular, that the young new entrant farmer must be under 40 years of age and setting up as head of a farm business for the first time. There are other requirements which also have to be met, for example relating to skills and business planning.

EC regulations are also specific that a decision to grant support must be taken within 18 months of the new entrant setting up in business. Domestically, that deadline is set at 12 months as we need to also take into account the application process and the timetables of the Regional Project Assessment Committees. We recognise this timeframe represents a significant challenge but it is an area where we currently have little room for manoeuvre.

Such dedicated funding is, however, significantly in excess of that currently available elsewhere in the UK and is the maximum we could achieve under the SRDP.

More generally, Rural Priorities also offers those meeting the EC definition of young farmer higher levels of support of up to 60% (equivalent to a 10% premium over established farmers) for farm business restructuring, provision of and upgrading infrastructure, installation of renewable energy capacity and improving manure/slurry treatment.

We do, however, note the views of Committee members' that the EU should provide more flexibility, and will bear it in mind for the negotiation of the rules for the 2014 – 2020 CAP period. With that in mind, members will wish to know that new entrant representatives sit on our stakeholder group set up to consider priorities for 2014 – 2020, to ensure that their interests are fully taken into account in the future development of policies and measures.

I hope this information is helpful.

Iain Dewar
DG RAES Strategic Support
13 December 2010