

RMAS Management Committee

3rd April 2020

Furlough

Prioritise key sectors for furlough repayment mechanisms. Accessing payments via furlough is critical for businesses that are recognised as key workers who are trying to maintain their operations under increasingly difficult situations. The cash flow situation for many commercial operators is becoming more difficult and with increasing numbers of their workforce on furlough they are running operations with reduced staff but increased operating and disposal costs, and reduced returns due to reduced route efficiency and reduced collection volumes combining.

Companies are trying to stay open to continue to provide waste and recycling services across Scotland but many operators are closing the gates putting all staff on furlough rather than risking running their businesses at a loss, and waiting until the crisis is over, examples of this include Russells and Xander Cooks.

Cash flow is impacted by:

- Asset based businesses with equipment leases, loans, fuel costs, maintenance costs, significant insurance costs and depreciated asset costs to cover.
- Time lag in debtor days – this is growing with an increased risk of bad debts – many companies are openly saying waste payments rank low in priority. Understandable but problematic.

Additional Risks include:

- Collected waste backing up due to lack of processing crews. The longer this waste sits the harder it is to process.
- Unprocessed DMR is charged at a recycling rate and may need disposed of – these increased costs are highly problematic. LFT particularly. EfW costs similarly high relative to charging income.
- Some issues being experienced on fire insurance given the increased on-site storage levels being experienced.
- Suppliers not offering the usual established credit terms.
- Regional variances – Tayside for example with many food processors and agri waste etc.
- Several companies thinking of moth-balling – some won't survive. This is to be expected across the economy of course but as a key sector some regions will face vastly reduced waste management capacity needed as the economy starts to move again in due course.

Key sector businesses trying to keep operating but making aggregated losses due to reduced levels of business.



PPE

Face masks are in very low supply for critical operations which require operators to wear face masks, specifically for waste processing operations where there is dust in the air and on picking lines. Large scale players in the building and construction sectors may have additional supplies of face masks and might be able to provide these to the sector; good examples of this already happening Morrison's and Ogilvie's mentioned.

PPE for Household Recyclate Picking Line: RMAS to develop a note based on the WISH Guidance but with additional recommendations – that each operator carries out an individual risk assessment based on their individual employee liability insurance requirements on any operation where staff are manually handling waste, particularly household waste (recyclates or residual). This was viewed as the one issue not adequately addressed in the WISH guidelines – companies should consider the following changes in following protective measures including some that are additional to the WISH guidelines: ventilated picking cabins, file in and out in order keeping 2m, no crew overlap meetings, using PPE with regular enforcement checks, cleaning hands, equipment sprays for rails and buttons etc, 2m distancing. Gloves potential double layered, long sleeves, dust masks to help reduce hand to face transmission risk and for dust protection. Full masks were considered but are generally found to be impractical.

Landfill Capacity

Need to understand the increased volumes being sent to the landfill due to change in quality with increasing DMR loads co-mingled with residual. Impact on increasing disposal costs reduction in revenue. Some form of financial assistance required to reflect rapidly changing nature of business and expectation that services can be maintained albeit at reduced levels.

Waste Crime

Risk of some business stock-piling waste then going bust (deliberately or inadvertently). Public purse often left to pick up the tab.

