

Report of: Director of Environment and Housing

Report to: Executive Board

Date: 5th March 2014

Subject: Design & Cost Report for: Kirkstall Road Transfer Loading Station and Household Waste Sorting Site

Capital Scheme Number: 16169/ 000 / 000

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Kirkstall	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The proposed redevelopment of the Kirkstall Road Transfer Loading Station (TLS) and Household Waste Sorting Site (HWSS) is consistent with the Best Council Plan 2013-2017, in terms of contributing to:-
 - Ensuring a safe, efficient and reliable waste collection service;
 - Providing a long-term solution for disposing of our waste;
 - Increasing recycling;
 - Reducing landfill costs.

2. The proposed works also meet the objectives of ensuring high quality public services by providing improved recycling facilities for residents and small businesses and becoming an efficient and enterprising council through partnership working with the community sector to operate a re-use shop at the site.

3. In June 2010 Executive board approved an injection of £3.8m into the capital programme to cover the re-development of Kirkstall Road TLS and HWSS. The report advises that in February 2014 as part of the Capital Programme Review, Executive Board approved a revised budget provision for the proposed works of £4.3m based on design proposals for the scheme development to the completion of RIBA stage D. Prior to issuing tender documents designs and costs will be

reviewed to value engineer the scheme estimates to achieve savings on this estimate.

4. The report advises that in November 2013 the Director; Environment and Housing approved the demolition of fire damaged structures at the Kirkstall site, with the demolition to be carried out between January and March 2014 by an in-service provider in advance of the start of the main contract. The cost of these works is £76,000 to be fully funded from a DEFRA grant of £900,000 already received.
5. The report seeks approval for Authority to Spend £4.099m from existing budget provision (capital scheme 16169) on the redevelopment of Kirkstall Road TLS and HWSS and the appointment of a contractor to undertake the proposed works. There is an existing Authority to spend on design fees, surveys, and demolition, of £201k.

6. Recommendations

7. Members are requested to:-

- Approve the RIBA stage D designs and cost estimates for the redevelopment of Kirkstall TLS and HWSS;
- Authorise expenditure up to a limit of £4.3m from existing budget provision (capital scheme 16169) on the redevelopment of Kirkstall TLS and HWSS;
- Approve the further development of designs and the procurement of a contractor to carry out construction work at Kirkstall TLS and HWSS;
- Note the actions required to implement the decision, the proposed timescales to undertake the proposed works as detailed in paragraph 3.2.1 of the report, and that the Chief Officer Waste Management, will be responsible for implementing the decisions.

1. Purpose of this report

- 1.1 To advise members of the progress on design development and cost estimates for the refurbishment of Kirkstall Road TLS and HWSS, and the intention of Environment and Housing to value engineer the scheme down from a RIBA stage D total of £4.3m, prior to the issue of tenders.
- 1.2 To request authority to spend up to £4.3m from existing budget provision (capital scheme no 16169) on the refurbishment.

2 Background information

- 2.1 Kirkstall Road TLS was severely damaged by fire in September 2002. Since that date the operations at site have been carried out around the damaged structures, which are unsightly and have been the cause of complaint from both the Ward Members and the public. The Director of Environment and Housing recently approved the demolition of the damaged structures; demolition is due for completion by the end of March.
- 2.2 A HWSS (recycling site) operates on a small part of the site, but has not been redeveloped to the same standard as the other seven HWSS's operating elsewhere

in the city. There is no separation between the operational and public areas, meaning that the HWSS has to close whilst skips are changed, which often results in customers queuing on Kirkstall Road. In addition to the HWSS the adjacent TLS is used for:-

- Bin storage (wheelie bins, multi-occupancy bins and bring banks)
- Vehicle parking
- Short term storage of recyclable materials, waste arisings and bulky items, prior to onward transfer
- Bulking trade waste from commercial and business customers

- 2.3 The other seven HWSS's have already been successfully redeveloped, with a focus on improving the facilities to ensure that recycling becomes the priority of the sites and the use of sites is made easier, safer, and more convenient for the residents of Leeds. With the improved facilities and expansion of the range of materials that can be recycled at HWSS's, substantial improvement in the recycling rates have been experienced at the sites already redeveloped. This has significantly contributed to Leeds' overall recycling rates and achievement of targets.
- 2.4 Recycling rates in 2013-14 at the other seven HWSS's are all above 60% with some sites achieving over 70%. At present Kirkstall Road HWSS is only recycling 57% of household waste. There is a clear opportunity for improvement, which will generate disposal savings.
- 2.5 The Strategic Review of HWSS and Bring sites approved by Executive Board on June 2010, demonstrated the need for a HWSS at Kirkstall Road and recommended that the existing TLS and HWSS be redeveloped by means of an injection of £3.8m into the capital programme.
- 2.6 Savings are anticipated to come on line in 2015/16 from the Recycling and Energy Recovery Facility (RERF), and it is proposed that a small element of these savings can be used to offset the Kirkstall Road financing costs.
- 2.7 In addition the savings from improved recycling rates at the other HWSS sites will contribute to the Kirkstall Road costs. This assumption is contained in the Waste Management budget plus scheme.

3 Main issues

3.1 Design Proposals and Full Scheme Description.

- 3.1.1 Plans of the design proposals for the Kirkstall Road TLS and HWSS are attached as appendices 2 and 3 of this report and include provision of:-
- a new public recycling area with a separate operations area;
 - one way traffic circulation routes;
 - a re-use shop;
 - two weighbridges and associated cabin;

- a dedicated council trade waste area, including a covered waste storage and bulking area;
- new staff offices and mess facilities;
- landscaping works;
- a new site drainage system incorporating a reed bed for drainage attenuation;
- fuel storage facilities;
- covered wheeled bin storage area;
- parking areas.

3.1.2 A key feature of the redeveloped site will be a re-use shop similar to that operating at Seacroft (East Leeds) HWSS. The following bullet points demonstrate the success of the re-use shop at Seacroft:-

- seven jobs created (four permanent, three apprentices);
- re-using over 220t of “waste” a year, avoiding £20k of landfill costs;
- re-use of nearly 150,000 items since opening in August 2011;
- provides a fixed rental income to LCC and a small profit share;
- around 16 volunteers work in the shop each week;
- around 24 community payback individuals work in the shop each week;
- winner of Social Enterprise of the Year Yorkshire and Humberside Region and Yorkshire Post Start up, recently nominated as Employer of the Year for the Leeds Apprenticeship Awards.

3.1.3 The re-use shop will sell items that have been taken to the HWSS for disposal, but are considered to be usable and have a value. The shop will be operated by a community sector organisation under a formal lease arrangement with the council. The majority of profits raised will help support the work of the organisation. The shop will also provide, training, volunteering and apprenticeship opportunities for the local community.

3.2 Programme –

3.2.1 The current strategic programme is as follows:-

- March 2014– submission of planning application;
- June 2014 – development of designs to a level of detail sufficient to issue tender documents, agree procurement strategy;
- July 2014 – tenders out;
- September 2014 – tenders returned;

- October 2014 – contract awarded;
- November 2014 – start on site;
- December 2015 – practical completion.

3.2.2 During the construction period the HWSS (recycling site) will need to close. A communications strategy will be instigated to publicise alternative recycling sites. Environment and Housing will develop a plan to maintain the council and trade waste functions during the construction works through using land adjacent to the construction site.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The Executive Member for Environment has been closely involved in the development of these proposals and is supportive of the proposals contained in the report. The Ward Members have been briefed and provided with updates on progress of the project, and are supportive of the proposed site use and have expressed a desire for complementary uses to be developed on the adjacent surplus land.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 A screening exercise has been completed and the outcome was that a full equality impact assessment is not required for the approvals requested. The screening document is attached as Appendix 1 to this report.

4.3 Council policies and City Priorities

The proposed redevelopment of the Kirkstall road TLS and HWSS is consistent with the Best Council Plan 2013-2017 in terms of contributing to:-

- Ensuring a safe, efficient and reliable waste collection service;
- Providing a long-term solution for disposing of our waste;
- Increasing recycling;
- Reducing landfill costs.

4.3.1 The proposed works also meet the objectives of ensuring high quality public services by providing improved recycling facilities for residents and small businesses and becoming an efficient and enterprising council through partnership working with the community sector to operate a re-use shop at the site.

4.4 Resources and value for money

4.4.1 The estimated cost of the proposed works at RIBA stage D, inclusive of fees, inflation, preliminaries and contingency is £3.8m. Additional costs of £500,000 have been identified, including; project management fees, client direct costs for specialist

equipment, giving a total project cost of £4.3m. Prior to issuing tender documents designs and costs will be reviewed to value engineer the scheme estimates below £4.3m and to ensure the most efficient use of land.

4.4.2 Following detailed design work to RIBA stage D a budget of £4.3m has been injected into the “green” programme. Executive Board approved the revised budget provision as part of the Capital Programme Review on February 14th.

4.4.3 The costs of the proposed works will be funded by a £900,000 DEFRA grant and prudential borrowing, to be funded from other revenue savings anticipated in 2015/16, from savings in disposal costs from the RERF plant and improvements in the level of recycling at the redeveloped site.

4.4.4 Capital Funding and Cash Flow.

Funding Approval :	Capital Section Reference Number :-		CSR X0043				
Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2013 £000's	FORECAST				
			2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017 on £000's
16169/COM/000 Kirkstall HWSS Design	0.0 125.0	10.0	115.0				
16169/DEM/000 Kirkstall HWSS Demolition	0.0 76.0		76.0				
TOTALS	201.0	10.0	191.0	0.0	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2013 £000's	FORECAST				
			2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	4099.0			699.0	3200.0	200.0	
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0						
TOTALS	4099.0	0.0	0.0	699.0	3200.0	200.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2013 £000's	FORECAST				
			2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017 on £000's
Government Grant	900.0	10.0	191.0	699.0			
Departmental USB	3400.0				3200.0	200.0	
Total Funding	4300.0	10.0	191.0	699.0	3200.0	200.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Parent Scheme Number : 16169/000/000

Title : Kirkstall Household Waste Sorting Site

Revenue Effects

The following table illustrates the alterations which will be necessary to the department's revenue budget:

REVENUE EFFECTS	2014/15	2015/16	2016/17 SUBSEQUENT YEARS
	£000's	£000'S	£000'S
EMPLOYEES	-50000.0		50000.0
PREMISES COSTS			
SUPPLIES & SERVICES		-236000.0	-271000.0
FINANCING COSTS		236000.0	236000.0
EXTERNAL INCOME GENERATED		-6000.0	-15000.0

The 2014/15 approved budget assumes approximately £50k of staff cost savings from the part year closure of the site. Once the site re-opens in 2015/16, there will be a requirement to reinstate the staff budgets at previous levels, though this will not take effect until 2016/17.

The financing costs of the site, estimated at around £236k per annum from 2015/16 are assumed to be funded from disposal savings through increased recycling rates, and savings in disposal costs from the RERF plant.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 No specific legal implications. The report is a key decision due to the level of expenditure and has been published on the List of Forthcoming Key decisions.

4.6 Risk Management

- 4.6.1 A risk register has been developed and will be maintained by the Project Manager provided by City Development's Asset Management service

5 Conclusions

- 5.1 The works described will provide environmental improvements in the Kirkstall area by greatly improving the physical appearance of the TLS and HWSS, as well as providing a more efficient public recycling service.
- 5.2 The redevelopment will also make a significant contribution to achieving the city's recycling targets

6 Recommendations

- 6.1 Members are requested to:-

- i) Approve the RIBA stage D designs and cost estimates for the redevelopment of Kirkstall TLS and HWSS;
- ii) Authorise expenditure up to a limit of £4.3m from existing budget provision (capital scheme 16169) on the redevelopment of Kirkstall TLS and HWSS;
- iii) Approve the further development of designs and the procurement of a contractor to carry out construction work at Kirkstall TLS and HWSS;
- iv) Note the actions required to implement the decision, the proposed timescales to undertake the proposed works as detailed in paragraph 3.2.1 of the report, and that the Chief Officer Waste Management, will be responsible for implementing the decisions.

7 Background documents¹

7.1 None

¹ The background documents listed in this section are available for download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.