



## Report of the Cabinet Member for Environment and Infrastructure Management

External Funding Panel – 5 February 2020

### Welsh Government Circular Economy Capital Fund 2019-2020 - Offer of Capital Support for the setting up of a Wood Reuse and Recycling Centre

<b>Purpose:</b>	To provide details of the Welsh Government Circular Economy Capital Fund FY 2019-20 to support the setting up of a Wood Reuse and Recycling Centre
<b>Policy Framework:</b>	Swansea Waste Management Strategy. Welsh Government's Towards Zero Waste
<b>Consultation:</b>	Access to Services, Finance, Legal.
<b>Recommendation(s):</b>	It is recommended that:  1) Approval is given to accept any grant offer following the submission of a funding bid to the Welsh Government Circular Economy Capital Fund FY 2019-20 to support the setting up of a Wood Reuse and Recycling Centre.
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#### 1. Introduction

- 1.1 The purpose of this paper is to provide the External Funding Panel with the background regarding a Welsh Government (WG) grant opportunity that will be used to support the Council in the setting up of a Wood Reuse and Recycling Centre.

- 1.2 The Authority receives over 4,000 tonnes of waste wood at its Llansamlet Recycling Centre and through its Trade Waste business. This wood currently costs the Authority £60/T to dispose of.
- 1.3 Ash Dieback is also necessitating the felling of the majority of Ash Trees across the Authority, which is generating a significant amount of waste timber.

## **2. Welsh Government Circular Economy Capital Fund**

- 2.1 The Welsh Government issued a letter on 19 December 2019 asking for bids against this Capital Fund for a variety of activities including “Prioritise the use of wood and remake and recycle more items”. Bids needed to be returned by 23 January.
- 2.2 Successful bids are due to be announced mid February, with funding spent or committed by 20 March 2020.
- 2.3 The Authority’s submission is for the capital funding required to set up a Wood Reuse and Recycling Centre, complete with its own workshop, to maximise the reuse and recycling of waste wood.
- 2.4 The funding would be utilised to erect a covered workshop area, provide a vehicle and trailer to collect waste wood/wood products and deliver finished products, and woodworking equipment, loading plant, generator, and storage containers.
- 2.5 Segregation, retrieval, and stockpiling of waste wood/wood products would commence on approval of the grant funding, in readiness for the Centre being up and running in the summer.

The full process will be as follows:

- Separate reusable wood/wood products, as they are discarded, as far as is practicable.
  - Retrieve reusable wood/wood products from storage, prior to transporting to re-processor.
  - Repair wooden products where appropriate.
  - Reuse materials from waste wood/wooden products to make new products.
  - Set aside reusable wood/wooden products for use by others, including third sector.
  - Minimise waste through seeking markets for sawdust and woodchip.
- 2.6 Some of the key waste products identified include:
    - Wooden furniture
    - Doors and worktops
    - Bed bases
    - Pallets
    - Flooring
    - Strip timber

- Waste timber/trees
  - Wood products from the Bulky Waste Collection Service
- 2.7 The intention is for the Centre to be self-financing from product sales from the end of the first year. Sales will be facilitated through the Council's Tip Treasures Re-Use Shop, online sales, products required by the Council itself, partners, and other community groups.
- 2.8 In terms of alignment with the circular economy, this initial start-up would create at least 2 FTEs, bring discarded waste wood materials/products back into use, reduce the use of virgin materials, provide low cost wood materials/products for our local residents, and link in with the Third Sector wherever possible.
- 2.9 The re-use of waste wood/wooden products would contribute to decarbonisation by protecting existing forest stocks and reducing the impacts of felling, processing, and transporting virgin wood.

### **3. Equality and Engagement Implications**

- 3.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
  - Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

- 3.2 An Equality Impact Assessment (EIA) screening tool confirms that a full EIA is not required at this stage. We will revisit the assessment if the funding bid is successful.

### **4. Financial Implications**

- 4.1 This funding bid is for the provision of Capital funding to enable the Authority to provide the necessary infrastructure changes to set up a Wood Reuse and Recycling Centre.

The total sum of Capital funding bid for under this application amounts to £120,850.

This sum can be broken down as follows:-

- |                           |          |
|---------------------------|----------|
| • Workshop and Containers | £ 28,000 |
| • Vehicles                | £ 55,500 |
| • Plant                   | £ 26,200 |

- Tools £ 11,150

WG are requiring that the funding be fully spent/committed in the 2019/20 financial year. Whilst all funds will be committed by end March 2020, it is likely that spend will continue through 2020 as items are delivered, but would all be spent by the completion of the Centre by the end of Summer 2020.

The revenue implications of operating the Centre are estimated at £65K once fully set up, and it is anticipated that these costs will be covered by the sales income/cost avoidance of the goods produced.

	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	Total £	Ongoing £
Total project cost:							
Capital	120,850 committed	Remainder reserved	Nil	Nil	Nil	120,850	Nil
Revenue	Nil	44,325	65,000	65,000	65,000	239,325	65,000
Grant applied for:							
Capital	120,850	Nil	Nil	Nil	Nil	120,850	Nil
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Deficit</b>	Nil	44,325	65,000	65,000	65,000	239,325	65,000

## 5. Legal Implications

- 5.1 The Council will need to ensure that it complies with any terms and conditions attached to this Welsh Government grant funding.

### Background Papers:

Wood Waste Funding Bid

NGA1 Notification / Approval for grant applications

### Appendices:

Appendix A EIA Screening Form