

Decision Pathway – Report Template



PURPOSE: Key decision

MEETING: Cabinet

DATE: 02 July 2019

TITLE	Hartcliffe Household Reuse & Recycling Centre (HRRC)		
Ward(s)	Filwood and Bishopsworth		
Author: Oliver Roberts	Job title: Senior Project Manager		
Cabinet lead: Cllr Pearce	Executive Director lead: Colin Molton		
Proposal origin: Mayor			
Decision maker: Cabinet Member			
Decision forum: Cabinet			
Purpose of Report:			
<ol style="list-style-type: none"> To provide a progress report on developing a Household Reuse and Recycling Centre (HRRC) at Hartcliffe Way in south Bristol and to seek approval for the project development budget. 			
Evidence Base:			
<ol style="list-style-type: none"> Bristol's "Waste and Resource Management Strategy" (April 2016) makes a commitment to address the inadequacy of the current Household Waste Recycling facilities (HWRC) in Bristol. The need for a new HRRC at Hartcliffe Way is strengthened by land at the Days Road HWRC not being within Council ownership. The Council presently leases part of the site from Network Rail and a new lease to secure its continuing use is presently being negotiated. The incoming administration in May 2016 made a commitment to the delivery of a third facility for the city. A capital allocation of £4m in the Capital Programme was made as part of the 2017 budget process. A previous planning consent for the provision of a HWRC on land owned by the Council at Hartcliffe Way currently used as a Street Cleansing Depot has now expired. The new facility will be named a Household Reuse and Recycling Centre (HRRC) to emphasise the predominance of reuse and recycling functions, above any facilities provided for disposal of waste. Review of delivery arrangements following the December 2018 Cabinet identified that the most efficient route to take the project forward would be for BWC to take on delivery responsibility for the HRRC in their capacity as a Council owned company. In summary the arrangements are: <ul style="list-style-type: none"> Working under their existing waste services contract with the Council BWC have appointed a professional team to undertake preliminary design work, undertake technical assessments and pre planning – application engagement with the Local Planning Authority. If Cabinet approve the recommended project development budget BWC will be instructed to develop detailed design proposals, with supporting cost plan; submit a planning application; and commence the first stages of Contractor procurement for the new HRRC facility. The project will be developed sufficiently to inform development of a full business case with detailed cost information to demonstrate the deliverability of the project within the available funding envelope; this business case will be bought back to Cabinet later in 2019 for approval. Following an approval of the full business case BCC and BWC would then enter a Development Agreement, covering the design and construction of the new HRRC facility. Under the agreement BWC will be responsible for appointment of the Contractor and for delivery of the works. The Development Agreement would include details of any BWC capital funding contributions to the project from their reserves, the value of which is anticipated as up to £1m and shall be determined through development of the full business case for the project. 			

- BWC will be required to follow EU compliant procurement in respect of the works and associated contracts.
 - It is proposed that BWC will be granted a lease of the site following completion of the construction works and will operate the new facility under their existing waste contract with the Council. The Council is likely to be required to provide revenue funding to Bristol Waste Company in respect of the operational and waste disposal costs of the new HRRC, details of these costs will be included within the full business case taken to Cabinet later in 2019.
 - The Development Agreement, including any BWC capital contributions would need to be approved by the BWC Board before it can be entered into.
8. Initial design Proposals have been developed by BWC's Professional Team, which include both the new HRRC and replacement Street Cleansing depot facilities. These allow for the option of the HRRC being delivered as a first phase to commence operations in 2020.
 9. Options for the future location of depot facilities for Street Cleansing and Winter Services are presently being developed; it is forecast that costs for building new depot provision on the existing Hartcliffe Way site could not be accommodated within the project budget and would need to be delivered as a second phase, the costs for which would be subject to separate Capital funding. Details of these options and costs will be included within the full business case taken to Cabinet later in 2019.
 10. Additional details on delivery arrangements and project development, including outline of proposals, costs and programme information is included in Appendix A.

Cabinet Member / Officer Recommendations:

That Cabinet:

1. Approves initial project development expenditure of up to £650,000 from the allocated £4m of the Council's available budget in the Capital Programme;
2. Notes that a full business case and detailed cost plan in respect of the new Household Reuse and Recycling Centre (HRRC) at Hartcliffe Way and re-provision of existing Street Cleansing and Winter Services Depot facilities will be bought to Cabinet later in 2019 for approval.

Corporate Strategy alignment:

1. Theme 4 Wellbeing - Keep Bristol on course to be run entirely on clean energy by 2050 whilst improving our environment to ensure people enjoy cleaner air, cleaner streets and access to parks and green spaces:
 - Moving towards a more 'circular economy', where goods and materials are reused and recycled rather than discarded as waste can also help contribute to protecting both our economy and our environment, with positive wellbeing outcomes.
 - Cleaner, greener environments help support a wide range of positive objectives – on health, education, the local economy and community safety. We are working with many partners to improve our environment and will encourage everyone to play their part in this.

City Benefits:

1. The potential to increase yet further the already high levels of recycling of domestic waste through additional HRRC provision. The provision of reuse facilities to support this goal of maintaining the City's position near the top of the recycling league table.

Consultation Details:

Internal: Finance, Legal, Property, Waste Client lead

External: Bristol Waste

Background Documents:

N/A – all supporting information has been provided in Appendix A

Revenue Cost	N/A	Source of Revenue Funding	
Capital Cost	£4m	Source of Capital Funding	Prudential borrowing

One off cost

Ongoing cost

Saving Proposal

Income generation proposal

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice:

This report provides Cabinet with a progress update since that presented in December 2018 regarding the development and delivery of a third Household Reuse & Recycling Centre (HRRC) at Hartcliffe Way in South Bristol. A further report will be brought back for scheme approval following preparation of a full business case, which will incorporate the household reuse and recycling centre along with re-provision of depot and associated facilities. Cabinet is asked at this stage to approve £650K project development expenditure, the details of which are set out in Appendix A to the report.

Capital

The Capital Programme 2019/20 to 2023/24 includes £3.95m planned for the Hartcliffe Way scheme (reference NH04) planned to be delivered over two financial years as follow;

- 19/20 - £1.05m
- 20/21 - £2.90m.

Costs for the building development have not yet been finalised, and will be subject to a further report back to Cabinet, but it is anticipated that an operational recycling facility could be delivered within the cost parameters . However this does not include options for the permanent relocation of the Street Cleansing Depot, which will be subject to a separate review. Depending on the outcome of that review there is a risk of additional capital funding being required in the medium term.

The report indicates the potential of up to a further £1m of additional Capital funding to support the project to be provided from Bristol Waste Company . Any such agreement would have to be agreed by the board of Bristol Waste Co.

At this stage approval is sought for £650k for the feasibility and design stages along with some relocation costs. Should the scheme not progress, then expenditure incurred would not qualify as capital expenditure and would be subject to revenue reversion.

Revenue

Since last reporting to Cabinet it is understood that there is likely to be additional ongoing revenue expenditure arising as a consequence of operating the additional reuse and recycle centre. This will all be considered as part of the full business case along with potential options for mitigation. Any additional budget pressures will be contained within existing Growth and Regeneration budget as set out in the approved medium term financial plan.

Finance Business Partner: Jemma Prince 10/6/19

2. Legal Advice:

BWC is a Teckal subsidiary company of the Council which means that BCC can award a contract to them without the need of any formal procurement process. However, BWC in this case would become a company set up under the public law and will itself be deemed as a “contracting authority”. That would imply that any purchases of works, supplies or services will have to be procured in accordance with the Procurement Regulations as and where applicable. The report informs that BWC have appointed a professional team to undertake preliminary design work, undertake technical assessments and pre planning –application engagement. It is expected that procurement regulations have been followed while making those appointments.

The development agreement needs to clearly provide the role and responsibility of BCC and overarching monitoring arrangements throughout the project period to ensure that the Reuse and Recycling Facility is progressing in accordance with the Council's requirement.

As stated in the report the property is owned by BCC but the project will be undertaken by BWC so they will need some kind of lease or licence to enter the property and also to enable the works contractor to deliver the works. The facility after completion is intended be given to BWC for operation, hence, a proper lease will be needed for that purpose. It is recommended the terms of such lease are agreed earlier to facilitate a seamless transition to BWC as operators.

Under the proposed arrangement BCC appears to transfer up to £4 Million to BWC who after topping up that amount with any capital contribution of up to £1 Million will deliver the project. In this arrangement the payments made by BWC to contractors/consultants will potentially be subject to payment of VAT at the rate of 20%. Such amount will not be refundable as BWC is not included in the entities provided in Section 33(3) of the Value Added Tax Act 1994 that are entitled to claim refund. It is expected that Finance Business Partner while giving comments will keep that position in view.

Legal Team Leader: Eric Andrews

3. Implications on IT:

Although Bristol Waste have independent IT service provision, BCC IT provides technical governance and some infrastructure services. Therefore, BCC IT Services will need to be engaged at design stages of the proposed site.

IT Team Leader: Ian Gale

3. HR Advice:

The new household waste recycling centre will be wholly staffed by BWC employees, under the existing waste services contract. It is not proposed that any BCC staff will be located onsite or involved in the operation of the project. For the Capital delivery, Bristol Waste will manage the design and construction. BCC staff will be will be involved in aspects of the project delivery, including relocation of services, which is expected to be managed within existing resources.

HR Partner: Celia Williams, HR Business Partner 29 April 2019

EDM Sign-off	Colin Molton	24/06/2019
Cabinet Member sign-off	Cllr Pearce	24/06/2019
Mayor's Office sign-off	Mayor's Office	24/06/2019

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	YES
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	YES
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	NO
Appendix J – HR advice	NO
Appendix K – ICT	NO