



North Devon Council

Report Date: Full Council 23 November 2022

Topic: Material Recovery Facility Improvements

Report by: Head of Environmental Enhancement

1. INTRODUCTION

- 1.1 North Devon Council (NDC) relocated its Waste & Recycling Service to Brynsworthy Environment Centre (BEC) in June 2010 after converting an old abattoir site at a cost of £7.5 million. Facilities at the new site allowed the council to roll out its new recycling & refuse service, which included the collection of food waste and separate glass, plastic, paper and cardboard streams.
- 1.2 The site is now working at capacity but is reliant on ageing baling equipment that frequently breaks down and is in need of replacement. These breakdowns and the current layout of the process hall and yard are having a negative effect on the efficiency of the service.
 - a. Repair costs for 20221-22 reached £9,966. To date, this financial year (2022/23), repair costs spend is at £9,200
 - b. In addition, the down time of the baler means material has to be shipped out loose, which costs us £20,000 pa and overtime has to be paid to catch up after breakdowns, which costs £2,000 pa. The total annual costs from machine breakdowns is therefore approx. £32,000 pa.
- 1.3 Improvements to the drainage system and a fire suppression system are also needed onsite, to ensure the Waste & Recycling Service is operating within the compliance framework.
- 1.4 This report proposes a programme of remedial and improvement works to address these issues and to improve the efficiency of the Waste & Recycling Service

2. RECOMMENDATIONS

- 2.1. That Council approves the proposed programme of works outlined in this report.
- 2.2. That Council vary the Capital Programme by £2,659,000 for the remedial and improvement works at Brynsworthy Environment Centre.
- 2.3. Subject to 2.2; that release of funds of £2,659,000 for the remedial and improvement works will come back to Members for decision through the quarterly Performance and Financial Management reports once costings around the baler and a project plan outlining overall delivery timeline have been confirmed.

3. REASONS FOR RECOMMENDATIONS

- 3.1. To ensure that the facility can continue to operate within the compliance framework.
- 3.2. Upgrading the baling equipment and improving the layout of the yard and process hall will improve the efficiency of the service and improve health & safety at the site.

4. REPORT

- 4.1 **Environmental Permit Issues:** Since the process hall was constructed environmental regulations have developed with provisions now relating to fire suppressant systems and water pollution risks. In order to ensure the continued operation of the yard in compliance with the regulating framework, works are required to introduce a fire suppressant system and to ensure that pollution from firewater runoff is prevented. New rules also govern how particular materials can be stored and so works will also be needed to comply with these requirements.
- 4.2 **Efficiency and safety improvements:** It is proposed to change the access arrangements for contractors lorries, stopping artic lorries from coming into the yard area where yard workers and others are on foot. This will also reduce waiting time for crews who want to unload vehicles, speeding up the baling process and providing new office accommodation.
- 4.3 The current layout of the recycling yard and process hall is inefficient and carries certain health & safety risks due to interactions between vehicles and employees. The new layout (appendix B & C) will separate NDC vehicles dropping off materials from external vehicles collecting recyclables. It will more effectively separate pedestrian walkways from vehicle movements and reduce queuing time for vehicles loading and unloading materials.
- 4.4 The current baling equipment is very old and breaks down regularly, causing delays to operations and generating expensive repair costs, overtime costs and loss of income as per point 1.2, totalling around £32,000 per year. The new baling equipment will allow us to process materials in larger volumes, more quickly and produce a recyclable commodity that will achieve a better sale price for the authority, due to more efficient baling and sorting on site. The current baler is capable of operating at 2 tonnes per hour. A new baler can process up to 12 tonnes per hour. This would future proof the Council for any changes it wanted to make to collection services in the future. The current staff count in the yard is six full time employees.
- 4.5 The current office accommodation (Modular Build) has a leaky roof and floor that is rotting. Both the floor and roof require regular repairs. The standard of accommodation for W & R colleagues based in these offices is far below that of offices for other council employees. The office will be replaced by a new modular building and there is scope to extend its size to accommodate additional NDC staff should extra space be required in the future.
- 4.6 Torrridge District Council (TDC) are currently planning to build a new Material Recycling Facility and were approached approximately a year ago, to see if there was scope to pool resources and consider a joint facility. At the time, TDC officers stated they were already committed to their new facility and didn't want to delay the start of their project. Building at Torrridge has not yet started though, so NDC has now formally written to TDC to see if there is still an opportunity to consider a joint approach. A formal response has not been received from TDC at the time of writing this report.

RESOURCE IMPLICATIONS

- 4.7 It is envisaged that the following departmental resource would be required;

Operational Services, IT, Legal, Comms, CSC, Finance, HR, Property Team & Procurement.

- 4.8 External experts have been and would need to be involved, as NDC does not have all the knowledge internally to conclude this project. External fees have been included in the cost estimate at appendix A.
- 4.9 Financial Implications: The estimated cost of the whole project is £3.4M. This figure is a combined total of the works outlined at appendix A (which excludes baler equipment) and the estimated costs of the new baler equipment (£1 million).
- 4.10 This report is requesting a capital programme variation of £2,659,000 which together with the existing £741,000 in the capital programme, gives a total of £3.4 million overall project cost.
- 4.11 The original capital programme allocation of £741,000 and associated borrowing costs for this element are already factored into the Medium Term Financial Strategy forecasts.
- 4.12 The additional £2,659,000 borrowing requirement will be a further annual borrowing revenue cost implication of between £180,000 and £228,000 per year (based upon current interest rates); dependent on length of long-term borrowing. This additional cost is not currently in the Medium Term Financial Strategy forecasts and if capital investment is approved and takes place in 2023-24 year then the additional borrowing cost impact would need to be factored in from the 2024-25 financial year.
- 4.13 The additional revenue cost currently being experienced of £32,000 in terms of baler breakdowns, loss of material income etc will be mitigated by this investment and this saving will help to reduce the additional borrowing cost above.
- 4.14 In addition, this investment opens up the opportunity to create the capacity required to receive and process increased levels of material through the process hall through future service changes (subject to member decision) and additional revenue streams generated on the back of these potential changes. This potential additional income and cost changes from any future service provision alterations would need to be quantified and subject to a business case being presented to Members to make an informed decision moving forwards. Again, these potential 'positive' revenue changes once quantified will too reduce the net impact of the borrowing cost for the capital investment being sought in this report.

5 EQUALITIES ASSESSMENT

- 5.1 We do not see any equality issues related to this project.

6 ENVIRONMENTAL ASSESSMENT continue from here

- 6.1 Please undertake an Environmental Assessment and complete the checklist (EAC) form available on Insite. If there are no environmental implications arising from your proposals please state that there are none. If after completion of the assessment there are environmental implications please provide a brief summary. If you require any further information please contact the Sustainability and Climate Change Officer. Email completed EACs to donna.sibley@torridge.gov.uk
- 6.2 EIA completed and forwarded to Donna Sibley



7 CORPORATE PRIORITIES

- 7.1 The commercialisation agenda: Positive effect. This will allow NDC to command better prices for material commodities. Reduce fuel usage and overtime costs.
- 7.2 Improving customer focus: Positive effect. Ensure operations are more efficient for customers, reducing missed collections.
- 7.3 Regeneration or economic development: Positive effect. Reducing the waiting time for local transport companies who are removing materials from the site. Also future proofing NDC for any changes to come that would expand the service.
- 7.4 Environment: Positive effect. This will reduce the risk to the local environment should a fire take place. It will reduce the fuel usage and in turn the carbon footprint or vehicles queuing up to unload.
- 7.5 Investment in a new yard layout and baler will enable us to produce higher quality recyclates, which are an income stream for the Council. It will also improve the efficiency of our operations, saving fuel and carbon, and improve pollution prevention measures on site.

8 CONSTITUTIONAL CONTEXT

- 8.1 Articles 4.4 and 4.5.2

9 STATEMENT OF CONFIDENTIALITY

This report contains no confidential information or exempt information under the provisions of Schedule 12A of 1972 Act.

10 BACKGROUND PAPERS

None

11 STATEMENT OF INTERNAL ADVICE

The author (below) confirms that advice has been taken from all appropriate Councillors and Officers: Cllr David Worden, Ken Miles, Jon Triggs, Mark Kentell, Tony Rumble, Mark Knight, Simon Fuller