RESOURCE MANAGEMENT ASSOCIATION SCOTLAND

RMAS Management Committee and Member Update 28th April 2020

Staffing

As before in terms of furlough and inflexibility of the system. There is a mixed picture in terms of the % of RMAS members currently on furlough:

- Company 1: 80% of staff on furlough; minus 3 from the previous week.
- Company 2: 66.7% of staff on furlough no change from last week
- Company 3: 52.76 % of staff on furlough no change from last week.
- Company 4: 56 % of staff on furlough no change from last week.
- Company 5: 29% of staff on furlough; 1 person self-isolating.
- Company 6: No staff on furlough; 1 person self-isolating.

PPE

Guidance required for cleaning waste vehicles - although revised WISH Guidance touches on this it is non-specific. A question has been raised as to whether there is a requirement for the use of face masks in addition to standard PPE (face shield, full waterproofs, gloves, boots etc.) and if necessary what standard those face masks should be. The reason for this is the potential risk of bio-aerosols and the enhanced risk with regard to Covid-19 being spread through water droplets.

RMAS position is that the precautionary principal should be applied, seeking further input from WISH.

Supplies

Contractors required to carry out repairs or modifications to buildings and structures are finding it very difficult to get basic supplies to carry out the repairs, and it appears to apply to most basic building/maintenance products. This could have an impact on licence holders complying with conditions relating to maintaining the fabric of buildings and plant or site security.

The sector is currently exposed to partial shutdown of the supply chain in terms of maintenance, parts and other types of kit. This is an immediate and on-going issue. It is essential that this part of service supply chain is available if lock down measures are maintained or relaxed to keep plant safe and functional.

There is work underway to understand resilience levels amongst businesses involved in remanufacture and reprocessing of materials, SG and SEPA are now gathering intelligence to understand main issues and will be seeking input from trade bodies. Angus Hamilton, Jim Brown and Nicki Souter nominated as RMAS representatives.

MRF Capacity

Some DMR domestic MRFs are having problems due to volume pressures as a result of reduced throughputs due to social distancing requirements and increased volumes of household recyclates. This will need to be managed as part of the overall supply chain for the re-introduction of recycling services.

C&I MRF lines have been restricted due to closure of majority commercial sector customers and closure of construction sector. These can be brought back on line if there is advance warning and suitable end markets for outputs.

Construction Sector

Appears there is a slow and steady emergence of construction company activities resuming across the country and this is likely to increase substantially in the forthcoming weeks; with companies such as Persimmon Homes, Muir Homes, Robertson Homes and CCG Homes specifically noted.

Potential Royal Mail Delays

It has been reported that the Royal Mail have stopped overtime working and there may be a delay in deliveries which could impact on the time taken to service testing samples, if they are sent through standard postal service, etc.

Key Sector Messages
General

RMAS members as part of the Waste and Resource sector, are continuing to play an important role in supporting the delivery of essential services to maintain Public Health and environmental quality during the current Covid-19 crisis through the range of work they are involved including the collection, reprocessing and disposal of waste. This is all being achieved in increasingly challenging economic circumstances which has seen significant reductions in commercial waste arisings and increasing disposal costs.

RMAS members are continuing to provide these services safely and effectively for both staff and customers albeit with reduced staff numbers, and substantial increases in operating costs, in the face of significant economic uncertainty.

RMAS members are here to support the on-going maintenance of these essential services and have been actively supporting the Zero Waste Scotland managed Scottish Resource Matching Service https://scotlandwastecapacityplatform.org/ to match public sector need with private sector resource.

RMAS members can provide staff, fleet, equipment, and full service delivery support both in terms of immediate service maintenance needs and in support of the progression towards normal services being resumed.

HWRC re-opening

RMAS members can provide support to enable the re-opening of HWRCs across Scotland as part of an integrated co-ordinated plan which takes cognisance of the geographical spread, the range and size of these facilities, and the overall supply chain with hauliers, reproccesors, disposal facilities, etc. to meet the increased demand when the sites re-open.

There is political pressure in England to reopen HWRCs. There will be pressure to re-open HWRCs in Scotland if they re-open in England. SG and local government are considering the viability of reopening HWRCs but recognise issues such as public health, health of staff, messaging over essential journeys and maintenance. Work is also needed to prepare downstream chains. Re-opening HWRCs will require a strategy to consider all parameters.

RMAS members welcome the opportunity to be part of the Scottish Government Waste Forum Sub-Group which is looking at HWRC re-opening. RMAS representatives on this group are suggested as Duncan Simpson, Angus Hamilton and Robin Baird.

Flytipping

RMAS members can provide support to help reduce the incidences of fly-tipping.

RMAS has made a number of proposals and representations in this area which include:

- A more rigorous entry threshold level only allowing applicants access to the collection of 'Controlled Waste' whereby each person must demonstrate financial robustness and competency and be endorsed by a professional body or guarantor this would surely go some way in addressing this ongoing problem;
- Improved enforcement and policing of these illegal activities coupled with improved communications which reinforces illegality of these types of activities and that illegal operators will be prosecuted; and
- The general public should be made aware of their duty of care to ensure that collection providers are legitimate and are licensed to do the work correctly. This should be part of any national communications campaign.

Additional Business Support

RMAS members would like to thank Ms Cunningham for the letter of thanks received re their on-going contribution to sustain key waste management services during the current Covid-19 crisis.

RMAS members welcome the opportunity to meet with Ms Cunningham to discuss our experiences, perceived impact of measures taken to date and ongoing issues or concerns. RMAS representatives for this meeting are suggested as Brian Ritchie, Allan MacGregor and Nicki Souter.

RMAS members are the key link to the operation of a circular economy across Scotland now and in the future. Their continued existence is critical to build on this infrastructure going forward. There is a real danger that without support a number of these organisations will be lost or at least put back in development by a number of years.

RMAS members are facing increasing economic challenges and commercial uncertainty and wish to explore the range of supplier relief (assistance and financial support) that may be able to support companies in the short and medium term to be able to emerge from this current crisis, sustain the long term viability and allow them to play an active role in the green economic recovery plan.

The sector welcomes the extension of the Corona Virus Job Retention Scheme (CJRS) which provides a continued lifeline to SMEs and other private companies in the sector but is still seeking greater flexibility in how it operates.

RMAS also recognises the other measures such as tax relief, grants and other support but would ask that more thought be given to the speed of advice, action, further support and attention to potential omissions to existing measures as many companies still face extremely challenging conditions.

Requests include:

- Why is the Small Business Support Grant Scheme; grant not available to SMES in the waste Sector?
- Request a temporary reduction in landfill tax to ease cash flow constraints and specifically in terms relating to the costs of disposal where residual and mixed waste streams have had to be collected in the same vehicle. A letter is being sent to Revenue Scotland.
- Continued involvement in the phased exit from lock down with clear matching of opening services to opening industry sectors such as manufacturing, hospitality and other key areas to which the association members provide valued services.
- Recognition that these services once up and running pay taxes to the Government

Brave and decisive action is respectively requested from SEPA to allow for variations in licencing arrangements and flexibility of operational requirements where existing requirements are resulting in financial hardship, potential negative environmental impacts and operational difficulties. Legitimate businesses would only take action in breach of their license conditions only after fully utilising BPEOA thinking but do so in fear of prosecution at some point in the future. SEPA must be more decisive in this area and provide more clear advice to companies at this time. RMAS fully recognises the problems with providing "carte blanche" advice which may open the door to exploitation of existing rules by unscrupulous operators. Surely the track record of specific operators is enough to manage risk.

It has been reported the Environment Agency is providing assistance (reduction, removal, relaxation) to companies that may struggle to pay their annual permitting fees due to Covid-19 is SEPA consider doing something similar?

Sector Development Plan

RMAS are carrying out a small piece of industry market research to collate the current 'state of the SME market' this will include intelligence gathering in terms of the economic impact and economic forecasting for the sector as a result of the impact of Covid-19. This piece of work will provide information on risks, and the economic impacts to the sector and the associated supply chains across Scotland.

This work will help inform the development of a Sector Development Plan for the SME Resource Management Sector in Scotland post Covid-19. This is suggested as one of the primary areas of focus and outputs from the RMAS Innovation Group. This could include what the Sector has delivered (scale/ size/ services/ jobs), the impact of Covid-19, what potential it has for the future, and how it could play an active role in the green economic recovery plan.

In terms of moving from lockdown it would be helpful to understand/have an idea of what sectors will be phased in, and when. This will help the sector to forward plan their business activities post lock down and to identify if:

- Business will need to change direction in the short to medium term to reflect the changing customer base;
- Be able to operate as previously but with an understanding of when the different sectors will be switched back on, and what the impact of Covid-19 has been on each customer base;
- If redundancies have to be made. Companies are having to consider this now as notice will have to be given timely with the furlough scheme finish.

In addition in moving from lockdown the sector will need clarity that Health & Safety and PPE is sufficient and can be maintained.

Market Trends

Our current understanding of the markets for materials are summarised below:

- Paper
    - Low grade papers problematic limited outlets via EfW
    - OCC (old corrugated cardboard) significant increase in demand from UK and EU mills, both of as a result of the falloff in availability of OCC (apart from the main retailers) and the decrease in availability of office grade paper. Price rises of £30 per tonne to £90/tonne during April.
- Plastics
    - Low grade plastics problematic limited outlets via EfW
    - HDPE film demand maintained, fall off in supply from the construction, hospitality, transport and retail sectors.
    - PET demand maintained. Oil prices likely to have an impact but not seen as yet. Demand price for recycled PET (rPET) is £1300 compared to virgin Pet £750.

- Steel
    - Price down due to fall in construction sector. This will rise again once global markets China, USA, and others open up again.
- Aluminium
    - Price down due to fall in global car manufacture, pricing schedule is linked to this.
- Glass
    - Price generally being maintained.
- Wood
    - Supply down 80 – 90% due to HWRC closure, and fall off in construction, and other sectors such as transport. Supplies for biomass plants are very low and this will continue to be a challenge to meet demand during the winter months.