

REPORT TO: POLICY COMMITTEE ON 5TH MARCH 2008

SUBJECT: SHARING OF SURPLUS LANDFILL ALLOWANCES

BY: DIRECTOR OF ENVIRONMENTAL SERVICES

1. REASON FOR REPORT

1.1 To seek Committee approval on the principal of sharing surplus Landfill Allowances with The Highland Council.

1.2 This report is submitted to Committee in terms of Section A(59) of the Council's Administrative Scheme relating to formulating and reviewing Council wide policy, strategies, priorities and objectives in standards and levels of service.

2. RECOMMENDATION

2.1 It is recommended that the Committee note the Council's current position with regard to Landfill Allowance Targets.

2.2 That the Committee approves the principal of sharing surplus landfill allowances with The Highland Council and that the Director of Environmental Services be given delegated authority to negotiate the details.

3. BACKGROUND

3.1 The Landfill Allowance Scheme (Scotland) Regulations 2005, translate the European Directive on Landfill into national law. Scotland has an overall allowance for the landfilling of biodegradable municipal waste which has been split proportionally with all local authorities based on waste arisings. Under the Regulations, authorities may bank surpluses, borrow from the next year's allowance, trade and share allowances. When the sharing of allowances occurs this is undertaken at no cost to either authority.

3.2 A written request has been received from The Highland Council seeking the transfer of surplus allowances from The Moray Council to assist them to meet their 2006/07 and 2007/08 targets. The Highland Council failed to meet its 2006/07 target by 2137 tonnes and estimate that they will fail the 2007/08 target by 4000 tonnes.

3.3 The Scottish Government and the Secretary of State for Environment and Rural Affairs have strongly suggested that those authorities with surplus allowances should share them with authorities that have not met their targets to ensure that overall, Scotland meets its target. There is also the possibility that the current allocation of allowances per Council may change to a national allowance thus removing the onerous imposition placed on Councils through the Landfill Allowance Scheme (Scotland) Regulations.

- 3.4 The Moray Council has met its targets to date. Surplus allowances are automatically brought forward (but not on a target year) and the current balance stands at 12348 tonnes. It is estimated that there will be an additional surplus in excess of 4000 tonnes. Trading surplus allowances can commence in Scotland as from 1st April 2008 however current indicators on value are as low at £5/tonne. Any surpluses available in the year prior to a target year cannot be carried into the target year (2009/10,2012/13 and 2019/20) and if they are not trades or shared will be lost.
- 3.5 Both Councils have worked closely together over the past few years to progress and develop waste management issues. The Highland Council has had greater staff resources available to progress and submit joint bids for funding and no charge has been made to this Council for reimbursement of this. The sharing of allowances would fit in well with both Council's joint working arrangements and the Government's desire for partnership between authorities.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Development Plan/Community Plan/Service Improvement Plan

The sharing of surplus landfill allowances with The Highland Council will enhance partnership working and would be in accordance with the Working Principles objectives in the Corporate Plan.

(b) Policy and Legal

Under the Landfill Allowance Scheme (Scotland) Regulations 2005, each authority has been allocated an allowance per year for landfilling Biodegradable Municipal Waste. Any authority that landfills more than their allowance may be penalised by the Scottish Government through the use of fines amounting to £150 per tonne. Local authorities may share any surplus allowance they have with other authorities.

(c) Resources (Financial, Risks, Staffing and Property)

The Moray Council currently has a bank of surplus allowance amounting to 1248 tonnes.

(d) Consultations

There are no consultations associated with this report.

5. CONCLUSION

- 5.1 That the Committee considers the recommendations set out in Section 2 of the report in regard to the Council's current position relating to surplus landfill allowances and the proposal to share some of these allowances with The Highland Council.**

Author of Report: Steve Williamson, Waste Management Officer - 7041

Background Papers: None

Ref: SW/MAS