

# HERTFORDSHIRE COUNTY COUNCIL

## CABINET

MONDAY 21 JULY 2003 AT 2:00PM

Agenda item

no.

6

### **A REPLACEMENT ASSET SCHEME: HOUSEHOLD WASTE RECYCLING CENTRES, SOUTH WEST HERTFORDSHIRE**

Joint Report of the Corporate Director (People and Property) and Director of Environment

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Executive Members: Derrick Ashley and David Beatty

Local Members: Eleanor Clarke and Paul Goggins

#### **1.0 Purpose of Report**

To consider

- a replacement asset scheme under which a new household waste recycling centre ('HWRC') would be established at Waterdale and the existing HWRC at Hunton Bridge would be closed
- disposal of the HWRC (including the remainder of the neighbouring former highways depot) at Old Mill Road, Hunton Bridge

#### **2.0 Summary**

2.1 The County Council first gave approval for the construction of a new HWRC at Waterdale in February 2002 as part of the budget-setting process for 2002/03.

2.2 However, subsequent increases in the scheme costs (due to unforeseen ground conditions and drainage requirements) meant that the project could not be completed within the available funds. Having regard to new information about the existing Hunton Bridge HWRC, a revised project was identified, developing a new HWRC at Waterdale so as to also function as a replacement for Hunton Bridge and using the capital receipt from disposal of the old site to offset the overall scheme costs. This was approved in principle by the County Council, at its meeting on 13 February 2003, as part of the budget-setting process for 2003/04.

### **3.0 Conclusions**

- 3.1 The Cabinet is asked to consider the partially self-financing aspect of the project and to agree that the existing Hunton Bridge HWRC (including the remainder of the neighbouring former highways depot) should be disposed of and the proceeds used to offset the costs of the new HWRC at Waterdale.
- 3.2 To assist with the management of the scheme, approval to the details of the budgets for capital expenditure, to the timing of the investment in the new HWRC and the property sale decisions, should be delegated to the Corporate Director (People and Property) in consultation with the Executive Member (Resources) and the Executive Member (Environment).

### **4.0 Background**

- 4.1 The proposed new Waterdale HWRC was originally planned to reduce pressure on the surrounding HWRCs in South West Hertfordshire. The HWRCs at Elstree, Hunton Bridge, Rickmansworth and Watford are all suffering (to varying degrees) from low recycling levels due to their restricted size, traffic congestion, and inability to cope with high levels of demand at peak times.
- 4.2 A subsequent review of the HWRC provision at Hunton Bridge identified the possible need for substantial expenditure on improvements in the near future in order to meet increased environmental standards. Even if these improvements were to be made, the traffic problems currently encountered at Hunton Bridge are likely only to worsen. Furthermore, the restricted size of the HWRC is likely to mean that the County Council's increased recycling and composting standards will not be met. The Hunton Bridge HWRC currently recovers around 26% of the waste it receives compared to a county average of 38%.
- 4.3 Given these problems, a project has been identified, developing new facilities at Waterdale as a replacement for the Hunton Bridge HWRC and using the proceeds from the disposal of the existing HWRC to help offset the costs of constructing the new HWRC.
- 4.4 To ensure continuity of service, the existing Hunton Bridge HWRC would remain open until the new HWRC becomes operational.
- 4.5 These proposals were referred to, in these terms, in a report to Environment Scrutiny Committee in January of this year.

## **5.0 Self Financing Aspects**

5.1 The County Council's criteria for self financing schemes are:

Service Departments may promote self financing schemes funded from disposal receipts and within the general asset replacement capital control regime if:-

- The proposed scheme is estimated to be robustly self financing
- Change cannot be achieved within a Service Guideline
- There is a real impediment to beneficial release of resources
- The cashflow effect can be accommodated within the capital controls limits as they affect the whole of the Council, and,
- Disposal receipts revert to the 'Pool' if external funding is achieved later

5.2 In this case the County Council would be making additional capital monies available.

## **6.0 Financial Implications**

6.1 The estimated cost (as at September 2002) of building the new HWRC is in the order of £1.6m which will be partially met by the capital receipt from sale of the Hunton Bridge HWRC (including the remainder of the neighbouring former highways depot). The balance will be funded from the provision made for the project in the approved capital programme.

6.2 Agreement by the Cabinet to the principle of a partially self-financing scheme, together with appropriate management arrangements for the commitment of funds and disposal of the existing HWRC, would enable the project to be programmed.