

Committee: **Executive Committee**

Date of meeting: **13th November 2019**

Report Subject: **The Strategic Business Case - Development of a Second Household Waste Recycling Centre (HWRC) at Roseheyworth South Business Park**

Portfolio Holder: **Cllr. G. Collier, Deputy Leader / Executive Member, Environment**

Report Submitted by: **Head of Community Services**

| Reporting Pathway | | | | | | | | |
|-----------------------------|---------------------------|--------------------------|-----------------|-------------------------------|--------------------|---------------------|---------|----------------------|
| Directorate Management Team | Corporate Leadership Team | Portfolio Holder / Chair | Audit Committee | Democratic Services Committee | Scrutiny Committee | Executive Committee | Council | Other (please state) |
| 22/10/2019 | 29/10/19 | 30.10.19 | | | 11/11/19 | 13/11/19 | | |

1. **Purpose of the Report**
For Members to consider the Strategic Business Case for the development of a second Household Waste Recycling Centre (HWRC) in Roseheyworth.
2. **Scope and Background**
 - 2.1 The development of a second Household Waste Recycling Centre supports the Council Priority '*Strong and Environmentally Smart Communities*' in particular '*to increase rates of recycling to enable us to achieve national targets*' and will contribute towards the 70% target. The development of a second site will improve accessibility for residents and provide capacity to introduce re-use of household items with access to furniture and items for the community and although likely modest in value, will generate income for re-investing into the service and into the community. In particular, this reuse project provides an opportunity to work with third sector partners, who can access funding schemes to improve employability and work programmes in the Borough.
 - 2.2 The Authority currently operates one HWRC which continues to be operated by Silent Valley Waste Services Ltd and is based on the Waun-y-Pound Industrial Estate in Ebbw Vale. The site, named "New Vale" achieved a recycling rate of 80% during 2018/19 following improvement works undertaken in 18/19 and the introduction of the bag sorting policy. These improvements and the change in policy were intended to support an increase in the recycling rate in Blaenau Gwent and assist the Council in moving towards 64 and 70% targets
 - 2.3 In December 2017, there were recommendations to progress with a two site strategy for Household Waste Recycling Centre provision within Blaenau Gwent, that included the following:
 - A business case is developed and prepared for the development of the New Vale HWRC and a second facility in Ebbw Fach Valley at the south of the Roseheyworth Industrial Estate.

- 2.4 This report provides an update on the progress for the development of a second HWRC at Roseheyworth South Business Park, including the strategic business case, outline design and financial implications for developing and operating a second site. The proposals for further investment at the New Vale site have not been developed further at this stage due to the increased performance at the site.
- 2.5 WRAP (Waste and Resources Action Programme) have worked closely with Blaenau Gwent to develop a Strategic Business Case for the proposed new HWRC site at Roseheyworth detailing how it can address local challenges whilst responding to statutory goals, **Appendix 1**.
- 2.6 The Strategic Business Case identifies that a second HWRC would improve the accessibility for residents to a HWRC and would contribute a 1 percentage point increase in the Council's recycling rate. As the Council moves towards the 70% target it is acknowledged that each percentage point improvement will become more difficult to achieve and all opportunities will have to be considered by the Council. These are set out in the Waste Strategy which is a separate report currently being considered in parallel with this report.
- 2.7 The Strategic Business Case developed by WRAP formed part of the bid to Welsh Government for capital funding for the development of a second HWRC.
- 2.8 In order to ensure that the Council would be in a position to take advantage of any available capital funding (funding would not be approved without Planning Permission being in place), an outline Planning Application was presented to Planning Committee in March 2018 and was approved, subject to a number of planning conditions. A copy of the outline design is included in **Appendix 1 (page 17)**
- 2.9 The Council Leadership met with the Deputy Minister for Housing and Local Government, Hannah Blythyn, on the 8th July confirming the Council's commitment to meet the 64% and 70% recycling targets.
- 2.10 It has now been confirmed by Welsh Government the Council has been successful in its bid for capital funding for a new HWRC with a full award of £2.8 million being made for this facility. The Council had recently approved £520,000 from its capital programme towards the new HWRC. This can now be reallocated back into the capital programme contingency.
3. **Options for Recommendation**
- 3.1 The Community Services Scrutiny Committee will consider the reports and appendices at its meeting on 11th November 2019 and any feedback from the Committee will be provided verbally to the Executive.
- 3.2 **Option 1** – The Executive Committee to approve the Strategic Business Case for the development of a second Household Waste Recycling Centre.

3.3 **Option 2** – The Executive Committee do not approve the Strategic Business Case for the development of a second Household Waste Recycling Centre.

4. **Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

Council Priorities

The development of the HWRC infrastructure supports the Council Priority ‘*Strong and Environmentally Smart Communities*’ in particular ‘*to increase rates of recycling to enable us to achieve national targets*’.

Statutory Responsibilities

Local Authorities in Wales have been set statutory recycling targets through the Wales Waste Measure 2010, and failure to meet the targets will result in a financial penalty from Welsh Government.

Well-being Plan

The development of the HWRC infrastructure supports the following Well-Being objectives:

- Blaenau Gwent wants to look after and protect its natural environment; and
- Creating a vibrant area that lives in harmony with its natural environments, using resources in a fair and sustainable way.

5. **Implications**

5.1 **Impact on Budget (short and long term impact)**

5.1.1 **Capital**

Roseheyworth Business Park South is anticipated to require a total capital investment in the region of £2.8m in order to develop HWRC facilities at the site. Further breakdowns of the estimated costs for a new HWRC are shown in table 1 below.

Table 1: Estimated costs for a new HWRC

| Description of works | Estimated cost |
|----------------------------------------------|-----------------------|
| Access, preliminaries and civils work | £2,500,000 |
| Mechanical and electrical | £300,000 |
| Land reclamation payment to Welsh Government | £75,000 |
| Total | £2,875,000 |

5.1.2 **Capital Funding**

It has now been confirmed by Welsh Government the Council has been successful in its bid for capital funding for a new HWRC with a full award of £2.8 million being made for this facility. The Council had recently approved £520,000 from its capital programme towards the new HWRC. This can now be reallocated back into the capital programme contingency.

Revenue

The indicative full year revenue costs at the new site have been modelled at £497,183 p.a. operating on the same basis as the New Vale Facility, i.e. 7 days a week (Please see **Appendix 2**). Reducing hours and days of operation will reduce the potential revenue costs associated with the new site.

Year 1 revenue costs will potentially be lower as a result of the new facility not becoming fully operational until qtr2 (July onwards).

Revenue staffing costs have been modelled on the foundation living wage.

5.2 Risk including Mitigating Actions

5.2.1 Option 1 – Members approve the Strategic Business Case for the development of a second Household Waste Recycling Centre.

- a) HWRC may not achieve the desired recycling performance. In order to mitigate this risk, the site design and layout has been developed in a way to maximise the capture of recycle brought into the site. Performance improvements will also be dependent upon effective management of the HWRC and relevant training for operatives.
- b) As outlined above, there will be revenue implications of £497,183 associated with operating the new HWRC site in line with the current New Vale opening times. Changing opening and hours of operation could reduce revenue requirements but may also potentially have a negative impact on recycling performance.

5.2.2 Option 2 – Members do not approve the Strategic Business Case for the development of a second Household Waste Recycling Centre.

- a) The authority may risk its reputation with Welsh Government if it declines the offer of capital funding.
- b) It will have a negative impact on the Council's recycling performance, whereby the Council will be fined £60,000 for every 1% below the target.
- c) There will be reputational damage between the Council and the Public who are keen to see the site developed.

5.3 Legal

In order to operate the second HWRC the operator will require a valid permit from Natural Resources Wales (NRW). The permit application is in the process of being developed with NRW in line with the planning application to ensure the site will be permitted once constructed.

5.4 Human Resources

Number of staff required will depend on the number of days the site is operational, with potentially a maximum of seven staff if the site is open seven days a week.

6. **Supporting Evidence**

6.1 **Performance Information and Data**

The HWRC contributes approximately 13 percentage points towards the overall recycling rate for the Council. In order to contribute towards the statutory target of 70%, the Welsh Government Collection Blueprint sets a target for HWRC performance at an 80% recycling rate.

The recycling rate for New Vale Household Waste Recycling Centre is as follows:

| Year | HWRC Recycling Rate |
|---------|---------------------|
| 2014/15 | 66.42% |
| 2015/16 | 60.33% |
| 2016/17 | 62.59% |
| 2017/18 | 56.16% |
| 2018/19 | 79.78% |

Modelling undertaken by WRAP as part of the report 'A review of HWRC provision in BGCBC' in September 2017 shows that a 1 percentage point increase in the Authority's recycling rate would be achieved by providing a second site.

Performance improvements are dependent upon effective management of the HWRC.

6.2 **Expected outcome for the public**

Improved service and accessibility through greater HWRC provision across the borough and a Reuse option available for residents.

6.3 **Involvement** (*consultation, engagement, participation*)

Through the planning process, the public have been consulted and their views have been sought regarding the development of a second HWRC in the borough. The majority of views expressed by the public during the consultation period were positive and the development was well received.

6.4 **Thinking for the Long term** (*forward planning*)

Blaenau Gwent is committed to protect and sustain the environment and provide all Blaenau Gwent residents with an efficient, smart and modern waste management and recycling service for now and into the future. A second HWRC will provide a resilient, fit for purpose site designed to support the meeting of future targets. It will provide improved access for residents hence adding amenity value and provide opportunities through the Re-use shop for both commercial and community benefits.

6.5 **Preventative focus**

Blaenau Gwent will explore opportunities to divert waste from disposal by increasing the levels of re-use and recycling through the HWRC infrastructure.

6.6 **Collaboration / partnership working**

Blaenau Gwent will work together with its residents, contractors, community groups and the third sector to increase the range of materials able to be recycled, maximise recycling and value, and increase the opportunity for re-use at the site.

6.7 **Integration** (*across service areas*)

6.8 **EglA** (*screening and identifying if full impact assessment is needed*)

7. **Monitoring Arrangements**

7.1 The performance of the Household Waste Recycling Centre will be monitored by the service on a monthly basis, including, but not limited to:

- Tonnage of residual, recyclables and reuse collected at the site;
- Recycling performance of site;
- Financial position; and
- Performance of Reuse shop.

Highlight reports on progress will be provided through the internal CCP Board Meetings.

Background Documents /Electronic Links

Appendix 1 – Strategic Business Case;

Appendix 2 – Estimated revenue costs new HWRC