

Milton Household Recycling Centre Redevelopment

To: Environment and Green Investment Committee

Meeting Date: 28 November 2024

From: Executive Director of Place and Sustainability

Electoral division(s): Waterbeach, Histon and Impington, Bar Hill, Longstanton, Northstowe and Over, Kings Hedges, Arbury, Castle, Chesterton, Abbey, Newnham, Petersfield, Market and Romsey

Key decision: Yes

Forward Plan ref: 2024/069

Executive Summary: This report provides an update on the Milton Household Recycling Centre (HRC) redevelopment project and the work undertaken to date to implement its redevelopment. The scheme involves the demolition of the existing site and the construction of a new expanded facility. The scheme was granted planning permission in December 2022 (reference CCC/21/259/FUL). The report highlights the information and consultations that have taken place with external contractors and stakeholders and what is required to complete the project.

The report also includes details of the tender exercise and cost report which indicates that capital costs will not exceed the current capital budget allocation of £4.813m; before highlighting the preferred option, which is to proceed with the build. Consideration has also been given to the option of not proceeding and the consequential implications such a decision would carry.

The Committee is being asked to approve the temporary closure of the Milton HRC site for redevelopment, as the preferred option put forward by officers, and to proceed with demolition of the existing facility and the construction of the new Milton HRC.

Managing the tonnage during the temporary site closure at the nearest HRC sites to the Milton HRC will be essential to ensure that these sites can manage the expected increased workload, as the Milton site is the busiest of the nine HRCs within Cambridgeshire. To achieve this, a booking system would help to manage demand during the time when the Milton site is closed for redevelopment.

Approval of the recommendations will allow officers to deliver a new enlarged split level HRC site for use by the local community, wider residents of Cambridgeshire and future residents.

Recommendation: Environment and Green Investment Committee is recommended to:

- a) Approve the preferred option to proceed with construction of the Milton Household Recycling Centre (HRC) as set out in Section 3 of this report.
- b) Delegate authority to the Executive Director of Place and Sustainability, in consultation with the Chair and Vice Chair of the Environment and Green Investment Committee, to award and execute a contract to the successful Design and Build Contractor.
- c) Approve the temporary closure of Milton HRC and the introduction of a booking system for the three nearest alternative HRCs, for the management of additional traffic and tonnages while the Milton HRC is temporarily closed for construction.

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1. Creating a greener, fairer and more caring Cambridgeshire

1.1 The redeveloped Milton Household Recycling Centre (HRC) will meet the following Cambridgeshire County Council (CCC) ambitions:

- Ambition 1 – Net Zero Carbon emissions for Cambridgeshire by 2045. The Invitation to Tender (ITT) asked for contractors to detail how they will achieve net zero (or negative) carbon emissions and how they will assist in delivering the wider Cambridgeshire County Council sustainability policies. Tenders were asked to include realistic and achievable green construction techniques and technologies and minimise ecological impacts and pollution. Their responses will be evaluated further and considered during the detailed design stage.
- Ambition 5 - People are helped out of poverty and income inequality. The new Milton HRC will house a purpose-built re-use shop for residents of Cambridgeshire to bring their unwanted items. All items will be available for a small purchase price or zero cost allowing residents to obtain good condition items at a lower or nil cost.
- Ambition 6 – Places and communities prosper because they have resilient and inclusive economy, access to good quality public services and social justice is prioritised. The new HRC will be built in line with modern day operational and health and safety standards with best practice policy at its heart. The site will be accessible to vehicles and pedestrians and will have additional capacity to cope with current and future waste tonnage.

1.2 Furthermore, the CCC Equality, Diversity and Inclusion (EDI) strategy will increase access for those with a physical disability and enable the Council to achieve its vision and ambitions so that Cambridgeshire can become greener, fairer, and more caring for the people and communities we serve and support. The redevelopment of this HRC facility also supports the EDI Strategy themes of:

1. Our workforce: Foster an inclusive, supportive and safe working environment that attracts and retains diverse people who feel valued, respected, and empowered.
2. Our communities: Further understand and work with our diverse communities across Cambridgeshire, developing local solutions which address the needs of our communities.
3. Our services: Ensure people who use our services and residents have good quality public services that meet the diverse needs of our communities.

2. Background

2.1 In September 2020, a report was taken to the Environment and Sustainability (E&S) Committee and the following recommendations were approved:

- (i) Support the recommendation in paragraph 2.5 of the report to take forward design Option 3, as a preferred option for public consultation and planning submission and include other options,
- (ii) Delegate responsibility to the Executive Director for Place and Economy in consultation with the Chair of the Environment and Sustainability Committee to:

- a) Work with the landfill operator to minimise the impact of retaining and expanding the Household Recycling Centre at Butt Lane Milton on the landfill site operations,
- b) Prepare an application to decouple the Household Recycling Centre from the landfill and make the Household Recycling Centre permanent in its current location,
- c) Carry out a pre-application consultation with the local community on the preferred site design,
- d) Submit a planning application to retain, expand and upgrade the Household Recycling Centre, and
- e) Submit a Section 73 planning application to make the necessary amendments to the restoration profiles for the landfill site to allow the Household Recycling Centre to remain in its current location.

- 2.2 As a result of the approvals granted by the E&S Committee as set out in paragraph 2.1 above, a planning application was developed and submitted.
- 2.3 A Section 73 planning application was made on 13 December 2021 to amend the approved restoration plan for the Milton Landfill site. This enables the new Milton HRC to be decoupled from the Milton Landfill, allowing for the HRC's permanent retention. This planning application (reference CCC/21/261/VAR) was granted on 7 December 2022.
- 2.4 An Invitation to Tender was published on 2 October 2024 to Lot 1b of the CCC Design and Build Framework list, with a tender submission deadline of 12 November 2024, to procure a Design and Build Contractor under the existing delegated authority. Bidders were advised that this tender was subject to the outcome of this Committee report. The ITT details are provided in Appendix 1.
- 2.5 As the HRC site management and operation is part of the services provided through the Waste Private Finance Initiative (PFI) Contract, changes to the service requested by the Council must be formalised through a contractual Authority Notice of Change (ANoC) process. This engagement with Thalia (as the Waste PFI Contractor) has already started, and Thalia colleagues are already supporting the process with working on the Environmental Permit application for the new HRC site, to the Environment Agency. It is worth noting that as this would be an asset owned by the Council, this will revert to the Council at the end of the Waste PFI Contract. As such, this investment would not be lost.
- 2.6 The intended outcome is to seek approval of the preferred option to proceed with the redevelopment of the Milton HRC as set out in Section 3 of this report, to allow the new split level Milton HRC to be built in line with the timescales set out in paragraph 3.3 below to provide residents with a safe, accessible, and functional household recycling site that promotes best practice, re-use, recycling and sustainability. By retaining an HRC site in Milton and futureproofing it to serve the growing population, and tonnage (including residents at Northstowe), this site will maintain access to local residents, ensuring not only a reduction in carbon emissions from residents not needing to travel to other HRC sites, but also the added benefit of pedestrian and cyclist access, which is not currently available at all HRC sites within Cambridgeshire. Furthermore, the continuity of promoting behavioural change amongst residents to reduce, recycle and reuse waste will also be possible, as well as a trade waste facility for small and medium enterprises (SMEs).

3. Preferred option to proceed with the construction of the Milton HRC site

- 3.1 Since the original report was taken to E&S Committee on 17 September 2020 (ref:2020/013), the cost of delivering the project has increased, the current capital budget is £4.813M. Following the results from the ITT process, the revised cost is expected to remain within this allocation. Notwithstanding the financial increase that has taken place since the original report was approved, officers still consider the delivery of this infrastructure to be the preferred option and are therefore seeking approval to complete the project by awarding the design and build contract. Waste officers commenced in September the Authority Notice of Change (ANoC) process, to prepare and submit to the Environment Agency the required Environmental Permit application, with assistance from Thalia, as it is recognised that this may take up to twelve months, or longer, to determine.
- 3.2 As identified in paragraph 2.4 above, the Council, in conjunction with our Specialist Project Management Consultants (Summers Inman), who were procured through a mini tender process through the ESPO 2664_22 Framework, tendered for the design and build works for the redevelopment and expansion of the Milton HRC site on 2 October 2024, in collaboration with the Council's Procurement Team, through the ESPO 2664_22 Framework Contractor list, Lot 1b. As part of this process a high-level cost review was carried out, which identified the likelihood of a cost increase from the original capital expenditure budget for the project.
- 3.3 In order to be able to deliver the redeveloped HRC site at Milton by Spring of 2026, the following key dates and estimated timescales will need to be met, to ensure that the restoration and planning permission requirements on the landfill site are achievable:
- Construction start date, determined by the contractor project plan (but would need to be as close to September 2025 as possible) to ensure compliance with the planning permission.
 - ANoC Agreed with Thalia – October 2024.
 - Build time estimated as 6-9 months, CCC, Thalia and the construction contractor will be working to minimise the actual site closure period.
 - Site closure dates to users will be dependent on the project construction plan and the Health and Safety considerations.
 - Completion, snagging and handover as per project plan.
 - Completion and operation of the new HRC facility by Spring 2026.
- 3.4 The capital business case provided for the September 2020 committee report has now been updated again to take account of the above information and the range of tendered costs received as part of the ITT process set out in confidential Appendix 2. On the basis that the range of tendered costs received align with the current capital budget, officers are still fully supportive of this scheme and the benefits it would deliver not only to the residents of Milton and the wider Cambridge area, but to our wider waste management strategy to reduce, reuse and recycle as far as possible. It is for this reason that officers are recommending that delegated authority is given to the Executive Director of Place and Sustainability in consultation with the Chair and Vice Chair of the Environment and Green Investment (E&GI) Committee, to award and execute a contract to the successful Design and Build Contractor, to allow the redeveloped and expanded Milton HRC site to be built.

4. Alternative Options Considered

- 4.1 Noting that the ITT carried out recently attracted 4 bidders with the details set out in confidential Appendix 2, it is unlikely that a cheaper price would be achievable, resulting in the only real alternative being the 'do nothing' option. In this case, the 'do nothing' option would lead to the existing HRC site needing to be closed by 31 December 2025 to allow for the restoration of the landfill site to meet planning permission requirements by 31 December 2026.
- 4.2 The closure of the Milton HRC, the busiest HRC site, would reduce the number of HRCs in Cambridgeshire to eight and would lead to residents of Milton and the surrounding Cambridge area (including Northstowe residents) needing to travel further to access these services (which would lead to potentially higher carbon emissions for the county). Wider perceived concerns around fly tipping are also likely to be raised if the Milton HRC is closed, and whilst it is unlikely that residents would resort to such measures, this has been highlighted as a potential risk in the Risk Register set out in Appendix 3.
- 4.3 The 'do nothing' option has been discounted by officers as it does not deliver the Council's ambitions, would take away our most used HRC site in relation to tonnages received, and has the potential to increase the carbon emissions for the county as a result.

5. Conclusion and reasons for recommendations

- 5.1 To continue to provide a valuable modern and well-used site and to maintain the level of provision of HRC sites for all residents of Cambridgeshire, the recommended option is to allow the redeveloped and expanded Milton HRC site to be built, by awarding and executing a contract to the successful Design and Build Contractor.

6. Significant Implications

6.1 Finance Implications

The available capital budget of £4.183M has been identified to fund this scheme. However, in the event that any extra prudential borrowing is needed, it will need to be absorbed within the Place and Sustainability Capital Programme for 2025-26. This may mean that other works will need to be reduced or delayed in order to make any revisions to the cost of this scheme affordable within the Directorate's overall planned prudential borrowing. In addition, there may also be additional revenue cost implications to consider, which will be detailed in the engagement with Thalia and the ANoC process discussed in paragraph 2.5.

6.2 Legal Implications

The Council will have to enter a new licence agreement with Thalia for the redeveloped and expanded Milton HRC site, and close out the existing lease arrangements with Thalia and FCC on the existing site. As part of the Waste PFI contracting arrangements, the Council has already submitted an ANoC as this will be a contract variation for the operation of an upgraded HRC facility at Milton. However, as already identified in paragraph 2.5 above, this would be an asset owned by the Council that would revert back at the end of the Waste PFI Contract, so any investment would not be lost.

6.3 Risk Implications

A Risk Register has been enclosed separately as Appendix 3, the most significant risks for the project are noted below for ease of reference:

- Low risk of not obtaining an environmental permit needed to operate the HRC.
- Reducing the number of sites available, temporarily, will add pressure to the remaining sites, especially those closest to the Milton HRC site.
- CCC will also be working with Greater Cambridge Shared Waste Services to deter possible fly-tipping in the area with proactive enforcement, as well as a communication campaign to keep all stakeholders informed of alternative options available.
- The reuse and recycling message could be compromised as it could be inferred that the County Council is not serious about its waste strategy. Residents' perception could be that the site will be closed permanently.
- Risk of additional carbon emissions and perceived fly-tipping concerns if the existing site is closed permanently.
- Resistance to the booking system, if introduced during the construction phase.
- The Council is unable to agree vacant possession with the Landfill Operator FCC to commence project construction.

6.4 Equality and Diversity Implications

The Equality Impact Assessment (EqIA) is attached at Appendix 4 to this report.

6.5 Climate Change and Environment Implications

There is a mixture of positive and negative environmental impacts from the project. Overall, by retaining a Milton HRC site it is likely to be beneficial, especially in regard to waste impacts.

A good quality HRC provision will promote good behaviour from residents and may help to increase recycling rates and prevent waste going to landfill. An accessible site will help in preventing fly-tipping, reducing litter and pollution in the natural environment, and reducing carbon emissions from landfill.

The Council recognises there will be an environmental impact during the construction phase of the work, from mobile plant, equipment and material deliveries and the embodied carbon emissions in materials used to build the redeveloped site. However, these will be minimised as far as reasonably practicable by the Design and Build Contractor through technical and design processes and careful choice of materials.

7. Source Documents

7.1 Waste PFI Contract and related documents.

17 September 2020 E&S Report papers and Decision Summary.

7.2 Location

Documents stored electronically in Waste Management document storage.
Available on request from the report author.

17 September 2020 E&S committee documents can be found here –

https://cambridgeshire.cmis.uk.com/ccs_live/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1519/Committee/61/Default.aspx

Appendices:

Appendix 1: Invitation to Tender (ITT) information

Appendix 2: Confidential ITT Bidders information

Appendix 3: Risk Register

Appendix 4: Equality Impact Assessment