

Cabinet (Informal Joint)



St Edmundsbury
BOROUGH COUNCIL

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| Title of Report: | West Suffolk Operational Hub | |
| Report No: | CAB/SE/16/024 | |
| Report to and dates: | Cabinet | 14 June 2016 |
| | Council | 28 June 2016 |
| Portfolio holder: | Peter Stevens Portfolio Holder for Operations Tel: 07775 877000 Email: peter.stevens@stedsbc.gov.uk | |
| Lead officer: | Mark Walsh Head of Operations Tel: 01284 757300 Email: mark.walsh@westsuffolk.gov.uk | |
| Purpose of report: | <ul style="list-style-type: none"> • To review feedback from the second round of public consultation concerning the establishment of a West Suffolk Operational Hub (WSOH) close to Bury St Edmunds and set out the councils' response; • To seek approval for the development of a WSOH that co-locates the councils waste and street scene services infrastructure on a single site at Hollow Road Farm near Bury St Edmunds in a partnership between Forest Heath District Council, St Edmundsbury Borough Council and Suffolk County Council; • To seek approval for the preparation and submission of a detailed planning application for the site; • To seek approval for the allocation of capital funding for the project; and • To note the project risks and outline timing of the programme. | |

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| Recommendations: | <p>It is RECOMMENDED that Members of Cabinet:</p> <ol style="list-style-type: none"> (1) Note this report and its appendices; (2) Approve the progression of a project to deliver a West Suffolk Operational Hub (option 4); (3) Approve the preparation and submission of a detailed planning application for a West Suffolk Operational Hub on land at Hollow Road Farm; (4) Subject to the approval of Full Council, approve a gross capital budget of £12.7m (after the Forest Heath District Council contribution) to the council's Capital Programme for 2016/17, funded in line with paragraphs 6.10 to 6.21 of this report; and (5) Subject to the approval of Full Council, agree for the council's Section 151 Officer to make the necessary changes to the Council's 2015/16 prudential indicators as a result of recommendation (4). |
| Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i> | <p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p> <p>As the principal decisions are decisions of full Council.</p> |
| Consultation: | <ul style="list-style-type: none"> • Two public consultations have taken place relating to these proposals on 6 March 2015 to 20 April 2015 and 8 January 2016 to 19 February 2016. |
| Alternative option(s): | <ul style="list-style-type: none"> • Detailed in IAPOS report in Appendix B |
| Implications: | |
| <i>Are there any financial implications? If yes, please give details</i> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> • See report section 6 |
| <i>Are there any staffing implications? If yes, please give details</i> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> • See report paragraph 5.13 |
| <i>Are there any ICT implications? If yes, please give details</i> | <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> |
| <i>Are there any legal and/or policy implications? If yes, please give details</i> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> • Legally the project must comply with planning law and guidelines (including Secretary of State approval) and procurement must comply with EU Procurement Directives. • Policy factors are outlined from paragraph 2.9 of the report. |

| <i>Are there any equality implications? If yes, please give details</i> | | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
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| Risk/opportunity assessment: | | <i>(potential hazards or opportunities affecting corporate, service or project objectives)</i> | |
| Risk area | Inherent level of risk (before controls) | Controls | Residual risk (after controls) |
| Planning consent or environmental permitting for the chosen site is refused or leads to high mitigation costs and delay. | Medium | Develop a detailed planning strategy with supporting evidence. Engage early with stakeholders through consultations. | Medium |
| Archaeology, ground condition surveys and design development could result in increased costs and delay. | Medium | Undertake necessary surveys as early as possible. Engage with appropriate experts to manage risk. | Medium |
| Delay in project programme results in additional cost, for example, through tender inflation and longer engagement of project consultants. | Medium | Develop a detailed project programme and resource plan and manage throughout the project lifecycle | Medium |
| The current split of costs and benefits between the three partner councils is based upon the current site design. Development of the site design and assumptions may change the balance of these costs between the partners | Medium | The current split of costs is based upon sound assumptions and estimates provided by the project Quantity Surveyor. These will be tracked, monitored and reported as the project progresses | Medium |
| Savings and income targets may not be achieved. | Medium | Estimates based upon identified opportunities which have been valued realistically. | Low |
| Cost of borrowing may increase when borrowing is required. | Medium | Linked to PWLB rates. Monitor as part of treasury management activities. | Low |
| Lack of resources, skills and capacity to deliver project | Medium | External support engaged and further support will be called upon as required. Sharing officer resources with SCC. | Low |
| Wards affected: | | All Wards | |
| Background papers: <i>(all background papers are to be published on the website and a link included)</i> | | St Edmundsbury Borough Council report F51 dated 30 June 2014 St Edmundsbury Borough Council report CAB/SE/15/015 dated 10 February 2015 Forest Heath District Council report | |

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| | <p>CAB/FH/015/001 dated 17 February 2015 Suffolk County Council report to Cabinet dated 24 February 2015 agenda item 8 St Edmundsbury Borough Council report CAB/SE/15/040 dated 23 June 2015 Forest Heath District Council report CAB/FH/15/030 dated 14 July 2015 St Edmundsbury Borough Council report CAB/SE/15/050 dated 8 September 2015 Forest Heath District Council report CAB/FH/15/040 dated 15 September 2016</p> |
| Documents attached: | <p>Appendix A – Consultation Report Appendix B – Identification and Assessment of Potential Options and Sites (updated) Appendix C – Sustainability Appraisal (updated)</p> |

Glossary of Abbreviations

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| EfW | Energy from Waste (facility at Great Blakenham, near Ipswich) |
| FHDC | Forest Heath District Council |
| GPU | Government Property Unit |
| HGV | Heavy Goods Vehicle |
| HWRC | Household Waste Recycling Centre |
| IAPOS | Identification and Assessment of Potential Options and Sites (report) |
| LGA | Local Government Association |
| MoT | Ministry of Transport (vehicle safety test) |
| NPPF | National Planning Policy Framework |
| OPE | One Public Estate |
| PSV | Public Service Village |
| QS | Quantity Surveyor |
| RCV | Refuse Collection Vehicle |
| RPI | Retail Prices Index |
| SA | Sustainability Appraisal |
| SCC | Suffolk County Council |
| SEBC | St Edmundsbury Borough Council |
| SWP | Suffolk Waste Partnership |
| TCA | Transformation Challenge Award |
| WCA | Waste Collection Authorities (FHDC / SEBC) |
| WDA | Waste Disposal Authority (SCC) |
| WSOH | West Suffolk Operational Hub |
| WTS | Waste Transfer Station |

1. INTRODUCTION

Dealing with our waste

- 1.1 Waste in Suffolk is reused, recycled, composted or turned into energy. After taking into account the income received from these activities, it costs Suffolk's taxpayers around £35 million a year to collect and dispose of their waste. While we encourage people to reduce their waste, these costs will grow as the number of homes in Suffolk grows.
- 1.2 Waste is an issue which affects every household every week. Alongside looking after our streets, green and open spaces it is one of our most visible services. It also changes regularly – energy from waste has replaced landfill, the emphasis now is more on reduction than recycling and our composting contract is different, for example. More changes will come and this project aims to put us in the best place to future-proof our services so we continue to deliver the best value we can to our residents.
- 1.3 Residual (black bin) waste now goes to a new facility in Great Blakenham, near Ipswich, where it is burnt and turned into energy. This change requires a new network of strategically located waste transfer stations across Suffolk. These allow waste to be efficiently transferred from Refuse Collection Vehicles and bulked into fewer, larger trucks ('bulkiers') which then take it to Great Blakenham for processing. The current arrangement of transfer stations in West Suffolk is based on previous landfill requirements and so is inefficient and unsustainable. Much of our waste is taken to the western fringes of Suffolk for bulking only to be transported to the east of Suffolk which results in costly, inefficient and environmentally unwanted 'waste miles'.
- 1.4 Through its business case for the Energy from Waste facility, Suffolk County Council is reducing the cost to taxpayers of disposing of our waste by £8.5 million each year. Part of this saving will come from building a waste transfer station close to Bury St Edmunds which would create the greatest efficiency and reduction in waste miles on Suffolk's roads. It is also important that the waste transfer station is near the strategic lorry network to avoid unnecessary lorry movements on Suffolk's rural roads.
- 1.5 Our depots deliver a wide range of frontline services to residents and businesses in West Suffolk. Many of these services, such as waste collection and street cleansing, are statutory (we have to provide them). These are supported and augmented by other depot-based services such as grounds maintenance, tree maintenance, fleet, commercial services (like trade waste) along with technical and administrative support. These services are delivered on our streets and in our communities and therefore require a large and complex fleet of vehicles, staff, support equipment and consumables all of which need a place to operate from, be maintained and safely and securely stored. This therefore requires a significant and growing need for space.
- 1.6 Being in a strong position to deal with certain growth, certain change and uncertain costs are the main reasons behind the West Suffolk Operational Hub project. If we were to locate the WSOH facilities away from Bury, future growth in the area would continually drive up the service cost to the taxpayer.

2. BACKGROUND

What is the West Suffolk Operational Hub project?

- 2.1 The West Suffolk Operational Hub is a partnership project that proposes combining the facilities needed for waste and street services on a single site near to Bury St Edmunds. The partner councils are those involved in collecting waste, Forest Heath District Council and St Edmundsbury Borough Council, and disposing of it, Suffolk County Council. The proposal is that FHDC and SEBC vacate their depots at Holborn Avenue in Mildenhall and Olding Road in Bury St Edmunds and relocate to a single site shared with a new SCC waste transfer station and a relocated Household Waste Recycling Centre which is currently at Rougham Hill, on the edge of Bury St Edmunds. The project does not include the closure or relocation of the existing SEBC depot in Haverhill nor the closure / relocation of any other HWRCs.
- 2.2 Further information on the development of this project can be found in the 'background papers' section above.

Why is a West Suffolk Operational Hub needed?

- 2.3 There will be significant housing growth in West Suffolk over the next 20 years or so with an estimated increase of more than 22% (from around 75,000 to 92,000 households) which will place increased demand on waste and street services. The current infrastructure that we use to deliver these services in West Suffolk will not be fit for purpose given this changing demand. We must ensure that we have the facilities needed to deliver these services as cost-effectively and efficiently as possible.
- 2.4 There is currently no space to expand to cope with this growth at the depot in Olding Road, Bury St Edmunds. The revised Western Way Masterplan (approved by St Edmundsbury Borough Council on 19 April 2016) recognises this and includes the current depot as a future potential development site. This recently revised masterplan builds on the original 2006 masterplan for the site which also proposed the relocation of the depot.
- 2.5 The ageing SEBC depot and associated buildings at Olding Road would require significant investment, estimated at around £2.25 million, over the next five years if it continues to be used, although pressure on space would lead to eventual relocation despite the investment.
- 2.6 Since 2012 FHDC and SEBC have been working under a formal shared services arrangement with a single staffing structure serving the two councils. While this has delivered considerable savings, further reductions in property and staff costs would be achieved through location to a single depot. Increased efficiency would also be gained through sharing facilities with SCC's waste transfer station. Including the HWRC, which also has a waste transfer element, on the same site would further increase opportunities for savings and efficiencies.
- 2.7 With a WSOH in an optimal location close to Bury St Edmunds further savings would come from reducing waste miles, more efficient collection rounds, fewer staff and vehicles (or increased capacity needed for future growth). Parking and

maintaining the bin collection vehicles next to the place where they tip their waste for onward transfer would also significantly reduce waste miles. Allowing for changes to collection rounds which would be needed when a new waste transfer station is built, we calculate a reduction of around 45,000 HGV miles or 832 fewer HGV trips on Suffolk's roads each year just for the domestic waste collection compared to our current operations.

- 2.8 As the financial support received from Government to councils is cut, the West Suffolk councils are increasing income through working more commercially to bridge the gap in funding. This income includes collecting commercial trade waste, mechanical sweeping and gulley emptying as well as grounds and tree maintenance. Income also comes from providing vehicle servicing, inspections and MoTs at our fleet workshops. Better facilities, and the flexibility to reconfigure them to deal with future demand, would bring significant opportunities to increase that commercial income to the benefit of taxpayers.

Political and policy factors

- 2.9 The project is part of phase 2 of the Government's [One Public Estate \(OPE\) programme](#). This is an initiative supported by the Cabinet Office Government Property Unit (GPU) and the Local Government Association (LGA). In effect, OPE is about reducing the amount of public sector-owned land or buildings and bringing organisations together. It has four stated aims:

- create economic growth – enabling land and property to be released to stimulate economic growth, regeneration, housing and jobs;
- deliver more integrated, customer-focused services – encouraging public funded services to co-locate, to demonstrate service efficiencies and work towards more customer-focused delivery;
- create capital receipts – through the release of land and property; and
- reduce running costs – of central and local government assets.

The proposed WSOH project supports each of the OPE's aims and has supported a robust analysis of all the options. However, our involvement in it did not determine the outcome and the proposed solution in this report is as a result of local evidence and public consultation with West Suffolk's communities.

- 2.10 The project supports both national and local waste policy. The Waste Management Plan for England (December 2013) talks of managing waste as a resource further up the waste hierarchy and the need for tiers of local government to work more effectively together to achieve this. The waste hierarchy is shown in the figure below.



Figure 1. Waste Hierarchy

- 2.11 The National Planning Policy for Waste (October 2014) outlines the need for effective waste planning as part of local development and opportunities for co-location (sharing facilities).
- 2.12 A research study looking into 'Planning for Waste Management Facilities' (August 2004) talks about the importance of decisions on waste collection and transport systems all the way to the final disposal point. It also says that there is a growing trend for integrated waste facilities which combine a number of processes on one site – particularly with regard to transport and proximity.
- 2.13 Our local Suffolk Waste Partnership Joint Municipal Waste Management Strategy for Suffolk 2013 – 2020 (addendum 2013) outlines a number of policies for the management of waste in Suffolk. The proposals for a WSOH fully match these, including:
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| Policy 1 | Enhancing joint working between authorities; |
| Policy 8 | Providing a network of HWRCs to maximise recycling and reuse; |
| Policy 9 | Energy recovery from residual waste (which requires a network of transfer stations); |
| Policy 11 | Best value through binding together waste collection and disposal; and |
| Policy 14 | Maximising the recycling of municipal trade waste. |
- 2.14 Suffolk County Council and the West Suffolk councils (and others) were successful in securing Transformation Challenge Award funding from central government to promote closer working, usually by breaking down organisational barriers and joining up systems. Objectives include agile (flexible) working, co-location of service providers and maximising local assets by having staff working across the public sector more effectively. The proposed WSOH project fully supports these objectives through co-locating different operations which also provides greater potential for our staff to work more effectively. The TCA funding has been helpful but it has not influenced the conclusions we have come to in Suffolk. The conclusions in this report are a result of the evidence we have gathered.
- 2.15 More detail outlining the political and policy factors that underpin this proposed project can be found in the Identification and Assessment of Potential Options and Sites (Amended May 2016) document attached at appendix B (page 20)

Chronology of events to date

- 2.16 In spring 2010 the Suffolk Waste Partnership were discussing the need for a network of transfer stations across Suffolk to support the new EfW facility being planned for a site at Great Blakenham. Part of the discussion included whether there was an opportunity to co-locate transfer station and depot facilities in West Suffolk. This was before FHDC and SEBC had entered into a formal shared service arrangement and a combined depot for both councils at this juncture would not have been deliverable. There was no imminent pressure at that time to move the depot as there were no further development plans for the site at that stage (the Public Sector Village Masterplan having been adopted in 2006 and stage 1 of that plan having been completed in 2010).
- 2.17 Between 2011 and 2013, following a period of research, officers advised that a waste transfer station needed to be located in or close to Bury St Edmunds. A thorough search of sites in the Bury area was then undertaken by SCC in 2012 which concluded that the only suitable location for their needs was the existing HWRC site at Rougham Hill (including some adjoining land owned by SEBC). A planning application for the redevelopment of the site to include a waste transfer station and repositioned HWRC was submitted and gained approval in October 2013.
- 2.18 In late 2011, FHDC and SEBC decided to adopt a shared services structure whereby a combined team of officers would deliver services on behalf of both councils. A joint chief executive was appointed in April 2012 and a joint senior management team was in place by November 2012. This significant change streamlined decision-making between the two councils and allowed options for further integrated working to be considered.
- 2.19 In July 2014 council members at FHDC and SEBC proposed that co-locating facilities on an alternative site might be a better solution. The West Suffolk councils were working more collaboratively, the OPE and TCA initiatives had been launched and the sale of the DHL / NHS logistics facility adjacent to West Suffolk House was ushering forward the next phase of development at Western Way.
- 2.20 The West Suffolk councils therefore began to look at relocating together their Holborn Avenue and Olding Road depot facilities along with the potential to co-locate with other public sector partners including the SCC waste facilities. Building on the site selection work undertaken by SCC for their transfer station, the West Suffolk councils investigated further options for a larger combined facility. Following conclusion of the Rougham Hill planning permission challenge, SCC joined with this work to investigate and evaluate other potential options with the West Suffolk council team.
- 2.21 In the autumn of 2014 West Suffolk and SCC officers commenced work on the assessment of options which by February 2015 had arrived at a proposal for councillors to consider. The outcome of the work was a proposal that a WSOH was the optimal solution and that there were no suitable or available allocated (through the local plan) or previously developed (brownfield) sites in the search area of sufficient size on which to locate it. Following sequential planning policy requirements the councils had to consider greenfield sites with three possible options being identified. Land at Hollow Road Farm emerged as the site the

councils considered to be the most suitable, available and deliverable for the facilities required.

- 2.22 The National Planning Policy Framework places particular emphasis on developers and prospective applicants engaging with the communities who lie close to or may be affected by their development proposals. Used in this way community engagement usually takes place at some point prior to the submission of a planning application. Once work on a planning process started, a pre-application public consultation was organised to help develop it through further engagement with those living nearest to the site. It took place from 6 March 2015 to 20 April 2015.
- 2.23 Whilst not a statutory requirement, there were good reasons for undertaking that pre-application public consultation, including to:
- inform people about a proposed development prior to a planning application being submitted;
 - engage communities and stakeholders in the planning process;
 - give interested parties the chance to express their views on the proposed development;
 - gain particular insight or detailed information which is relevant to the scheme;
 - gauge local opinion; and
 - identify ways in which a proposed development could be improved.
- 2.24 This phase of pre-application public consultation generated a significant number of concerns and objections. Key concerns and options expressed included:
- Hollow Road Farm was the wrong location;
 - loss of agricultural land;
 - highways and traffic impact;
 - noise, odour, landscape and visual impact;
 - planning policy;
 - justification for a single site option;
 - site selection criteria; and
 - process of site selection.
- 2.25 In response to this feedback the councils agreed to put the planning application for Hollow Road Farm on hold, discontinue considering it as their 'preferred site' and undertake a second phase of public consultation.
- 2.26 This second round of consultation is not usually required prior to a proposal of this type. However, the councils wanted to ensure everyone with an interest in the project across West Suffolk had the opportunity to scrutinise the process that the councils had gone through so far, and the research they had carried out, so that the most suitable site for a WSOH could be identified. In effect the councils were asking people whether their research could have led to a different conclusion and, in addition, wanted to offer everyone an opportunity to suggest alternative sites for consideration.

3. Second public consultation

- 3.1 The full Consultation Report can be found at appendix A.
- 3.2 A second six-week public consultation took place between 8 January 2016 and 19 February 2016. The main elements of the consultation that the public were asked to consider were:
- a. **The need for a single site** (a WSOH) including the process used to establish the need for a joint operational facility including a depot, waste transfer station and a HWRC on a single site;
 - b. **The site selection criteria** and the way in which they were applied, including details about the 19 identified sites and the criteria used to evaluate them. Also, an opportunity for members of the public to suggest alternative sites or to give reasons why one of the rejected sites should be reconsidered; and
 - c. **A Sustainability Appraisal** undertaken to test if a single site approach is the most suitable and the sustainability of the most suitable site identified previously (Hollow Road Farm).
- 3.3 A web page for the project had been established for the first consultation and this was continually updated with information before, during and after the second period of consultation. The website can be found at the following link – www.westsuffolk.gov.uk/wsoh.
- 3.4 Consultation information included the following:
- a. **Consultation summary booklet** which provided a summary of the WSOH project and the two technical documents referred to below. Designed to be a non-technical overview of the information as well as directing people to where they could find more specific information.
 - b. **Identification and Assessment of Potential Options and Sites (IAPOS)** report which included the background to the project, a chronology of events to date, the criteria and assessments used to determine whether co-locating services to a single site was the optimal course to take and the most suitable site for that co-location.
 - c. **Sustainability Appraisal (SA)** undertaken to test if a single site approach was the most suitable and the sustainability of the most suitable site identified previously (Hollow Road Farm).
 - d. **An invitation to scrutinise the documents** published, make comments and suggest any alternative sites for consideration.
- 3.5 The consultation covered the whole of the West Suffolk area (75,000 households) and was promoted through flyers delivered by bin crews over a two-week period from 4 to 15 January 2016, local newspaper advertising, press releases, social media (Facebook and Twitter) and through elected representatives at parish, town, borough, district and county level.

- 3.6 Three separate drop-in events took place at different locations in Bury St Edmunds on 15, 16 and 19 January 2016 and were attended by 220 people.
- 3.7 A public meeting, with an independent chair, took place in Bury St Edmunds on 29 January 2016. This event was attended by over 200 members of the public and involved a presentation on the project with the opportunity to ask questions afterwards. Minutes of the meeting were made public on www.westsuffolk.gov.uk/wsoh.
- 3.8 The information outlined in 3.3 above was made available online at the WSOH web page, hard copies and CD ROMs were deposited at information points across West Suffolk (council offices, libraries, public buildings) and were also made available at the drop-in sessions and the public meeting. Information was also issued on request via a CD ROM or in hard copy for a modest charge to cover printing costs. Copies of consultation materials were offered in alternative formats on request.
- 3.9 Separate consultation was undertaken with 12 statutory organisations in order to get their opinion on the options and sites assessment process. Two responses were received and details of these, along with the organisations contacted, can be found from page 154 of the Consultation Report (appendix A).

4. CONSULTATION FEEDBACK

4.1 Full details of the public feedback can be found in section 5 from page 12 of the Consultation Report at appendix A. The councils also hold files containing redacted copies (removing personal details) of each of the individual items of feedback we have received which can be made available for inspection.

How did people feedback comments and how many?

4.2 Feedback was collected through a number of different channels including an online feedback form, dedicated email address, paper feedback forms and letters. Based upon the number of responses, number of attendees at the events, the amount of time spent completing the feedback form and the number of issues raised – there was a good level of response to the consultation, outlined in figure 2 below.

| Format | Number | Percent |
|----------------------|--------|-------------------|
| Online – PC / Laptop | 243 | 44% |
| Online – Tablet | 61 | 11% |
| Online - Smartphone | 15 | 3% |
| Paper feedback forms | 117 | 21% |
| Paper letters | 56 | 10% |
| Emails | 65 | 12% |
| | 557 | (Figures rounded) |

Figure 2 – Feedback method

4.3 The level of information and detail in the feedback received clearly demonstrates that the majority of those who chose to engage with the

consultation spent considerable time and effort in scrutinising the material available and in developing their responses.

- 4.4 Of the 557 responses, four were duplicates and two were blank leaving a total of 551 unique responses (this represents just under a third of one percent of West Suffolk's total population). Further analysis revealed that there were 382 individual issues raised and these are referenced in the appendices of the Consultation Report (appendix A).

Where did the feedback come from?

- 4.5 The map on page 14 of the Consultation Report (appendix A) shows the approximate geographical distribution of responses. A large number of responses came from the Great Barton and Fornham areas (113 and 97 respectively) which are closest to the Hollow Road Farm site. Responses from the central, western and Moreton Hall areas of Bury St Edmunds were the next highest at 71, 62 and 23 respectively.

Options assessment

- 4.6 Question 1 of the consultation asked whether the respondent agreed or disagreed with the proposal to co-locate all waste facilities on a single site (option 4). For reference the five options being considered by the partner councils are:

Option 1 – do nothing (status quo)

Option 2 – implement Rougham Hill (SCC WTS and HWRC), otherwise do nothing

Option 3 – implement Rougham Hill and merge Bury and Mildenhall depots

Option 4 – co-locate all facilities

Option 5 – co-locate a WTS and depots (leave HWRC at Rougham Hill)

In terms of option 4 (a West Suffolk Operational Hub), 194 (35%) agreed, 266 (48%) disagreed, with 91 (17%) either not knowing or not answering.

- 4.7 The map on page 15 of the Consultation Report (appendix A) shows the geographical distribution for those that agreed and disagreed with question 1. This indicates an inclination for disagreement from the Great Barton and Fornham areas and an inclination for agreement from the central and western areas of Bury St Edmunds and other parts of West Suffolk.
- 4.8 Comments and issues raised in response to the options assessment indicated support for Rougham Hill (either for an expanded HWRC or WSOH) and for retaining the HWRC at the location. There was opposition for a WSOH but also support for the proposal too. There were a number of specific comments relating to the criteria and their assessment. Feedback tables with detailed responses to the assessment of options (section one) can be found from page 18 of the Consultation Report (appendix A).

Sites assessment

- 4.9 The assessment of sites section of the consultation asked about the criteria and assessments of potential sites based upon a fully co-located WSOH (option 4). The issues, criteria and assessments used in the assessment of sites were set out in the IAPOS Report. A dedicated page was also provided within the feedback form for people to suggest potential alternative sites, which could be investigated further by the partner councils. Feedback tables with detailed responses to the assessment of sites (section two) can be found from page 40 of the Consultation Report (appendix A).
- 4.10 Although this public consultation was not specific to a single site, there were a large number of responses relating to Hollow Road Farm alone. This is understandable given the previous pre-application consultation on that specific site and that the consultation documentation set out the reasons why the council had considered that site to be the most suitable. Comments included concerns regarding the capacity of transport infrastructure near the site and its impact on local communities, general opposition to the loss of greenfield / agricultural land and contravention of various council policies. There were also a number of non-site specific concerns regarding transport impacts.

Site suggestions

- 4.11 There were 20 alternative sites suggested in response to the consultation that were eligible for assessment and these can be found in the feedback tables with details of the suggested sites (section three) from page 109 of the Consultation Report (appendix A) and in paragraph 5.4 below.

Sustainability Appraisal (SA)

- 4.12 The consultation asked for comments on the Sustainability Appraisal that was carried out on both the assessment of the five options and the sites for delivering a fully co-located WSOH (option 4). The most frequent responses included criticism of the appraisal including its criteria and application, querying the difference in various environmental criteria scores for Tut Hill and Hollow Road Farm, support for the appraisal, requests that future proofing is considered and querying what environmental benefits Hollow Road Farm provides over Rougham Hill. Feedback tables with detailed responses to the sustainability assessment (section four) can be found from page 131 of the Consultation Report (appendix A).

Comments regarding the consultation and other general comments

- 4.13 There were a number of comments about the consultation process and some other general comments as well. Feedback tables with these comments can be found from page 140 of the Consultation Report (appendix A).

5. REVIEW AND RESPONSE TO CONSULTATION FEEDBACK

- 5.1 Since the consultation closed in February 2016, considerable time has been taken to collate and review the comments made in the responses provided. This has been documented in the Consultation Report (appendix A) and in revisions to the IAPOS (appendix B) and SA (appendix C) documents. New sites that have been suggested have also been assessed and for a number of sites that

met the exclusionary criteria (for example, whether they are large enough), work was undertaken to assess and score them against the qualitative criteria (for example, how close they were to houses).

Identification and Assessment of Potential Options and Sites (IAPOS)

5.2 As a result of the consultation with various stakeholders a number of changes have been made to the IAPOS and further actions taken:

- one new options assessment criterion has been added (traffic);
- all financial related criteria and commercial opportunities / income generation criteria have been rechecked in view of comments received; and
- no new site assessment criteria (exclusionary or qualitative) have been added.

Options assessment

5.3 As stated in paragraphs 4.6 to 4.8 above, a range of comments were made concerning the co-location of all facilities to a single site (option 4). The financial summary that compares options 4 and 5 is set out in figure 4 in section 6 below and this demonstrates that over the medium to long term, there is a financial advantage in co-locating facilities based upon savings to the annual revenue costs. We believe there are also a number of other advantages through combining these facilities:

- given future uncertainties, greater potential to meet changing demand through combining resources;
- more efficient use of land with the flexibility for future expansion within the site if required;
- more opportunities in the future for joint operations and management;
- for the Bury St Edmunds area to have a new HWRC with better public facilities (level access and with a reuse shop);
- the potential for co-located operations to work more effectively and efficiently out of usual working hours (for example, double shift, weekends) through the site being open longer to service the HWRC;
- access to a weighbridge on site; and
- improved administrative and operational support to the HWRC on site.

Review of suggested sites

5.4 Of the sites suggested there were 20 new sites eligible for consideration. These are listed in section 6.17a on page 64 of the IAPOS (amended May 2016) report (appendix B).

5.5 Six other suggested sites were discarded on the basis that they were duplicates of other suggestions, were immediately identified as unsuitable (such as the Abbey Gardens and Charter Square) or were too imprecise to enable assessment. Seven sites that we had already assessed were also suggested and these have been re-checked against the site selection criteria.

- 5.6 Details of the exclusionary criteria against which all sites were assessed can be found in section 6.28 from page 68 of the IAPOS (amended May 2016) report (appendix B). Briefly, the criteria are as follows:
- physical (site size and shape, flood risk);
 - access (access to and from the primary highway network); and
 - location (proximity and relationship to Bury St Edmunds; relationship to the Suffolk Lorry Route Network and impact on sites of international or national landscape, biodiversity or heritage importance).
- 5.7 The physical and access characteristics of most of the suggested sites did not meet the exclusionary criteria. Of the 20 sites, three passed the exclusionary criteria and have been assessed against qualitative criteria, these sites being:
- McRae Estates land between River Lark and A14 (opposite side of A134 to existing HWRC);
 - land between Rougham Hill, A14 and Rushbrooke Lane, BSE (including formerly proposed BSE Hockey Club site); and
 - land south of West Suffolk Crematorium, near Risby.
- 5.8 Details of the qualitative criteria against which the three sites that passed the exclusionary criteria were assessed can be found in section 6.29 from page 71 of the IAPOS (amended May 2016) report (appendix B).
- 5.9 Details and scores for the three new sites assessed against the qualitative criteria can be found at the table in figure 7 on page 83/84 of the IAPOS (amended May 2016) report (appendix B). Assessment against the qualitative criteria indicates that Hollow Road Farm is still the most suitable and deliverable site. The closest potential alternative is now the field south of Risby Crematorium (previously it was Tut Hill).
- 5.10 The difference between Hollow Road Farm and the closest two competitors is considered significant and is sufficient to form robust conclusions about the most suitable and deliverable site. The scores are:

| | |
|--|-----|
| Hollow Road Farm | +7 |
| Tut Hill | -7 |
| McRae Estates land | -14 |
| Land at Rougham Hill | -10 |
| Land south of West Suffolk Crematorium | +1 |

Traffic and transport

- 5.11 Concerns have been raised about the local impact from traffic that would come from a WSOH. In response to this 'traffic' has been added as a criterion to the options assessment at appendix A of the IAPOS (amended May 2016) report (appendix B). A chosen site would be subject to more detailed design and a comprehensive Transport Assessment as part of any planning application. Additional sites suggested through the consultation have also been subject to review and comment from our technical advisors on highways as well as the Local Highway Authority.

- 5.12 Concerns regarding the access and egress to the chosen site, including traffic safety, would be addressed as part of more detailed design and any planning application through the comprehensive Transport Assessment.

Impact on our staff

- 5.13 Under the proposals our operational staff based at the current Bury and Mildenhall depots would relocate to the new WSOH in Bury St Edmunds. Contractor staff working at the current HWRC facility at Rougham Hill would also relocate to the new facility. The greatest potential impact is likely to be on those staff that are currently based in Mildenhall for whom appropriate arrangements would be made in line with their contracts of employment. There may be some slight reduction in staff numbers but given the notice and time durations involved, it is anticipated that there is an excellent chance that these can be managed through staff turnover. Staff have been fully briefed throughout the course of the project to date and this would continue if it progresses.

Sustainability Appraisal (SA)

- 5.14 As a result of the consultation with various stakeholders changes have been made to the original SA report – now titled the Final Sustainability Appraisal (amended May 2016) to reflect the consultation responses. The new sites identified during the consultation have been added into the report. A number of comments were received regarding the SA process and the SA report. The main concerns were associated with finding the right balance between environmental and economic considerations of the proposed WSOH; noise impacts during the 12 months construction phase of the project; impact on air quality and odour; and potential impacts as a result of the increase in traffic movements.
- 5.15 Following the consultation exercise, minor amendments have been carried out throughout the Final SA (amended May 2016) document for further clarification and to reflect consultation feedback. The consultation responses prompted the need to revisit some scores given during the initial SA assessment. However, this did not lead to any changes to scores and conclusions in the Final SA (amended May 2016) document.

6. FINANCIAL SUMMARY

- 6.1 This section of the report sets out the finances for the project in terms of its anticipated capital cost, the project financing and the impact on annual revenue budgets for the public purse as a whole and specifically for SEBC. In considering the financial implications of the project it is important to contextualise the position. Many of the services provided from the proposed WSOH are statutory, in other words we have a legal obligation to provide them and therefore must invest in the appropriate plant, equipment and facilities to support their delivery. We also know the cost of that statutory obligation is going to increase significantly due to the growth of housing (and with it bins to empty, streets to clean and grass to cut) of more than 20%.

- 6.2 Normal return on investment thinking is therefore not appropriate in this case. Our facilities need modernisation at considerable cost in the short term and faced with inevitable growth and increased demand for our services these facilities will not provide the required capacity we need for the medium to long term. The council therefore has to invest now to meet these future challenges and to avoid unnecessary costs.
- 6.3 Projected savings and income from operating at a combined WSOH amount to £412,500 each year for SEBC. Even if it had to borrow capital to build its share of the WSOH (which would be unlikely in the short term for this project), the council would still be better off by £45,000 each year compared to now as well as having the modern facilities it would need to secure the future. The alternative risks losing the support of partners and their funding and having to spend considerable sums maintaining a depot that we would have to vacate at some point in any event. The opportunity to develop the council's land at Rougham Hill and Western Way would also be put at risk.
- 6.4 The project has long term implications for the collection and disposal of waste, the delivery of other street and grounds services and fleet management in West Suffolk and beyond. The financial case therefore needs to be considered alongside other factors and drivers for the project, which include:
- our statutory obligations in terms of the services we have to deliver;
 - future housing, population and business growth in the area and the pressure this will place on the existing Bury depot (which provides services such as fleet maintenance for all of West Suffolk);
 - the development opportunity on the Bury depot site following its relocation;
 - the changing nature of waste collection and disposal; and
 - the benefits of co-locating and operating waste facilities currently controlled by separate tiers of local government.
- 6.5 Given the various drivers for the project and referring to the options set-out in paragraph 4.6 of this report, options 1 and 2 are clearly neither viable nor sustainable for the medium to long term. Option 3 does not deliver many of the advantages outlined in this and previous reports but it is effectively a fall-back option. In considering the financial business case we have therefore compared options 4 and 5 (complete co-located WSOH or co-locating depots and WTS whilst leaving the HWRC at Rougham Hill, respectively).
- 6.6 Option 4 is the best option for the public purse. In terms of our financial modelling, the total estimated difference in annual revenue savings and additional income for option 4 amount to £1,106,000 each year compared to £1,007,000 for option 5 (a difference of £99,000 from year 1). The estimated capital cost to SCC for option 4 is £11,535,000 compared to an estimated capital cost of £9,369,000 for option 5 (a difference of around £2,167,000). Taking into account the cumulative effect of inflation, the cost of option 4 breaks even with option 5 in around 19 years based upon the estimated financial benefits we know now. This is represented graphically in figure 3

below. Taking a view in the round which combines the financial benefits, the substantial list of non-financial benefits (see paragraph 5.3) and the options assessment scores against 24 criteria (see IAPOS appendix B page 57/58) over the medium to long term, option 4 has significant benefits compared to option 5.

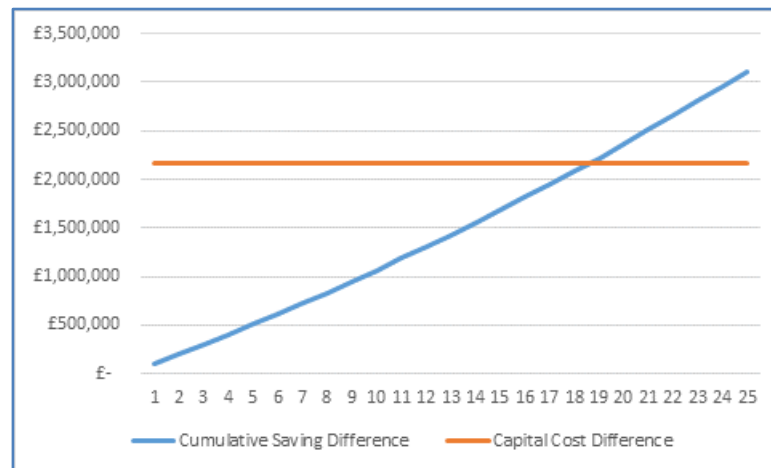


Figure 3 – Graph showing the estimated breakeven point for option 4

Expenditure on the project to date

- 6.7 Work has been ongoing on this project for two years. This has included significant external support on technical design and professional services. The nature of this work has changed throughout this period as the project has moved from options appraisal, site review, securing a land option, developing specific site designs, public consultation, review, further public consultation and review. Funding for the early part of this work was initially approved by SEBC on 30 June 2014 with £100,000 being allocated. At their Cabinet on 24 February 2015, SCC match funded the project with a further £100,000. On 22 September 2015 and 14 October 2015 SEBC and FHDC respectively approved further funding to the project of £220,000 and agreed a split of all the project costs to date between the two West Suffolk councils. This was further match funded by SCC.
- 6.8 To date, the total approved funding for the project from the three partner councils therefore amounts to £640,000. There is an additional £20,000 funding allocated as part of the LGA / Cabinet Office OPE programme bringing total approved funding to £660,000. The current notional split of funding between the three partner councils is on a ratio of 50:32.5:17.5 for SCC:SEBC:FHDC respectively. As the project progresses with design and costs being further defined, costs (and benefits) would be allocated equitably based upon the actual share of assets.
- 6.9 The actual expenditure on the project to date across the three councils amounts to £320,000.

Capital costs

- 6.10 A table outlining the costs and savings relating to the WSOH (comparing options 4 and 5) is shown below in figure 4.

- 6.11 Capital costs are largely based upon estimates provided by a Quantity Surveyor engaged to support the project. These estimates have been calculated using a site design for Hollow Road Farm dating from April 2015. Land costs are assumed as those fixed through the Hollow Road Farm land option agreement that the councils have in place and estimates have been obtained for specialised fit-out. Costs have been apportioned on the basis of a transfer station and HWRC (SCC) and the depot (West Suffolk) and the associated land take for these elements.
- 6.12 Estimates take account of the current anticipated project timing and have costs allocated for construction inflation which is currently running well ahead of general Retail Price Index (RPI) inflation. Further appropriate contingencies have been made within the construction estimates and a further project contingency has also been added.

The estimated impact on annual revenue budgets

- 6.13 Annual revenue cost savings and income include:
- premises savings
 - management savings
 - staff savings
 - remodelled collection rounds (vehicle, staff and fuel savings)
 - additional income from commercial services (including fleet)
 - shared site supervision and administration
 - haulage cost savings
 - equipment savings
 - WDA recharges to WCA
- 6.14 Premises savings include a reduction in building maintenance costs through having fewer sites and sharing assets. They also include energy savings through building to the latest environmental standards and utilising green technology like roof-mounted photovoltaic cells. Premises savings also include negating the running costs for the Mildenhall depot and realising an annual income from leasing the building.
- 6.15 As well as reducing waste miles through co-location, currently our separate depots and HWRC have elements of waste transfer. By combining two depots and the HWRC with a transfer station on a single site the transfer element of each operation is shared in terms of both labour and equipment.
- 6.16 Ownership and running costs would be dealt with in a similar way as for West Suffolk House. The facility would be owned between the West Suffolk councils and SCC and revenue costs apportioned on an equitable basis.
- 6.17 Subject to detailed design and planning, the cost of any excess land at the site would be met by SEBC and FHDC and would remain in those organisations' ownership.

| | Option 4 | | | Option 5 | | |
|--|---|-----------------------|-----------------------|---|-----------------------|-----------------------|
| Bury depot Mildenhall depot Transfer station HWRC | Single site Closed Single site Single site | | | Single site Closed Single site Rougham Hill | | |
| REVENUE | TOTAL £,000 | FHDC £,000 | SEBC £,000 | TOTAL £,000 | FHDC £,000 | SEBC £,000 |
| West Suffolk savings | 371 | 143 | 227 | 328 | 128 | 200 |
| West Suffolk income | 285 | 100 | 185 | 285 | 100 | 185 |
| West Suffolk Sub-Total | 656 | 243 | 412 | 613 | 228 | 385 |
| Suffolk CC net savings | 450 | | | 394 | | |
| Suffolk Total | 1,106 | | | 1,007 | | |
| CAPITAL COSTS | | | | | | |
| West Suffolk capital cost | 16,116 | | | 16,116 | | |
| Unallocated capital receipt | -6,250 | | | -6,250 | | |
| Notional West Suffolk capital borrowing requirement for illustrative purposes | 9,866 | 3,453 | 6,413 | 9,866 | 3,453 | 6,413 |

Figure 4 – Table outlining the financial case (comparing options 4 and 5)

Financing the project

- 6.18 This section sets out the proposed project financing for SEBC only. In line with the council's Investment Framework, this project has been assessed on the basis of prudential borrowing (for the life of project) for the residual borrowing requirement of £6.4 million. Taking into account the estimated £2.25 million detailed in paragraph 2.5 that would otherwise have been needed within the next 5 years, a £4 million contribution from unallocated capital receipts to reflect the notional value from vacating the existing site and the capital contribution from FHDC a net financing amount of £6.4 million would be required from SEBC.
- 6.19 It should be noted that although this section looks at this project on the basis of investment principles to cover borrowing requirements, the project's drivers and factors (set out at paragraph 6.1) are primarily linked to the councils' statutory service delivery obligation and to address the medium to long term pressure on the current depot location from future housing, population and business growth. This project also removes the risk to the West Suffolk councils of a reliance on a 'tipping away payment' from SCC (initially estimated at £240,000 per year).
- 6.20 The table in figure 5 below includes the full cost of prudential borrowing, however actual borrowing would only take place when the council's treasury

management activities identify such a need. For example, this could be when the council's cash flow management activities anticipate that an external cash injection is required to maintain the appropriate level of cash balances for the council to operate and fulfil its budget and service delivery requirements.

| | |
|--|----------------|
| Borrowing Costs | £ |
| Interest @ 3.25% (40 year PWLB rate) | 208,000 |
| Minimum Revenue Provision (over 40 year - 2.50%) | 160,000 |
| Total SEBC Borrowing Costs | 368,000 |
| Total SEBC Savings/Income share | 413,000 |
| Net financial benefit | 45,000 |

Figure 5 – Table outlining the project borrowing costs

- 6.21 The council currently manages funds in excess of this and therefore external borrowing is not expected during the short to medium term for this project in isolation, releasing further savings into the council's revenue budget.

7. PROJECT TIMING

- 7.1 An outline timing programme for the project is shown below in figure 6. This is considered tight but achievable and is subject to the project risks identified in the appropriate section at the beginning of this report.

| Name | Start | End |
|--|--------------|------------|
| Consultation | Jan-16 | Feb-16 |
| Consultation feedback / decision to proceed | Feb-16 | Jun-16 |
| Establish design / construction project team | Jul-16 | Aug-16 |
| Design development / prepare planning application | Aug-16 | Nov-16 |
| Planning decision (inc stat consultation and referral to Sec of State) | Nov-16 | Feb-17 |
| Procurement and mobilisation | Feb-17 | Jul-17 |
| Construction period | Jul-17 | Jul-18 |

Figure 6 – Outline project timing programme

8. CONCLUSIONS AND RECOMMENDATIONS

- 8.1 There is a clear need to urgently invest in new waste and street scene services infrastructure in West Suffolk. Current arrangements for the transfer and haulage of waste are unsustainable and costly to the taxpayer. Significant growth is planned for West Suffolk which will see a considerable increase in housing and business activity over the next 10 to 20 years. This will result in increased demand for our frontline services. The current facilities from which these services are delivered are at capacity and we are already facing the need to relocate. The condition of the SEBC depot and workshops in particular is such that they are costly to run and will require significant investment in the short term to maintain existing service levels. With the reduction in funding from central government, the councils are more dependent on locally derived income. Modern facilities and further capacity will be required to maximise income growth potential.

- 8.2 A combination of circumstances has come about which enables us to address these issues and demands both in the short term and for many years to come. The requirement for a waste transfer station in Bury, the success of shared services between FHDC and SEBC, the potential for wider development at Western Way, efficiencies from co-location and a willingness for the three councils to work together for the best long term solution for taxpayers are presenting a once in a generation opportunity.
- 8.3 The work we have undertaken to date clearly demonstrates that, providing it is in the right location, a WSOH is the best solution for addressing these demands. Our research and the work reflected in this report and its appendices demonstrates that there will be significant advantages from co-locating depots, fleet facilities, the transfer station and the HWRC to a single site.
- 8.4 The original work that was undertaken by the councils to assess potential sites for a WSOH culminated in Hollow Road Farm being preferred. This proposal met with significant local concern during the first pre-application consultation. In order to ensure that the best overall decision is made, the councils agreed to take a step back and re-consult more widely on the proposals. This second round of consultation was not a statutory requirement. However, in making a commitment to be open and provide as much information for public scrutiny and comment as possible, even though the additional consultation would result in some further delay and cost to the taxpayer, the councils collectively wanted to ensure they were following the right course of action at the best overall location.
- 8.5 Public engagement with this second round of public consultation has been impressive. Large numbers have responded offering a range of comments and views on the information provided along with alternative site suggestions and proposals to be considered. The quality of the responses, including the time taken to read the information provided and submit a written reply is notable and the councils are extremely grateful for this level of feedback. A range of views, both for and against the proposals, have been expressed. There was a high level of response from areas relatively close to Hollow Road Farm and these were generally more opposed to the WSOH proposal. Responses from other areas tended to be more in favour or mixed.
- 8.6 In terms of the options assessment, analysis of the responses and a subsequent review has led to some minor changes in our approach. However, these changes have not been substantive enough to alter the original position that a WSOH (option 4) on land at Hollow Road Farm is the best overall approach.