

<b>Committee:</b>	Cabinet
<b>Meeting Date:</b>	24 February 2015
<b>Lead Councillor/s:</b>	Councillor Rebecca Hopfensperger, Cabinet Member for Localities, Environment and Waste
<b>Local Councillor/s:</b>	Councillor Rebecca Hopfensperger
<b>Director:</b>	Geoff Dobson, Director of Resource Management
<b>Assistant Director or Head of Service:</b>	Bryn Griffiths, Assistant Director, Environment
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### **Consideration of the Business Case for a West Suffolk Operational Hub**

#### **What is the Cabinet being asked to decide?**

- 1) To support as the favoured option the proposal to develop a West Suffolk Operational Hub, incorporating a waste transfer station and household waste recycling centre and to proceed to the planning stage.
- 2) To agree that the County Council will proceed with its favoured option of a West Suffolk Operational Hub subject to:
  - a) the planning permission being secured;
  - b) the West Suffolk Hub offering a good overall solution to the Suffolk taxpayer;
  - c) the costs, risks and benefits of the West Suffolk Operational Hub and associated developments being fairly distributed between Suffolk County Council, Forest Heath District Council and St Edmundsbury Borough Council.
- 3) To authorise the Director of Resource Management in consultation with the Cabinet Member for Localities, Environment and Waste to conclude the negotiations with the West Suffolk Councils, conduct any due diligence necessary and deliver the project.

#### **Reason for recommendation**

1. Suffolk County Council requires a transfer station in the Bury St Edmunds area, to reduce the financial, traffic and environmental impacts of transporting waste in the west of the county.
2. Our partner West Suffolk councils now require a new waste collection and street scene depot in the same area. Joint work between the councils suggests that a One Public Sector Estate approach of co-locating these waste functions, potentially with other public sector bodies' operational needs should deliver benefits, reducing operational costs, improving

services to customers, and providing capacity to cope with the planned growth in the local area.

3. The proposal of a West Suffolk Operational Hub is entirely consistent with the Suffolk Waste Partnership's proposal to the Suffolk public sector leaders that we explore sharing infrastructure to reduce service costs.
4. Importantly, the development of the West Suffolk Operational Hub is one of a number of important linked public sector estate projects in Suffolk, and its delivery unlocks wider benefits through the Public Sector Village II development, and possibly other partners' key redevelopment sites in West Suffolk, as well as by releasing sites at Rougham Hill and Mildenhall. The West Suffolk Operational Hub should be seen in this wider strategic context and not simply as a waste infrastructure project and the risks and benefits should be assessed and distributed accordingly.
5. Supporting the joint proposals for a West Suffolk Operational Hub in no way undermines Suffolk County Council's ability to still meet its own requirements for a transfer station through the redevelopment of the Rougham Hill site if for any reason this joint proposal fails to secure planning permission, proves undeliverable or in the end cannot be consistent with the principles set out in the recommendations.

#### **What are the key issues to consider?**

6. In 2010 Suffolk County Council began working with its partner district and borough councils to consider the changing needs for waste transfer that would result from the move away from landfill disposal to energy from waste treatment. In 2013/14 this resulted in the contested but ultimately successful application for a new waste transfer station and household waste recycling centre (HWRC) at the site of the current HWRC at Rougham Hill.
7. Since the planning application for the Rougham Hill site was determined, a new and unique set of opportunities has arisen in West Suffolk to significantly change the way in which public services are delivered. The DHL/NHS logistics depot, adjacent to West Suffolk House and the St Edmundsbury Borough Council waste depot at Olding Road in Bury St Edmunds, has recently been acquired by a developer. This presents the opportunity to redevelop the entire Western Way site (i.e. DHL/NHS and SEBC depots) creating the Public Sector Village envisaged in the later phases to the West Suffolk House project ("PSV phase II") along with the potential for some commercial development. Such a development would deliver more space to co-locate other public sector partners, shared facilities, join-up service delivery to the public and release public sector property assets in the West Suffolk area for ongoing development, promoting further economic growth.
8. In order to facilitate development at Western Way in Bury St Edmunds, the Borough's current aging waste and street scene depot needs to relocate. Officers from West Suffolk and the County Council have been working on a joint project to investigate the feasibility of a West Suffolk Operational Hub (WSOH) on land at Hollow Road Farm on the northern edge of the town. The option being developed into a business case is to co-locate a West Suffolk depot and fleet-based operations with the SCC transfer station and HWRC operations. The site also has space for other public sector partners with fleet-based operations to co-locate offering the synergistic potential to

share space for vehicle parking, fleet servicing, vehicle washing, bunkered fuel and staff welfare facilities as well as sharing costs.

9. The PSVII and WSOH projects are fully supported by Central Government through the Transformation Challenge Award and the Single Public Sector Estate programme. Key messages for the WSOH project are:-
  - a. The development of WSOH is one of a number of important linked public sector estate projects in Suffolk.
  - b. Taking a whole systems approach, this programme seeks to identify opportunities for shared use of public sector facilities. In turn this programme of co-location will enable more efficient delivery, joined up working and better value for money across the public sector, and for the benefit of taxpayers and service users.
  - c. This reorganisation will make better use of assets; ensuring modern state of the art facilities are available for the future with a minimum overall cost to the public purse.
  - d. The relocation of waste services into this new joint facility will enable a series of exciting new developments to be completed on the vacated land. This will include the second phase of the ambitious Public Sector Village in Bury St Edmunds, which in turn could potentially allow other sites in West Suffolk to be vacated.
  - e. A new co-located facility at Hollow Road Farm means that immediate efficiency gains can be realised by all parties and new commercial opportunities explored. There is further potential to explore additional savings and delivery models
10. The proposed WSOH would meet the County Council's needs for a local waste transfer station in Bury, close to the major waste-generating centre of population in the area and to the strategic road network, to minimise overall waste service costs and reduce waste miles and the traffic and environmental impacts of transporting waste in the west of the county.
11. The construction of a modern, split level HWRC would improve customer experience, and provision of greater facilities for reuse should improve performance.

#### **What are the resource and risk implications?**

12. This project has initially been jointly funded by SEBC and SCC with each allocating £100,000 to appoint a joint project manager; undertake specialist studies to assess site suitability; acquire a purchase option on the site; and develop site designs. The County Council has already approved and budgeted for capital funding of £15 million for a network of 3 transfer stations, and the Rougham Hill proposal could be funded from that allocation. It is envisaged that the WSOH would be funded from the existing capital budget.
13. The provision of a local waste transfer facility in Bury is expected to reduce the ongoing revenue costs related to bulking and hauling waste from West Suffolk to the energy from waste facility and materials recycling facility, both of which are located in Gt Blakenham.
14. A detailed business case for the WSOH is under development and complex negotiations may be required to ensure that if the WSOH is a good thing for

the taxpayer, that the costs and benefits can be shared in a way that ensures it makes sense for the individual organisations. The proposed WSOH will need to be seen in the wider context of the PSVII project when the costs and benefits are considered.

15. It is anticipated that the WSOH proposals will deliver greater benefits if additional partners join the development.
16. The WSOH proposal is a significant strategic development and the land at Hollow Road Farm is the only suitable site identified for this development. The development would represent a departure from the local development framework and waste site proposals are not always popular, so there is a risk around securing planning approval for the development, and if successful a further risk of challenge, as was experienced with the Rougham Hill proposal. It is for this reason the recommendation is conditional on planning permission being secured.
17. Factors such as potential archaeological finds or unexpected ground conditions have the potential to significantly impact upon the design, timetable and costs of the development. Initial studies have been undertaken but further work will be undertaken to understand and mitigate against these risks as the project progresses.

#### **What are the timescales associated with this decision?**

18. Forest Heath, St Edmundsbury and Suffolk County Councils' cabinets are all considering the decision to progress with this proposal at their February 2015 meetings. This report constitutes Suffolk County Council's proposed response to the West Suffolk councils' welcome proposal.
19. If the recommendations are approved, the next stage would be to undertake pre-planning consultation on the proposals in March 2015 ahead of completing a planning application for submission to St Edmundsbury Borough Council as the local planning authority in April 2015.
20. Subject to planning approval and after further detailed design work, it is anticipated that site construction could be undertaken from late 2015 through 2016, with operations commencing late 2016/early 2017 assuming agreement is reached between the two councils.

#### **Alternative options**

21. The County Council has a planning permission for the Rougham Hill redevelopment through which it could deliver the benefits of more efficient waste transfer and improved customer experience at the HWRC. This does not of itself support the wider benefits which could be achieved through the co-location of multiple public sector activities, or the PSVII and other site redevelopments that are proposed in West Suffolk.

### **Who will be affected by this decision?**

22. HWRC users - the Bury HWRC has a wide catchment area and is one of the busiest sites in the county. The WSOH proposal, like the Rougham Hill redevelopment proposal, incorporates a split-level site, enabling site users to deposit waste into the large containers without needing to climb steps. This should facilitate a more efficient service, reduce public safety risk and benefit customers with mobility issues.
23. The West Suffolk councils who are our partners in this proposal hope to deliver significant benefits both in efficiency of their operational services and capacity to manage the demands of future growth, but also through the other linked public sector estate projects, most notably PSVII.
24. Other public sector partners may potentially be attracted to join the WSOH development and derive their own benefits.
25. The suitability of the Hollow Road Farm site for the WSOH will be determined by the planning process when the application is considered by the planning committee in St Edmundsbury Borough Council.

### **Sources of Further Information**

Cabinet reports to St Edmundsbury Borough Council Cabinet (10/02/2015).

<https://democracy.westsuffolk.gov.uk/ieListDocuments.aspx?CId=131&MId=223>

Forest Heath District Council (17/02/2015).

<https://democracy.westsuffolk.gov.uk/ieListDocuments.aspx?CId=129&MId=227>

