

Bath & North East Somerset Council		
DECISION MAKER:	Cllr Martin Veal, Cabinet Member for Communities Cllr Charles Gerrish, Cabinet Member for Resources	
DECISION DATE:	On or after 7th May 2016	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2849
TITLE:	Waste Infrastructure - Approval of capital expenditure	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		

## **1 THE ISSUE**

- 1.1 To approve the 2016/17 provisional capital budget for progression of the Waste Infrastructure project.
- 1.2 Approval is now needed to release funding to progress with the review and relocation of operational depot facilities from Midland Road Bath, which is increasingly unfit for purpose and presents significant health & safety issues due to vehicle congestion & the implementation of the adjacent 2 way bridge.
- 1.3 Funding is also required to continue the scoping of provision of a modern fit for purpose recycling centre to serve residents.

## **2 RECOMMENDATION**

- 2.1 The Cabinet Member for Communities fully approves the capital budget totalling £862K as follows:
  - £320K to progress plans to develop a modern, fit for purpose public recycling centre, including finalisation of site location analysis work.
  - £542K to relocate the street cleansing depot to an outer Bath location within 16/17.
- 2.2 That a paper is brought early in 2016/17 for a final member decision on the siting options following finalisation of the location analysis work, before any site

acquisition or site development works are undertaken, and a further Single Member decision is taken to release the provisional capital to purchase land.

- 2.3 Approve an in-cash limit virement of £19k (fuel savings and garden waste income) to manage borrowing costs from 2016/17.

### **3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

- 3.1 The capital expenditure has been given provisional approval within the Council's 16/17 and a further £23,233k is provisionally allocated from 2017/18 onwards.
- 3.2 The future year's provisional budget incorporates both progression of the site relocation project [£15,143k] and the capital required for vehicles and containers linked to the service provision [£8,090k].
- 3.3 The full revenue impact of the entire capital project has been modelled in detail, covering both the site relocation works and the service review underway. The impact of the combined proposals depends on decisions required around service delivery. The option included on the provisional capital programme would result in a net reduction in budget growth in the coming years from demand increase linked predominantly to housing growth and external funding drawing to an end – but no decisions have been taken by members on this yet.
- 3.4 Excluding service supported borrowing costs, the site relocation provides net efficiencies amounting to £391k annually by 2020/21. This would be predominantly achieved through haulage efficiencies and site running cost savings.
- 3.5 Service supported borrowing would increase over that currently within the revenue budget. The modelled options covering site and service indicate this would be an increase of £1,499k per annum by 2020/21. Of this £1,202 relates to service options under consideration, £743k to the site options, off-set by £446k existing service supported borrowing coming to term.
- 3.6 Approval of these items would equate to additional service supported borrowing of £19k in 2016/17 growing to £41k by 2018/19 and this will be managed within existing approved budgets through a net £19k of savings on fuel costs and increased garden waste income, with the increase in future years met within existing SSB budgets.
- 3.7 The financial modelling of the options around service delivery are dependent on the refuse collection depot and waste transfer station site being co-located with the recycling depot and being operated under one management structure. Therefore, whilst efficiencies and service supported borrowing relating to the site relocation alone result in a net revenue cost pressure, they enable operational efficiencies in the delivery of the service.
- 3.8 The exact level of net growth reduction achieved will depend on the final site location decisions and service delivery specification, which will impact the level of efficiencies and financial pressures. A member working group has been set up to review progress on this project and to provide steer and direction for Cabinet.

### **4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL**

- 4.1 To fulfil its statutory obligations and zero waste strategy, the Council operates a comprehensive range of frontline waste, recycling and street cleansing services. Fit for purpose, licensed depot facilities are needed to operate these services.
- 4.2 The relocation of the cleansing team function currently based at Midland Road will contribute to Council priorities across a range of areas including:
- Core Strategy housing delivery
  - Regeneration and the Enterprise Area delivery
  - Sustainability and carbon management
  - Protecting frontline services
  - Increasing recycling
  - Reducing waste to landfill
  - Improving street cleanliness and reducing litter arising from waste collection
  - Improving customer service and satisfaction by providing modern purpose built facilities

## **5 THE REPORT**

- 5.1 The Council's waste & recycling facilities at Midland Road Bath are outdated, no longer fit for purpose and present significant health & safety concerns. The use is incompatible with surrounding development, and the opening of the 2 way bridge at Midland Road escalates the need to remove operational heavy goods vehicles from this location.
- 5.2 Future operational efficiencies can be gained by consolidating collection, recycling, refuse collection & waste transfer operations on one site, as well as maximising opportunities to increase recycling and reduce associated landfill and disposal costs.
- 5.3 Further feasibility studies are needed to ensure that all opportunities for the Council are fully considered in relation to future proofing the provision of public recycling facilities.

## **6 RATIONALE**

- 6.1 The capital sum is required in 2016/17 to enable the delivery programme for Waste Infrastructure to progress.

## **7 OTHER OPTIONS CONSIDERED**

- 7.1 Site searches and development work have been carried out in the past on a significant number of alternative site options, which will be updated and reviewed in the context of known future circumstances.
- 7.2 Consideration was initially given to improving the existing facilities, however due to road layout and traffic issues, multiple health & safety risks and site size restrictions this option was not viable as a long-term solution.

## **8 CONSULTATION**

- 8.1 Those consulted in preparing this report include officers in Planning, Regeneration, Economy and Culture, Highways and Transport, Project Delivery and Finance teams.

- 8.2 This item was submitted as a PID and approved by Divisional Directors Group on 2nd February 2016.
- 8.3 The Council's Monitoring Officer, Section 151 Officer and Strategic Director for Place have had the opportunity to input to this report.

## 9 RISK MANAGEMENT

- 9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.
- 9.2 The £320K for the progression of a new recycling centre is for project development costs and is subject to a risk of revenue reversion if improved facilities are not ultimately delivered.
- 9.3 The risk of revenue reversion is considered to be low risk given Cabinet Programme Board and Member Working Group steers provided that works are required and with the outstanding issue being confirmation of the specific site locations.

<b>Contact person</b>	<i>Carol Maclellan, Group Manager, Neighbourhood Environmental Services; 01225 394204</i>
<b>Background papers</b>	<i>The Budget Proposal 2016/17</i>  <a href="https://democracy.bathnes.gov.uk/documents/s40360/Appendix%202%20-%20The%20Budget%20Proposal%2016-17.pdf">https://democracy.bathnes.gov.uk/documents/s40360/Appendix%202%20-%20The%20Budget%20Proposal%2016-17.pdf</a>
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