

Report for: Cabinet

Date of Meeting:	8 July 2025
Subject:	Waste Depot Remodelling
Cabinet Member:	Cllr Josh Wright, Cabinet Member for Service Delivery and Continuous Improvement
Responsible Officer:	Andrew Jarrett, Deputy Chief Executive (S151)
Exempt:	N/A
Wards Affected:	All
Enclosures:	Appendix 1 – Site Plan for proposed changes Appendix 2 – Indicative New Office complex option

Section 1 – Summary and Recommendation(s)

To present proposals to remodel the waste depot to meet new Environment Agency permit regulations and requirements, and enable the service to accommodate increased volumes and waste types as well as have the capacity to further increase its recycling portfolio.

This report seeks approval for the high-level plan with delegation sought to progress the set out schedule, specify the detail and subsequently implement the changes.

Recommendation(s):

That Cabinet consider the proposed remodelling of the site, and

- 1. Give delegated authority to the Deputy Chief Executive (S151) to progress the works as planned. Noting, any subsequent specific spend or contractual awards in line with key decisions thresholds will be brought back to Cabinet for agreement.**
- 2. Agree the purchase of a new Modular Office complex, to be specified, up to the value of £250k.**
- 3. Agree the alignment of the leases of the various existing units to end on the same date as that recently agreed for the new car park site – 7 November 2039.**

Section 2 – Report

1.0 Introduction

- 1.1 The Environment Agency (EA) announced on the 18 December 2024 that it has consolidated 28 existing “standard rules permits” into 8 new “standard rules permits”. These changes come into force on 19 June 2026. This update aims to streamline permitting processes and aligns them with modern standards.
- 1.2 To meet the new requirements some significant changes are required to the Waste Depot; the main changes being certain elements of Waste and Recycling require storing undercover, that the recyclate is securely stored and with some recycling materials needing to be baled. This demands that the service have sufficient capacity and space to ensure service delivery is legally compliant. This requires a new building to house the materials.
- 1.3 The proposals regarding the remodelling of the site will also help increase our storage capacity at Carlu regarding recycling materials. This will include a considerable increase in our undercover storage capacity, which will allow the housing of extra baled bay areas. This will give us the future provision to store flexible/soft plastics, disposable nappies and other potential recycling initiatives.
- 1.4 This is vital to help the Council further build on and sustain the excellent performance it has achieved regarding enhancing its recycling rate and reducing its residual tonnage over the last two years. This work has seen Mid Devon catapulted into the top 5% of national performance as well as gain recognition from OFLOG and be shortlisted for a national LGC award.
- 1.5 A paper setting out the proposed future direction of travel and appetite regarding additional recycling activity will be taken to the next Service Delivery and Continuous Improvement PDG in September. This will then inform the future permit variation application that will be required to be sent to the EA regarding the remodelling exercise so future changes are processed in the same submission (thus saving time and expense).
- 1.6 This report outlines at a high level the plans to remodel the depot to meet the permit requirements and enhance and future proof the operation. The Council has a firm deadline of 19 June 2026 to meet the new regulatory guidance. Following approval of the plans that are presented in this paper, subsequent planning, building and preparation work is required over the coming 10-month period to ensure everything is in place well before the deadline.

2. Changes to the EA Regulations

- 2.1. The EA published legal guidance that Waste and Recycling services need to both abide to and meet for its collection services to be permitted and carried out after June 2026. Recycling services that do not comply with this guidance may be disrupted, with alternative tipping arrangements needing to be sought that are highly likely to be significantly more expensive. The Council needs to take proactive action to ensure that the primary service experienced by all of

the District's residents continues at the highest standard, without public health risks that arise from collection services being affected and/or delayed. This is a situation that we wish to avoid.

2.2. The new permit which affects the Council is:

SR2022 No 4: Non-hazardous waste recycling with asbestos, hazardous batteries, cable, and WEEE storage, which can be found here:

<https://www.gov.uk/government/publications/sr2022-no-4-non-hazardous-waste-recycling-with-asbestos-hazardous-batteries-cable-and-weee-storage/sr2022-no-4-non-hazardous-waste-recycling-with-asbestos-hazardous-batteries-cable-and-weee-storage>

Currently the dry recycling side is covered by several waste exemptions, and only the Waste Transfer Station (Black bags, food waste and green garden waste) require an environmental waste permit.

- 2.3. The new permit requirements stipulate that certain elements of Waste and Recycling require storing securely undercover, with some recycling materials needing to be baled. To ensure the operation is legally compliant, this requires additional capacity and space as well as the necessary fire protection and suppression in place and appropriate containment and drainage for the foul water.
- 2.4. The Council will need to vary its current permit to carry out new recycling activity, for example pots and pans, disposable nappies and coffee pods so this project will allow the service to bring everything together at the same time. A pre-approval application for the permit to the Environment Agency will be made once the plans for the Carlu site redevelopment have been approved and finalised.

3. The Operational Benefits

- 3.1. The requirement to cover the recyclate bales offers an opportunity to expand the current depot storage capacity, both in terms of volume and the range of materials stored, giving a level of future proofing. For example, this would enable the permanent collection of materials included within recent trials, and/or allow us to undertake new trials collecting alternative materials. The additional storage capacity will accommodate the required mandatory collection of soft plastics and wrapping from 1 April 2027 for example.
- 3.2. The changes are also financially beneficial in the longer term. The higher the level of recycling that can be achieved, the less residual waste goes into Energy from Waste – lowering the disposal charges. It also means more recyclate can be sold, increasing our direct income but the recycling performance also feeds into other funding streams like the outgoing Shared Saving Scheme with Devon County, or the new incoming Extended Producer Responsibility (EPR) arrangements.

4. The Planned Works

- 4.1. At this stage, the plan is at the high-level outline stage. The requirements are known and the proposals included within this report are made with the backing of independent external advice. However, there are a number of technical requirements that require further refinement. These include the detailed specification of the new weighbridge, the new fuel station, the fire identification and suppressant requirements, along with foul water management (containment and separation ahead of disposal).
- 4.2. As outlined above, there are a minimum set of works required to enable the Council to meet the permit requirements. At a broad high-level, the minimum requirements are:
- Raise Bay walls in the Recycling Transfer Station to allow one metre of “free board” at the end and above the materials stored, making them sufficiently fire proof to contain the fire for 2 hours;
 - The Recycling Transfer Station to be extended to allow for storage bays for baled products, with associated fire protection and water management – this requires planning approval and the landlord is progressing this and will undertake the build as it will remain in their ownership after the lease expires;
 - The creation of a new building to accommodate two additional storage bays and the Waste Electrical and Electronic Equipment (WEEE) skip and battery storage, again with associated fire protection and water management. This new storage building will be built by the Council and could be transferred to the landlord at the end of the lease, or potentially might need to be removed upon leaving the site;
 - Creation of a sampling station.
- 4.3. In addition, there are a raft of operational changes that will benefit the service by increasing efficiency and capacity, which in turn drives increased income and enables operations to be fit for purpose for the medium term (15 years minimum). These include:
- Expansion of the overall depot operation– achieved through securing the new unit on the business park – see Cabinet decision 15 October 2024. This is now the car park;
 - Re-use the old car park to accommodate the Office complex and Grounds Maintenance service;
 - Re-use the space vacated by Grounds Maintenance to accommodate the new weighbridge, new fuel station and wash-down area;
 - Re-use the vacated weighbridge area to accommodate the welfare units;
 - Alter the traffic management system on the site, switching the current entrance gate to be the exit, and using the Grounds Maintenance entrance as the overall entrance. This enables the current exit to be blocked off to improve overnight vehicle parking;
 - The existing bin store, currently within a separate unit on the business park, can be moved onto the main site and the unit released, thus saving money;

- Separately to this project, but in conjunction, the service will be replacing the baler, which will improve operational efficiency by compacting the bales more and thereby allowing the storing of more material.

This high-level summary of the planned remodelling works does not do justice to the complexity and scale of the project. A plan of the remodelled main site is included within **Appendix A**.

4.4. There are a couple of decisions at this point.

4.4.1. The first is in respect of the Office complex. There are two choices:

- (1) Move the existing (dated) modular office blocks and update as far as possible. This may yield another 5 – 10 years use at a broad cost of circa £50k. Irrespective of the modernisation of the buildings, they are very unlikely to last the medium term (15 years) aim of the project. There will need to be a degree of decanting and the offices will not be usable during the move and updates, leading to temporary costs to hire replacements.

Or

- (2) Buy new modular offices fit for the future at a cost of around £250k. **Appendix 2** gives a guide to what is available. The existing office complex could be sold at a minimal price (circa £10k). This also offers significant benefits for the timeframe of the project, enabling the new offices to be built and positioned while the existing offices are in use. Further expansion would be possible if required in the future.

This key long-term investment decision gives the service the opportunity to significantly improve the staff office accommodation and therefore improve the staff welfare. These new purpose built offices will be more flexible, modern and energy efficient with an appreciably elongated economic life that will provide a significant uplift on the current arrangements and ensure this is future proofed on a similar basis as the other site improvements.

In addition, should the need arise, the increased capacity provides greater flexibility for wider Business Continuity, for example if Phoenix House were not operational, an emergency duty or recovery team could be based there in the interim.

4.4.2. The second is to grant approval to align the leases of the various units on the site, so that there is security of the site for the medium term. This project is aiming to future proof the operation for a period of 15 years. Therefore, the leases need to cover that period. Approval is therefore sought to align the end dates with the latest lease (for the new car park) ending 9 June 2039.

5. The Timeline

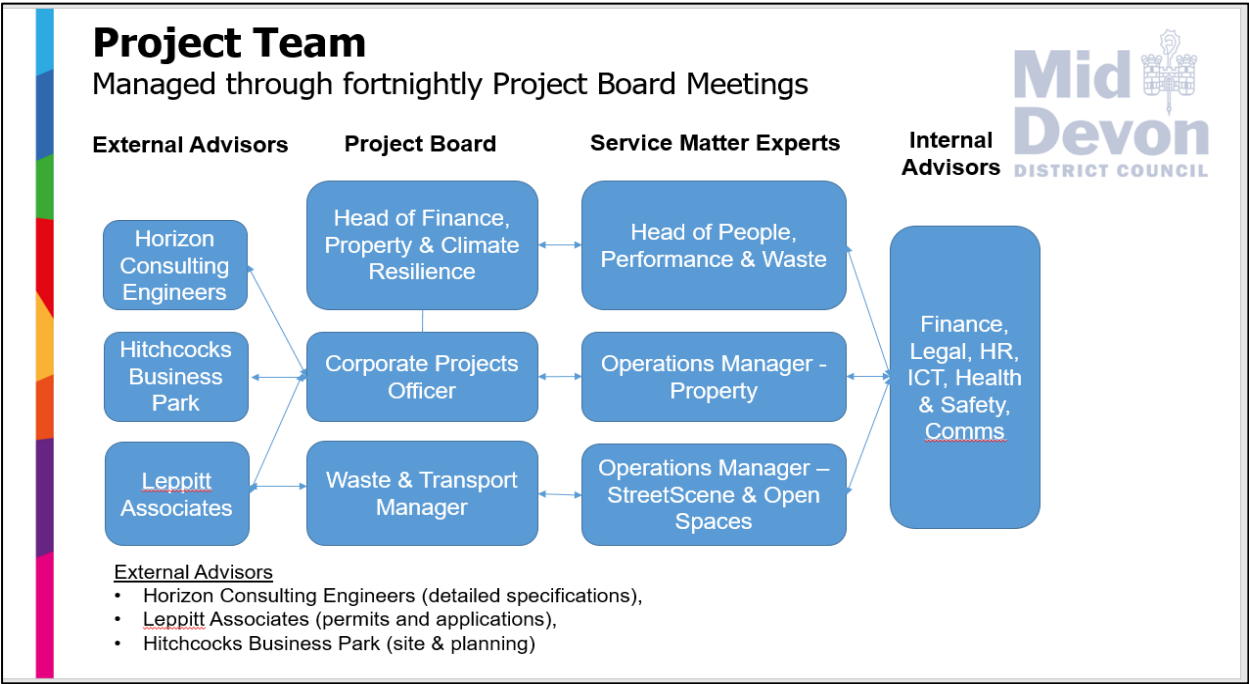
- 5.1. The legal requirement is to have applied for the new permit by 19 June 2026, although it is planned to be done well before then. The above tasks are required to be in place in order to be able to apply for the permit, and given the complexity of some tasks, the timeframe should be considered as manageable, but tight. For example, a significant unforeseen delay in achieving the planning approval for the extension could prevent the build completing in time.
- 5.2. The summarised timeline, or critical path, for this project is as follows:
- July 2025 – Decision point to approve the plan (this report);
 - ASAP – Landlord to submit the planning application for the extension;
 - End of July 2025 – final detailed specifications to enable contracts to be tendered;
 - End of September 2025 – Complete moves to old car park area - Grounds maintenance and Office Accommodation, clearing space for extension. Reposition welfare units;
 - October 2025 – March 2026 – build timeframe (allowing good flexibility) for:
 - Recycling Transfer Station extension – expected to take circa 3 months
 - New Storage Building – expected to take circa 3 months
 - New weighbridge, new fuel station and wash-down area; – expected to take circa 3 months
 - April / May 2026 – contingency for any overruns
 - June 2026 – have submitted permit application.
- 5.3. As far as possible, the project will try to avoid any disruption to normal service delivery. Fortunately, much of the project is within areas that can be cordoned off – both the extension and new storage building are on one side of the depot, and the weighbridge, fuel station and wash-down area is on a discrete area on the other side of the site. Both aspects of the development can be actioned at the same time. However, there will be instances where disruption is inevitable. These will be managed appropriately, with as much work as possible completed out of normal working hours. Full communication with appropriate stakeholders will be undertaken.

6. Project Management and Governance

- 6.1. This is a significant and critical project for the Council. The implications for failing to secure the new permit will be costly and harmful for the Council's reputation. As such, strong project management and governance is in place.
- 6.2. There is a live Project Initiation Document outlining the critical elements of the project, including the requirements and stakeholders, the broad costs and benefits, the risks, the timeframes and project management.
- 6.3. A Project Board has been set-up, chaired by the Head of Finance, Property & Climate Resilience. There is a dedicated Project Manager and subject matter

experts from Waste and across the Council are involved. External advice is garnered through Horizon Consulting Engineers, for technical detail in respect of the site layout, traffic management, and specifications of the weighbridge, fuel station and wash-down area. Leppitt Associates are advising on the permit requirements and application. The landlord is fully engaged and supportive and is delivering the extension to the Recycling Transfer Station.

6.4. The Project Board operates like this:



7. The Costs

7.1. At this stage of the project, the majority of costs are estimated, based on data gathered and expert advice. As such, the current forecasts are broad and prudent. However, as the detailed specifications are finalised over the next few weeks, the greater clarity and certainty will help further refine the cost and timeline.

7.2. The main cost drivers within the project are:

Ref	Description	Approximate Value £
1	Relocating Ground Maintenance and Welfare Units.	£50k
2	Relocating and refurbishing Office complex OR Purchasing new modular Office complex.	£50k OR £250k
3	Groundworks to area accommodating Weighbridge, Fuel Station and Wash-down	£250k
4	New Weighbridge, Fuel Station and Wash-down	£150k
5	Extension to Recycling Transfer Station	£500k*
6	New Storage Building	£250k
7	Extending the bay walls	£100k
8	Other Costs	£100k
9	Contingency	£100k
	TOTAL	£1,750k[#]

* This cost could be paid up front, or added to the annual lease and paid over 15 years

Based on recommended purchase of new office complex and up-front payment of extension

~ This does not include the cost of the new lease taken on the new car park (£53k pa) or any changes to the rental costs from aligning the lease timeframes, or the cost of the new baler being considered separately.

7.3. There is funding set aside within the 2025/26 Capital Programme of £3,562k, of which £3,500k (based on previous assumptions of depot relocation) is assumed to be funded from borrowing, and £62k from earmarked reserves. Clearly, the full amount will not be required, thus reducing the assumed capital financing costs for future years.

7.4. As at the end of March 2025, there were specific waste service earmarked reserves of £777k, and general property sinking funds of £1,528k. In addition, during 2025/26 the first Extended Producer Responsibility grant payment of £927k is due, which has not been allocated yet.

7.5. Depending on whether a new office complex is purchased, and whether the extension to the Recycling Transfer Station is paid upfront or added to the annual lease cost, the project could be funded from existing resources, without the need for borrowing. The funding route is a treasury decision that will be made by the Deputy Chief Executive (S151).

8. Conclusion

8.1. The Street Scene service (Waste and Recycling) needs to reconfigure and increase capacity at its Carlu Close depot to meet future Environment Agency (EA) legal requirements (including the need to store some waste and recycling under cover) but also ensure it has sufficient operational space and storage and to make it fit for the future.

- 8.2. The works required to gain the new permit are unavoidable. However, this is a prime opportunity to go beyond the minimum requirements and enhance the service, enabling greater storage capacity and making it future proof.
- 8.3. Approval is sought for delegated authority to progress this outline plan, clarifying the detail and specifications required, and to implement the design.

Financial Implications

The financial implications of the works required are included within the 2025/26 Capital Programme. However, the funding assumptions can be revised with the costs being met from a combination of the new Extended Producer Responsibility grant and earmarked reserves. An option is available to include the cost of the Recycling Transfer Station extension within the revised lease, reducing the upfront cost and spreading the payment over 15 years.

Increased recycling should lower residual waste disposal costs, generate greater income both directly through the sale of recyclate materials, and grant funding.

Legal Implications

The EA published legal guidance that Waste and Recycling services need to both abide to and meet for its collection services to be permitted and carried out. Recycling services that do not comply with this guidance may be disrupted.

Risk Assessment

There are a raft of risks associated with this project, ranging from health & safety, financial, legal (failure to secure the permit), to the availability of resources (internal and contractors). A risk log has been created and will be reviewed regularly by the Project Board, with any escalations required highlighted to Leadership Team.

Impact on Climate Change

This programme of work has a very clear and direct link with our Climate Change portfolio and the need to further reduce our carbon footprint and meet our net zero commitment. The Bin-It 123 initiative is both affected and contributed to by every resident in the District and so being able to deliver our service in a legal and compliant way (and that meets the EA guidance) is vital.

The opportunity will be taken to maximise the inclusion of Solar Panels on the new roof space created. Additional EV charging points will be included to enable more use of electric vehicles, noting that realistically it is not going to be possible to operate an electric fleet within the waste service for some time. The new office complex (if agreed), has increased insulation and a good energy rating.

Equalities Impact Assessment

No equality issues identified for this report

Relationship to Corporate Plan

The work of our Waste and Recycling collection team is a clear strategic priority in our Corporate Plan. In addition to looking to further reduce residual tonnage and increase our recycling rate through cementing Bin-It 123 and best education/enforcement

practice, elected members are keen for further recycling initiatives to be introduced. This project will facilitate the achievement of higher recycling rates and increased volumes and types of waste collected (Corporate Priority 5.2).

Section 3 – Statutory Officer sign-off/mandatory checks

Statutory Officer: Andrew Jarrett

Agreed by or on behalf of the Section 151

Date: 24/06/2025 via Leadership Team meeting

Statutory Officer: Maria De Leburne

Agreed on behalf of the Monitoring Officer

Date: 24/06/2025 via Leadership Team meeting

Chief Officer: Stephen Walford

Agreed by or on behalf of the Chief Executive/Corporate Director

Date: 24/06/2025 via Leadership Team meeting

Performance and risk: Dr Stephen Carr

Agreed on behalf of the Corporate Performance & Improvement Manager

Date: 24/06/2025

Cabinet member notified: Yes

Section 4 - Contact Details and Background Papers

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Background papers: StreetScene Depot - Additional Lease – 15 October 2024