

Report for: Cabinet

Date of Meeting: 2 December 2025

Subject: **Waste Depot Remodelling – Update**

Cabinet Member: Cllr Josh Wright, Cabinet Member for Service Delivery and Continuous Improvement
Cllr Jane Lock, Cabinet Member for Housing, Assets and Property Services

Responsible Officer: Andrew Jarrett, Deputy Chief Executive (S151)

Exempt: Annex A – Part II

which are Exempt from publication under paragraph 3, Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)

Wards Affected: All

Enclosures: Annex A – Part II (Contractor details and pricing submission)

Section 1 – Summary and Recommendation(s)

To present a progress update on the remodelling project at the Carlu waste depot, necessary to meet new Environment Agency permit regulations and requirements and enable the service to accommodate increased volumes of recycling and enable new collections to be trialled in 2026, future proofing the service. Also to approve the preferred bidder to fit the new weighbridge, fuel station and washdown area (“Civils Contract”).

Recommendation(s):

That Cabinet:

1. **Note the progress made to date with the planned remodelling of the Carlu Close Depot;**
2. **Approve the contract award for the installation of a new Weighbridge, fuelling station and wash-down area at the Carlu Close Waste Depot, to Contractor 1.**
3. **Delegate authority to the S151 Officer (in consultation with the Cabinet Member for Housing, Assets and Property Services) to complete the “Civils Contract” award.**

Section 2 – Report

1.0 Introduction

- 1.1 The Environment Agency (EA) announced on the 18 December 2024 that the rules surrounding waste permits were changing from 19 June 2026. To meet these statutory requirements, several changes are required at our Carlu waste depot. At the same time, the proposed changes will offer increased capacity and enable the service to trial potential new recycling collections in 2026, future proofing the service. The proposed changes were agreed at the Cabinet meeting in July 2025. This report gives an update on the progress to date.
- 1.2 As part of the changes, a new weighbridge, fuel station and washdown area are being commissioned. Given the scale of the contract, this is a key decision and in line with the July approval, the award of the contract to the preferred bidder is being brought back for specific approval.

2. Update on the Planned Works

- 2.1. As outlined in July, there are a minimum set of works required to enable the Council to meet the permit requirements. The specification of the required works is backed by independent external advice. At a broad high-level, the minimum requirements and progress to date are:

Task		Update
1	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 fireproof to contain the fire for 2 hours.	Specification for the work is being drawn up with technical support. Contract will be tendered in due course.
2	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.	Planning permission submitted and decision expected before the end of the calendar year. Contractor appointed by landlord and works expected to start on site 12 January 2026 lasting approximately 4 months.
3	The creation of a new building to accommodate two additional storage bays plus 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.	Specification for the work is being drawn up with technical support. Contract will be tendered in due course.
4	Creation of a sampling station	Will be created once all structural works are complete.

5	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.
6	Re-use the old car park to accommodate the Office complex and Grounds Maintenance service;	Tender complete on the new office complex, within budget, completion expected week commencing 15 December 2025. Subsequently, the Ground Maintenance service will move into the new location, freeing up the space for the “Civils” works to begin in January.
7	Re-use the space vacated by Grounds Maintenance to accommodate the new weighbridge, new fuel station and wash-down area;	Tender complete on the new “Civils works”, approval of preferred bidder included within this report, works expected to start on site 12 January 2026 lasting approximately 4 months.
8	Re-use the vacated weighbridge area to accommodate the welfare units;	Options considered for the welfare units and operational decision taken to re-site the existing facilities in the short term to avoid the need to relocate the existing weighbridge and allow more time to finalise the end solution.
9	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;	Once all structural works are complete, the new traffic management system will be implemented.
10	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;	Still on target to release this unit once all works are complete.
11	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;	Project complete and new baler in operation.
12	Align the leases of the various units on the site to end 9 June 2039, so that there is security of the site for the medium term.	Heads of Terms agreed and legal works progressing alongside the physical works.

This high-level summary of the planned remodelling works and the progress to date does not do justice to the complexity and scale of the project.

- 2.2. 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. Some of the above tasks are required to be in place in order to be able to apply for the permit. However, some of the tasks are being implemented to enable the service to expand and be future proofed. Given the complexity of some tasks, the timeframe should be considered as manageable, but tight. As such, it is critical that the new office block and Ground Maintenance service are operational in their new position (the old car park), freeing up the space for the significant structural works of the main hanger extension and Civils Works to begin on 12 January (after the additional Christmas waste has settled down). Currently, the plan remains on target.
- 2.3. 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.
- 2.4. Within the July report, the majority of costs were estimated, based on data gathered and expert advice. As the detailed specifications are being finalised, or have been completed, greater clarity and certainty become available. The updated main cost drivers are:

Ref	Description	July Estimated Value £	Current Estimated Value £	Comment
1	Relocating Ground Maintenance and Welfare Units.	£50k	£50k	Prudent estimate remains valid
2	Purchasing new modular Office complex.	£250k	£250k	Finalising the contract with small saving expected.
3*	Groundworks to area and purchase new Weighbridge, Fuel Station and Wash-down	£400k	£450k	Tender being finalised as part of this report
4	Extension to Recycling Transfer Station	£500k*	£400k	This will be paid annually through an uplift in the lease rental. The balance from the original estimate is required to fit out the space – bays, lighting, fire suppression etc.
5	New Storage Building	£250k	£250k	Original estimate remains. Specification being finalised – tender to follow
6	Extending the bay walls	£100k	£100k	Original estimate remains. Specification being finalised to now include bunding – tender to follow
7	Other Costs	£100k	£100k	Original estimate remains
8	Contingency	£100k	£100k	Original estimate remains
	TOTAL	£1,750k#	£1,800k	

* This cost was split between groundworks and purchase of equipment in the July report

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.

- 2.5. Largely, the funding of this project will come from the 2025/26 allocation of the Extended Producer Responsibility grant (£1,381k less any additional draws that have been separately approved). The increases in the annual rent will be added to the annual cost of the service.

3. Appointment of contractor for the “Civils Contract”

- 3.1. As part of the remodelling, a new weighbridge, fuelling station and washdown area are planned to be installed at the Carlu depot. This is a significant amount of mechanical equipment and requires significant excavation of the site to embed the equipment within the ground. The detailed specifications have been compiled by our independent advisors Horizon Consulting Engineers.
- 3.2. A Tender Notice under open tender was published on 10/09/2025. A Tender advertisement was also placed in Find a Tender and Advantage Southwest. The Invitation to Tender was issued via ProContract on the 10/09/2025. The tender return deadline was 17/10/2025.
- 3.3. The tender award criteria published in the invitation to tender was as follows:

Criteria	Criteria Weighting	Sub-Criteria	Sub-Criteria Weighting
QUALITY	60%	Criteria A – Technical Quality	
		Q.A1 Programme of Works	15%
		Q.A2 Construction Methodology and Compound Layout	15%
		Q.A3 Staff & Health and Safety	12%
		Criteria B – Environment & Sustainability	
		Q.B1 Waste Management Plan	6%
		Q.B2 Carbon footprint	6%
		Criteria C – Quality Management	
		Q.C1. Onsite defects	6%
PRICE	40%		40%
TOTAL	100%		100%

- 3.4. There were 62 expressions of interest, 32 gave no further response and 16 opted out with the main reason being the lack of resources available to meet the tight timetable to complete these works.
- 3.5. Fourteen applicants submitted their tenders on time, although four tenders were not complete and were not taken forward to evaluation. Having ten contractors bidding gives a high level of comfort that we have attracted quality contractors and should have secured a competitive price.
- 3.6. Evaluations were carried out during November 2025 by representatives from Mid Devon’s Property Services team, with the support from Horizon Consulting Engineers (the independent advisor).

- 3.7. The lowest priced tender was awarded 40% and the higher priced tenders were awarded the percentage difference. Similarly, the highest quality tender submission was awarded 60% and the lower quality tenders were awarded the percentage difference. Contractor 1 scored highest across both price and quality, as set out below:

Contractor	Quality	Price	Total	Ranking
1	54.00%	32.13%	86.13%	1 st
2	34.20%	37.36%	71.56%	5 th
3	24.00%	32.90%	56.90%	8 th
4	48.00%	28.98%	76.98%	3 rd
5	51.00%	34.20%	85.20%	2 nd
6	33.00%	29.55%	62.55%	7 th
7	0.00%	40.00%	40.00%	10 th
8	30.00%	22.49%	52.49%	9 th
9	51.60%	15.90%	67.50%	6 th
10	36.60%	35.59%	73.19%	4 th

- 3.8. The contractors that scored highest within their quality and pricing submission were able to demonstrate that their responses were closely aligned with our expectations and objectives.

4. Conclusion

- 4.1. Overall, the reconfiguration of the Carlu Close depot continues broadly on time and on budget. The project is now entering a critical phase with the completion of the tenders for the initial elements of work. Ahead of Christmas, the service will see considerable change with a new office complex, and relocation of the Grounds Maintenance Service and bale storage area. This will free the space to enable the major structural changes to the site to begin as soon as the Christmas peak dies down.
- 4.2. The works are required to gain the new permit, but the opportunity is being taken to go beyond the minimum requirements and enhance the service, enabling greater storage capacity and making it future proof.

Financial Implications

The financial implications of the work required are included within the 2025/26 Capital Programme, with the funding being met from a combination of the new Extended Producer Responsibility grant and earmarked reserves if necessary.

Increased recycling should lower residual waste disposal costs and generate greater income both directly through the sale of recyclate materials and increased 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 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: 18/11/2025 via Leadership Team meeting

Statutory Officer: Maria De Leburne

Agreed on behalf of the Monitoring Officer

Date: 18/11/2025 via Leadership Team meeting

Chief Officer: Stephen Walford

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

Date: 18/11/2025 via Leadership Team meeting

Performance and risk: Dr Stephen Carr

Agreed on behalf of the Corporate Performance & Improvement Manager

Date: 18/11/2025

Cabinet member notified: Yes

Section 4 - Contact Details and Background Papers

Contact: Paul Deal, Head of Finance, Property and Climate Resilience

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Background papers: StreetScene Depot - Additional Lease – 15 October 2024
Waste Depot Remodelling – 8 July 2025