

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE
30th July 2013

REPORT AUTHOR: County Councillor Barry Thomas
Portfolio Holder for Highways, Recycling & Waste

SUBJECT: Leasing/Acquisition and Development of Recycling &
Residual Waste Bulking Sites

REPORT FOR: Decision / Discussion

1. Summary

1.0 This report sets out the rationale for the acquisition and development of recycling and residual waste bulking sites at three strategic locations in Powys.

1.1 The report also seeks approval of the recommendations that:

- Instructions for the surrender and re-grant of the lease for the Brecon (Cwrt-y- Plyfin) site be issued to Valuation Officers
- Approval be granted to enter into negotiations with the owners of the Ddole Road, Enterprise Park, Llandrindod Wells and Newtown (Vastre) sites to seek to obtain appropriate Purchase Option Agreements on the sites,
- In principle and subject to there being a fully funded robust business case and all necessary approvals and permissions the two other sites at Ddole Road, Enterprise Park, Llandrindod Wells and Newtown (Vastre) be acquired and developed as standalone, dedicated bulking/residual waste transfer stations.

1.2 Recycling and residual waste transfer and bulking is a means by which kerbside collected materials can be further mechanically separated and compacted into bales for onward transport and sale. Conwy County Borough Council is considered to be an exemplar recycling authority in Wales and operates a recycling bulking site as a standalone facility. Following visits to the site and presentations on Conwy's approach to bulking materials the Recycling & Waste Project Board set the following targets:

- To focus on getting the existing Brecon Waste Transfer site in a 'condition' to start 'running';
- To identify if two or three sites are required;
- To identify the preferred site for a bulking station in Montgomeryshire;

- To have a clear idea of the development and running costs needed.

Extracts from the minutes of the meeting were as follows:

1.3 Bulking Stations

Officers circulated a report in the meeting. Full discussion took place and reference was made to the following items in the report:

1.4 Item 2

It was noted that a draft report for WRAP Cymru (Waste & Resources Action Programme in Wales WRAP) has been produced, detailing the site options. It was also noted that officers will liaise with representatives of WRAP regarding the report. The officers noted in the meeting that their preferred site is the green field site on Ddole Road, Enterprise Park in Llandrindod Wells. It was agreed that an officer will look into whether or not a paper needs to be presented to Cabinet with regards to the acquisition and infrastructure development. Discussion took place and the Chairperson emphasised the importance of having the best infrastructure for the bulking sites and to ensure that the sites are viable for the next 25 years. The Chairperson also noted that this work needs to be progressed as soon as possible.

1.5 Item 3

Discussion took place and officers felt that the Vastre Site would be the most appropriate site. It was also agreed that officers would consider the option of also having a Household Waste and Recycling Centre (HWRC) (formerly Civic Amenity CA) site on the Vastre, Brecon and Llandrindod sites.

2. Proposal

2.1 It is therefore proposed that:

- Instructions for the surrender and re-grant of the lease for the Brecon (Cwrt-y- Plyfin) site be issued to Valuation Officers
- Approval be granted to enter into negotiations with the owners of the Ddole Road, Enterprise Park, Llandrindod Wells and Newtown (Vastre) sites to seek to obtain appropriate Purchase Option Agreements on the sites,
- In principle and subject to there being a fully funded robust business case and all necessary approvals and permissions the two other sites at Ddole Road, Enterprise Park, Llandrindod Wells and Newtown (Vastre) be acquired and developed as standalone, dedicated bulking/residual waste transfer stations.

2.2 The outcomes sought are those contained in the draft Powys Change Plan as set out below.

3. Powys Change Plan

3.1 Development of sites at three strategic locations will enable one of the 10 key outcomes for people in Powys, namely to *Enjoy a clean, safe and green environment* to be actively pursued through the Climate Change Programme.

3.2 The draft Powys Change Plan (PCP) indicates that we want people in Powys to enjoy a cleaner, safer and greener environment by reducing the amount of waste going to landfill and increasing recycling. By working together we will reduce our carbon footprint and increase the amount of material that is reused or recycled and help limit that global impact.

3.3 The improvements will be achieved by:

- Improving recycling services so that landfill is the last option for the County's waste so that we avoid substantial landfill fines, (for every tonne over the allowance we could be charged £200 in penalties).
- Continuing to introduce the recycling service to all residents by December 2014 so that all Powys residents can benefit from a range of recycling options.
- Having appropriate multi-functional waste vehicles that are fit for purpose by September 2014. This will reduce the overall cost to the council and the environment.
- Reducing the number of miles your waste travels by introducing three new processing sites.
- Continuing to encourage residents to Reduce, Reuse, and Recycle.
- Providing a new household waste and recycling centre in Ystradgynlais in 2013 to make it easier for residents to recycle their waste.

4. Options Considered/Available

4.1 Given the geographical shape of Powys, the need to rationalise the distances travelled for recycling and residual waste vehicles to off load, and the possible and as yet un-defined future requirements for the transfer of residual waste, a number of locations for standalone sites have been considered together with the adaption and use of the Council's existing depots.

4.2 The size and geographical shape of the County is the primary driver in the decision making process and it is considered that it would be cost effective and beneficial if three locations for standalone, dedicated bulking/residual waste transfer stations, one in the north, one in central Powys and one in the south could be identified.

5. Brecon (Cwrt-y-Plyfin)

5.1 The existing transfer station site off the A470, 7.4 km north of Brecon (Cwrt-y- Plyfin) which already has planning, environmental, waste management licences and permissions and is currently operated by a contractor is appropriately located, is already earmarked for development with funding allocated and is therefore a clear candidate in the south of the County. The contract expires in September 2018.

5.2 The Council currently holds, via a lease the existing site compound. The lease is for 25 years and 6 months from 1 April 1993. The rent review clause is onerous in that it allows an annual rent increase. Instructions were previously given to negotiate a surrender and re-grant of a larger area for extending the compound.

5.3 The key benefits of negotiating a surrender and re-grant are:

- Existing site with planning consent
- Surrender and re-grant would provide a revenue saving. The current Lease Terms commit the Council to paying an annual rent increase. The proposed lease term provides an instant revenue savings with no rental increase between the third and fifteenth year. Any future rental increase has been limited.
- A willing landowner

5.4 Instructions to proceed are the subject of this report and the landowner is still willing to progress the lease arrangements. Capital costs for development and improvement of the site together with the estimated 'running costs' of a bulking facility at Brecon (Cwrt-y-Plyfin) are contained in the confidential background paper **Appendix A**.

5.5 Following a site meeting, it is clear that the contractor currently operating the transfer station is eager to progress development of the site in order to better accord with EA requirements and to provide a more efficient service. It is therefore considered that it would be beneficial for this site to be extended and improved for bulking purposes.

5.6 In mid Powys a green field site of about 1.5 acres on the Ddole Road, Enterprise Park in Llandrindod Wells has been identified as being a located near to centres of population i.e. near to maximum recycling and residual waste streams, and is currently for sale. The site is not close to residential properties and has good vehicular access and colleagues in corporate property have advised that the owner has previously indicated he would be prepared to sell.

5.7 The estimated cost of developing the site in the Ddole Road Enterprise Park and the estimated operating costs are contained in the confidential background paper **Appendix A**.

5.8 An indication of the costs associated with additional return journeys, distances and the extra time involved, together with additional wear and tear on vehicles travelling to and from sites in the north and south if a central site is not developed set against servicing the capital investment is also contained in the background paper **Appendix A**.

5.9 Any site in the north of the County should be located near to a centre of population i.e. near to maximum recycling and residual waste streams and it is suggested that in or near to Newtown would be an appropriate location. Two candidate sites where land is available have been identified in

Montgomeryshire namely an existing recycling site in Newtown which was previously operated by Cwm Harry (Vastre Industrial Estate), and a green field site on the outskirts of Abermule which has been developed as a light industrial site by the WG.

5.10 The former 'Cwm Harry' Vastre site which is near to the Council's existing temporary recycling facility at the smaller site in Vastre, already has some planning, environmental and waste management licences and permissions, however, these would need to be renewed. Whereas the Abermule site would require applications for all necessary permissions

5.11 As a green field site, Abermule would require full development expenditure although it is acknowledged that some site infrastructure is in situ. It is also likely that there would be some objection from local residents in Abermule for the development of a recycling bulking and residual waste transfer site on the outskirts of, but alongside one of the main entry routes into the village.

5.12 With regard to the former 'Cwm Harry' Vastre site advice provided by colleagues in corporate property is contained in the confidential background paper **Appendix A**, as are the estimated operating costs for the Newtown (Vastre) site.

6. Preferred Choice and Reasons

6.1 As previously stated the size and geographical shape of the County is the primary driver in the decision making process.

6.2 It is therefore considered that it would be preferable, cost effective and beneficial for the three locations identified above, namely, Brecon (Cwrt-y-Plyfin), Ddole Road, Enterprise Park in Llandrindod Wells and Newtown (Vastre) to be leased/acquired and developed.

6.3 The reasons for the preferred choice are:

- the need for efficient, standalone, dedicated bulking/residual waste transfer stations;
- the costs associated with transporting materials in Recycling Recovery Vehicles (RRVs) and Residual Waste Collection Vehicles (RWCVs) over long distances;
- the size, geographical shape and demography of Powys.

6.4 A summary, of the anticipated, estimated financial requirements for leasing and/or acquisition, development and operation of the three standalone sites is contained in the confidential background paper **Appendix A**. At this time outline funding proposals have not been prepared and the availability of capital funding for development of the site infrastructures has not been fully identified. However the Welsh Government (WG) has acknowledged Powys' progress toward achieving the national recycling and waste minimisation targets and the significant investment the Council is making in the new recycling fleet, and has indicated that some modest grant funding may be available or alternatively 'spend to save' funding could be accessed. Members are advised that proposals for funding the

acquisition and development of the sites together with a robust business case will be determined with financial colleagues. Nevertheless, at this stage it is imperative that Option Agreements for the sites are secured and an indication of the cost of the Option Agreements is therefore included in the confidential background paper **Appendix A**.

6.5 If approval for development of the three sites is granted, instructions for the surrender and re-grant of the lease for the Brecon (Cwrt-y- Plyfin) site can be given immediately, and tender documentation for construction and development can be prepared for submissions from framework contractors with a view to commencing the works toward the end of the August 2013, with a completion expected at the end of March 2014. However, the site would continue to operate during the construction period.

6.6 Similarly, with regard to the proposed new sites in Llandrindod Wells and Newtown, instructions can be issued immediately to Valuation Officers to enter negotiations with the owners regarding purchase options subject to there being a fully funded robust business case. This will enable the authority to reach provisional agreements with these landowners committing to purchase or lease of the sites at pre-agreed figures in the event that planning permissions and environmental consents can be obtained. In such circumstances it would be usual for the option to be time limited, both due to potential changes in the market place, and also to give both parties a deadline beyond which other interests can be explored.

6.7 During the negotiation period design and tender documentation for construction and development of the sites can be prepared and subject to stage approval for submissions from framework contractors with a view to undertaking the works from mid September 2013 with operations commencing between April 2014 and September 2014.

7. Sustainability and Environmental Issues/Equalities/Crime and Disorder,/Welsh Language/Other Policies etc

7.1 The proposals will meet all planning requirements and environmental licenses and permissions to ensure that environmental issues are negated. Sustainability will be included within the site development plans and processes. The proposals do not impact on any other Council policies.

8. Children and Young People's Impact Statement - Safeguarding and Wellbeing

8.1 The proposals do not impact in the context of securing the safety and protection of children and young people and supporting the promotion of their wellbeing

9. Local Member(s)

9.1 The proposals have effect on or significance for three electoral divisions namely, Felin-fach, Llandrindod Wells North and Newtown East. The local Members' views are as follows:

9.2 Cllr Tony Thomas (Felin-fach) – The proposal for development at the Brecon (Cwrt-y- Plyfin) site will mitigate against the current wind blown litter problems and on that basis I support the proposal.

9.3 Cllr Gary Price (Llandrindod Wells North) – In principle I support the proposal for development of the green field site at the Ddole Road, Enterprise Park in Llandrindod Wells.

9.4 Cllr Joy Jones (Newtown East) –The proposal for development of the site at the Vastre Industrial Estate, Newtown will bring much needed employment to Newtown and will provide a modern facility for the handling and bulking of recycling materials and I therefore fully support the proposal

10. Other Front Line Services

10.1 The proposals do not have any implications for or needs the involvement of other front line services.

11. Support Services (Legal, Finance, HR, ICT, BPU)

11.1 Legal Officers have commented that the proposals do not have specific legal implications.

11.2 The Service Accountant commented that the Finance team have been kept fully involved in discussions with the Service in relation to these proposals and are happy with the contents of this report. In addition to recycle income revenue costs of the bulking sites should also be supported by reductions in payments to the providers of landfill facilities.

12. Local Service Board/Partnerships/Stakeholders etc

12.1 The proposals do not have any implications for, or needs the involvement of the LSB, a partner body/organisation or stakeholders.

13. Corporate Communications

13.1 The Senior Communications Manager has commented that a proactive news release required.

14. Statutory Officers

14.1 The Monitoring Officer has indicated that there is nothing to add to the legal comments.

14.2 The Strategic Director Resources (Section 151 Officer) commented that the recommendations seem to offer a sensible way forward. Securing options on the sites will involve a cost but will allow the project to make progress. An "in principle" decision will allow the detailed business case to be considered fully in the Autumn alongside the Council's other capital commitments. It will allow time for funding options to be explored with Welsh Government. Some degree of re-prioritisation of the capital programme is inevitable if the Council is to fulfil its statutory obligations.

15. Members' Interests

15.1 The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

16. Future Status of the Report

16.1 Members are invited to consider the future status of Appendix A to report and whether it can be made available to the press and public either immediately following the meeting or at some specified point in the future.

The view from legal officers on behalf of the Strategic Director, Law & Governance is that the information contained in the Appendix A is commercially sensitive and should remain confidential.

Recommendation:	Reason for Recommendation:
<p>That instructions for the surrender and re-grant of the lease for the Brecon (Cwrt-y- Plyfin) site be issued to Valuation Officers</p> <p>That, approval be granted to enter into negotiations with the owners of the Ddole Road, Enterprise Park, Llandrindod Wells and Newtown (Vastre) sites to seek to obtain appropriate Purchase Option Agreements on the sites,</p> <p>That in principle and subject to there being a fully funded robust business case and all necessary approvals and permissions the two sites namely the Ddole Road, Enterprise Park, Llandrindod Wells and Newtown (Vastre) be acquired and developed as standalone, dedicated bulking/residual waste transfer stations.</p>	<p>To enable the authority to reach provisional agreements with landowners committing to purchase or lease of the sites at pre-agreed figures in the event that planning permissions and environmental consents can be obtained, in order to provide efficient bulking/residual waste transfer facilities at strategic locations to enable effective recycling and residual waste collection and transfer, to achieve Welsh Government targets for recycling and waste services</p>

Relevant Policy (ies):	Powys Change Plan		
Within Policy:	Y / N	Within Budget:	Y / N

Relevant Local Member(s):	Cllr Tony Thomas (Felin-fach) Cllr Gary Price (Llandrindod Wells North) Cllr Joy Jones (Newtown East)
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Person(s) To Implement Decision:	Head of Service
Date By When Decision To Be Implemented:	With immediate effect

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Background Papers referred to in the Report: Confidential Paper
APPENDIX A