



**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE
SERVICES COMMITTEE 14 AUGUST 2018**

**SUBJECT: WASTE STRATEGY – CONSOLIDATION OF WASTE
MANAGEMENT FACILITIES – UPDATE**

**BY: CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT,
PLANNING AND INFRASTRUCTURE)**

1. REASON FOR REPORT

- 1.1 The Committee is asked to note the increase in projected spend of £49K against the previous reported budget spend of £3.3M but still within the agreed budget of £3.474M in the capital plan for the Integrated Waste Management facility at Moycroft.
- 1.2 This report is submitted to Committee in terms of Section III (F) (24) of the Council's Scheme of Administration relating to determining arrangements for waste management, street sweeping, refuse collection and refuse disposal including recycling.

2. RECOMMENDATION

2.1 It is recommended that Committee consider and note:

- i) the increase in projected spend of £49K against the previous reported spend; and**
- ii) the savings exercise being carried out to bring the costs back into budget, as detailed in section 3.5 of the report.**

3. BACKGROUND

- 3.1 The Moray Council on the 11 November 2015 (para 9 of the minute refers) approved proposals to develop the Business Case for the development of an integrated waste management facility at Moycroft.
- 3.2 The main drivers for the integrated waste facility are as follows:
- To meet the ban on biodegradable waste going to landfill by the end of 2020, the Council will need to transfer waste to the new Energy from Waste facility in Aberdeen. This requires an increase in the capacity to

handle waste at the Moycroft depot, by increasing the waste handling shed size.

- Integrating the waste watchers operations (separate out cans and plastics, blue bin contents) from Lossiemouth to Moycroft. This provides improved integration and reduces the impact of odour and windblown litter which environmental health has expressed concerns about with a risk of closure. This could realise an additional lease income of £21K per annum.
- Moving the Cleansing operations from Brumley Brae to Moycroft, will save £42k per annum in rental costs and operation efficiencies of £40k per year.
- Moving environmental protection staff from Ashgrove depot to a new staffing building at Moycroft will allow roads staff to move into the vacated space in Ashgrove avoiding a new build replacement of the roads portacabin at a cost of £750k.

3.3 Economic Development and Infrastructure Services Committee on the 20 June 2017 agreed to reduce the footprint of the Office block to bring the costs down from £3.99M back into a projected spend of £3.3M. (para 5 of the minute refers).

3.4 The reduced office footprint does however mean that the full complement of 36 Environmental Protection staff intended to move from Ashgrove to Moycroft will now be restricted to the 9 staff connected solely with Waste Operations. The 9 staff will provide direct support to the operational front line staff and so there is a direct benefit to them being co-located with the operational staff at Moycroft giving more of a front line service delivery focus. In light of the nature of this staffing group's role, it is not anticipated that separating them from the remaining 27 Environmental protection staff will create any significant operational issues given other options to maintain effective communications across the staffing groups.

3.5 Since then, more detail design work has been carried out resulting in an increase in estimated project costs to £3.349M. A list of the increases and further value engineering is shown below.

Increase in Costs

- Drainage costs have increased as this was underestimated in the original valuation. Detailed surveys highlighted that either a pumping station or gravity based system is required. The gravity system being the preferred and cheaper option, following detailed discussion with SEPA and Scottish Water.
- Increased cost for foundations for push wall (wall to support the lifting of waste) and increased costs coming back from supplier on push wall.
- Slight increase in electrical costs

- High speed roller shutter doors required following requirement from animal welfare officer to meet Animal by Products Regulations (reduce accessibility from animals and birds)
- Existing fuel tank to be relocated and enclosure provided. This was an oversight in the original design and is required to meet Health and Safety requirements.
- Construction inflation has resulted from a delay in the project. The delays are attributable to the value engineering exercises and redesign requirements to contain budget.

Savings (Value engineering)

- Scope of Mechanical works reduced.
- Removal of external block walls due to amendments of the external cladding detail to the warehouse.
- Roller shutter doors reduced in number.
- Removal of existing tarmac and kerbing and replacing with a new concrete slab has now been omitted.
- Distribution board housing reduced considerably in size.
- Removal of internal and external Pre Cast Concrete push walls to be carried out by the service rather than the contractor (costs to be contained within operational budgets).
- Existing redundant weighbridge plinth to be now left in place and not removed off site.
- Omission of new external wash-down facility and associated drainage works (vehicles to be washed down at Ashgrove and contained within operational budgets) The wash-down facility does present challenges and so will be reinstated should costs come below budget following tender returns.
- Reduction in Property Fees

3.6 The biggest remaining increase in costs can be attributed to construction inflation and drainage costs. While every effort has been made to reduce costs there remains an estimated increase of £49k from the previous reported figure of £3.3M. Ultimately greater certainty on the true costs cannot be obtained until the tender returns expected in October 2018 are received. At this point consideration will be given to reintroducing the vehicle wash facilities at Moycroft subject to costs being within approved budget. The revisions to this project still meet the objectives as stated in paragraph 3.2 of this report.

3.7 **APPENDIX 1** shows the outline design of the extended waste handling shed and office/welfare building.

4. Project Timetable

4.1 The original project was due for handover in April 2019 but due to the cost savings exercise and design changes the current programme shows a completion and handover in December 2019, with Waste Watchers moving in on April 2020. It should be noted however that the critical completion date is 1 January 2021 when the landfill ban is in place. At this point the new extended

waste transfer facilities at Moycroft will handle the increased tonnage to be transferred to market and thereafter to the new Energy from Waste Plant currently expected to be completed in October 2021.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

Supporting the proposed revisals to the Integrated Waste Management Facility would be in accordance with corporate objectives in respect of growing diverse and sustainable economy: Working with householders to further increase the volume of waste that is recycled and establishing a thermal solution for residual waste.

(b) Policy and Legal

Supporting the development of an integrated waste facility would be in accordance with corporate objectives and Moray Ten Year Plan in respect of economic development and protecting the natural environment: working with householders to further increase the volume of waste that is recycled and establishing a thermal solution for residual waste.

The Waste (Scotland) Regs 2012 targets can be met by a continued use of the Materials Reclamation Facility to produce high quality recycle.

(c) Financial implications

While there is an increased cost of £49K from when this was reported to Committee on the 20 June 2017, the overall remaining projected spend of £3.349M is still within the approved allocated capital budget of £2.474M in 2018/19 and £1M in 2019/20.

(d) Risk Implications

There is a risk in the short term, prior to relocation, that the operation at Lossiemouth may continue to produce odours viewed as a nuisance even after mitigation.

(e) Staffing Implications

As well as the bin crews moving to Moycroft 9 staff will also move.

Relocating the Material Reclamation Facility from Lossiemouth will safeguard the posts within Wastewatchers' structure allocated to this operation.

Project management will be undertaken by the Council's property section and fees have been included for in the costs.

The project will be monitored through the Project Management Office

Improved welfare facilities will be incorporated in the new facility at Moycroft.

(f) Property

Relocation of the Materials Recovery Facility from its current location would allow that industrial unit to be made available for re-let in the region of £24k per annum.

Relocation of the Cleansing Depot from Brumley Brae will allow a revenue saving of £42k to be made available. The current lease of this property expired in September 2016 and a short term lease extension has been agreed.

Relocation of a reduced number of staff from Ashgrove porta cabins to Moycroft and space made available from relocating Moray Training will create sufficient space for roads staff to move into the adjacent cabins.

(g) Equalities/Socio Economic Impact

There are no equalities issues with regards to staff employed by the Council.

Relocating the Material Reclamation Facility from Lossiemouth, will enable Waste Watchers to continue providing training placements for those with learning disabilities. This will assist the Moray Council in meeting its duty to promote equality of opportunity on the grounds of disability.

(h) Consultations

The Corporate Director (Economic Development, Planning and Infrastructure), Design Manager, Estates Manager and Paul Connor, Principal Accountant have been consulted and any comments made have been considered in writing this report.

6. CONCLUSIONS

6.1 Consolidating waste operations at Moycroft and future proofing the facilities contributes towards the Councils Waste Management Strategy by increasing opportunities to maximise recycling and deliver increased capacity for residual waste transfer.

6.2 While there has been an increase in projected spend against this project it is still £125K under budget.

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Background Papers: