

## **Redevelopment of Easter Queenslie - Additional funding approved.**

**3** With reference to the minutes of 3rd June 2021 (Print 2, page 93) approving the Resource and Recycling Strategy 2020-30 and action plan, Councillor Doherty, City Convener for Neighbourhood Services and Assets, presented a report regarding a proposed capital investment to bridge the funding gap for the redevelopment of Easter Queenslie, advising that

- (1) the Council had been working in close partnership with Zero Waste Scotland and their appointed advisors, Eunomia, to develop alternative service delivery options to improve the quantity and quality of recyclable material collected, aligning services with local and national policies, whilst creating efficient and effective recycling services for the residents of Glasgow;
- (2) to support the recycling collection service changes and optimise income generated, a new Materials Recycling Facility (MRF) was required to replace the current outdated facility at Blochairn which was susceptible to regular breakdowns, which were extremely expensive to repair, and poor quality of recyclable materials which resulted in significant expenditure due to the use of third parties to process this waste;
- (3) a funding contribution of £17m from the Recycling Improvement Fund had been made to support the creation of the new centre of excellence for waste management and recycling at the former Easter Queenslie site which would have capacity for 50,000 tonnes of waste compared to Blochairn's current capacity of 30,000 tonnes, allowing for the recycling of additional waste from other agencies;
- (4) the Easter Queenslie site was undergoing significant re-development, as detailed in the report, to become a Centre of Excellence for Waste Management and Recycling, as well as a super depot for the North East of the city and it was anticipated that the main construction works package would be awarded in September 2025 and a cost plan had been developed, which had been validated by external specialists;
- (5) since the development of the outline business case for the project, ongoing works had led to more certainty over the capital requirements to deliver the projects and further due diligence regarding the tender submissions for the specialist MRF equipment had presented a more defined capital investment value and a capital funding shortfall of approximately £20m, as detailed in the report, had been identified, following a contribution of £4.5m from the Extended Producer Responsibility for Packaging;
- (6) the completion of the redevelopment of Easter Queenslie site was critical to achieving the Council's sustainability ambitions set out in the Resource and Recycling Strategy 2020-30 and by delivering these ambitious recycling projects, as detailed in the report, it was anticipated that they would yield a conservative additional annual financial benefit in excess of £1.9m;

- (7) it was proposed that an additional £25m of capital borrowing be granted to bridge the funding gap of £20m for the Easter Queenslie redevelopment project with the remaining £5m for depot strategy improvements, as detailed in the report; and
- (8) of the risks and issues for the project which included the requirement that funding contribution of £17m from the Recycling Improvement Fund had to be spent by 31st March 2027, as detailed in the report.

After consideration, the committee

- (a) noted the report; and
- (b) approved an additional £25m of capital funding, on the basis of the business case to bridge the overall funding gap of the Easter Queenslie redevelopment project.