

Report to: Cabinet

Date: 14 September 2023

Title: Robinson Road Depot – Capital Development Project Update

Report of: Ian Fitzpatrick, Deputy Chief Executive and Director of Regeneration and Planning

Cabinet member: Councillor Zoe Nicholson – Leader of the Council and Lead Member for Finance, Assets and Community Wealth Building

Ward(s): Newhaven North

Purpose of report: To provide an update on the progress of the plans to redevelop the waste and recycling depot in Robinson Road, Newhaven to meet the future needs of the service.

Decision type: Key

Officer recommendation(s):

- (1) To note the progress of the Robinson Road waste and recycling depot capital development project, including the proposed Preferred Option showing in Appendix 1.
- (2) To delegate authority to the Director of Regeneration and Planning, in consultation with the Director of Finance and Performance (S151 Officer), Lead Member for Finance, Assets and Community Wealth Building, and Lead Member for Neighbourhood Wellbeing, to carry out all necessary actions to facilitate the project within the capacity of the existing General Fund capital budget allocation of £5m including finalising the Preferred Option, financing, feasibility, planning, development, award of contract(s), and determining the terms of, and authorising the execution of, all necessary documentation.

(3) To approve the lease of land at Lewes Road, Newhaven as part of the project proposals in line with the key terms outlined in Appendix 2 (Exempt), subject to such variations that may be agreed in the course of negotiations and to delegate authority to the Director of Regeneration and Planning, in consultation with the Director of Finance and Performance (S151 Officer) and Lead Member for Finance, Assets and Community Wealth Building, to carry out all necessary actions to conclude that lease and any ancillary documentation including determining the terms of, and authorising the execution of, all necessary documentation.

Reasons for recommendations:

- (1) To provide Cabinet with an update on the Robinson Road waste and recycling depot capital development project.**
- (2) To enable key decisions to be taken in relation to land / assets required to support the scheme proposals and to meet the future needs of the waste and recycling service.**

Contact Officer(s):

**Name: Nathan Haffenden
Post title: Head of Development, Investment and Delivery
E-mail: Nathan.Haffenden@lewes-eastbourne.gov.uk
Telephone number: 01323 436422**

**Name: Mark Langridge-Kemp
Post title: Head of Property and Asset Management
E-mail: Mark.Langridge-Kemp@lewes-eastbourne.gov.uk
Telephone number: 07900 057102**

1 Introduction

- 1.1 This report provides Cabinet with an update on the proposals to redevelop the existing waste and recycling depot at Robinson Road, Newhaven to meet the future needs of the service.
- 1.2 The report also includes a requirement to lease third-party land to support the proposals when taking into consideration the corporate priorities for the service.

2 Background

- 2.1 The Council has been exploring options to re-provide the waste and recycling depot within the district, where the existing Robinson Road site and facilities had been previously identified as no longer capable of meeting the current and future needs of the service.
- 2.2 In addition, several other factors must now also be taken into consideration, including:
- Alternative fuels for the fleet.
 - Increase in number of staff employed at the site.
 - Increase in number of vehicles employed at the site.
 - Enhancement of the Operator's Licence to accommodate the above.
 - Changes in staff / office working arrangements.
 - Sustainability requirements and the future needs of the fleet.
 - Increased market pressures - the impacts of inflation, PWLB borrowing rates, and the need for income generation to support expenditure.
- 2.3 On 10th November 2022, Cabinet agreed to focus its efforts to find a viable solution that would seek to re-utilise the existing site at Robinson Road.
- 2.4 In February 2023, Cabinet approved the General Fund Capital Programme 2023/24 and new Medium-Term Financial Plan (MTFP), which included an increased overall capital budget allocation of £5m for the project.

3 Capital development update

- 3.1 Since the Cabinet decision in November 2022, a space needs assessment has been progressed in partnership with the Environment First team to determine the exact requirements for the new depot. This led to a series of potential layout options being considered and the risks / benefits of each considered in specific detail, with reference to the already identified challenges, future service needs, and Corporate Plan priorities.
- 3.2 The options assessment process has led to an internally agreed spatial layout (the Preferred Option) for the existing Robinson Road site as showing within Appendix 1 enclosed.
- 3.3 The Preferred Option includes several changes, summarised at high-level as follows:
- Improved parking on site to meet future fleet demands
 - Additional parking on the former Household Waste & Recycling site
 - New welfare and office accommodation
 - Extended and upgraded workshop
 - Upgraded site infrastructure including provision for alternative fuel(s)
 - Improved pedestrian access on site

3.4 In considering those already identified service and market challenges, the Preferred Option seeks to address each as listed in Table 1:

TABLE 1 – Service Challenge Design Solutions

Challenges	Proposed Design Solution(s)	Outcome(s)
Asset condition - Inefficient and underperforming Welfare/ office/ Workshop provisions	<ul style="list-style-type: none"> • New Welfare/Office to north of site. • Extended and upgraded workshop with vehicle lifts. 	<ul style="list-style-type: none"> • Improved access, welfare, and accommodation. • Energy efficient / reduced running costs.
Parking provision – double parked vehicles on site with no provision for expansion.	<ul style="list-style-type: none"> • Relocation of office/welfare out of the yard to free up additional parking/turning. • Use of former Household Waste and Centre. 	<ul style="list-style-type: none"> • Single bay parking for all vehicles. • Provision for expanded future fleet. • New food waste fleet parking and storage. • Improved health and safety for pedestrians • Less vehicle movements
Staff needs	<ul style="list-style-type: none"> • Upgraded and modern welfare provisions – including male and female changing facilities. • Additional secure cycle parking. 	<ul style="list-style-type: none"> • Designed welfare facilities to meet current and future needs of all staff, complying with equalities policy. • Improved bike storage.
Fuel infrastructure (futureproofing)	<ul style="list-style-type: none"> • Upgraded substation to meet future needs of an electric fleet. • Provision for fuel tanks that could be upgraded to hydrogen storage if required. 	<ul style="list-style-type: none"> • Both sites will be upgraded to ensure the infrastructure meets an all-electric and or hydrogen fleet. • To include “fast charging” point infrastructure for overnight refuelling.
Sustainability priorities	<ul style="list-style-type: none"> • Demolition and upgrading of underperforming buildings. 	<ul style="list-style-type: none"> • New thermally efficient welfare provision. • Consideration to renewable technologies.

		<ul style="list-style-type: none"> • Reduced Co2 emissions and running costs.
Economic / market pressures	<ul style="list-style-type: none"> • Need to expand fleet to meet local increased demand (incl. new build and increased trade). • Upgraded workshop to include MOT bay. 	<ul style="list-style-type: none"> • Design to meet future needs. • MOT bay that can provide potential additional income to Council.

3.5 Unfortunately, to facilitate the full extent of the future service requirements (including the extended fleet), it has not been possible to accommodate all vehicles within the capacity of the Robinson Road site. However, the East Sussex County Council (ESCC) owned neighbouring land - Lewes Road, Newhaven (former household waste site) - has been identified as surplus to requirements. Given the site capacity and proximity to Robinson Road, there is an opportunity to utilise that land to support with the additional (and growing) fleet requirements.

3.6 The Preferred Option is subject to further feasibility and due diligence, including more intrusive on-site surveys and investigations to validate the initial concept design proposal. The option is therefore subject to change depending on the outcomes of those investigations and, unless the scheme is rendered unviable by those findings, it is proposed that authority is delegated to further the proposals toward delivering a viable scheme. Should the scheme become unviable then alternative options will need to be considered by Cabinet.

4 Lewes Road, Newhaven

4.1 The former household waste site has been used in recent years only as storage by ESCC, specifically during unforeseen / emergency situations. LDC officers investigated the possibility of purchasing the freehold interest in the site. Although ESCC have confirmed that the site is surplus to operational requirements, it is only available for use by LDC by way of a commercial lease at a market rent.

4.2 Appendix 1 demonstrates the capacity of the site as part of the Robinson Road project to support the increased fleet requirement, specifically the smaller food waste vehicles. The site also gives the Council the added opportunity of being able to tip and store food waste for bulk collection, reducing vehicle mileage and time with needing to tip off site. The food waste is stored within a sealed container that is collected once full. The site will also provide additional flexibility in the physical delivery of the development works, providing more land to support the phasing strategy to ensure operations remain live throughout the project.

- 4.3 The use of the site for the purposes set out will be subject to planning and early pre-application discussions are already in progress with the Local Planning Authority (LPA).
- 4.4 LDC entered into a short-term Tenancy at Will (TAW) with ESCC on 17th May 2023 to allow the Council access to the site to undertake minor works (including site further investigations) and use the land for vehicle parking and storage of equipment in connection with the Robinson Road depot, while terms for a longer-term lease were finalised.
- 4.5 Under the Scheme of Delegations, officers cannot currently enter into a lease for more than 10 years or at an annual rent of more than £25,000 (except for a rent review). To provide maximum flexibility, officers would like the Director of Regeneration and Planning to have authority to enter into a lease of longer than 10 years and/or for more than an annual rent of £25,000, subject to consultation on any final terms with the Director of Finance and Performance (S151 Officer) and Lead Member for Finance, Assets and Community Wealth Building.

5 Outcome expected and performance management.

- 5.1 The recommendations seek to further the land / asset proposals for the future of the waste and recycling service, including:
- Moving forward with the Preferred Option for the capital development of the Robinson Road depot site.
 - Leasing third-party land to support those proposals.
 - Securing delegations to give the autonomy to progress the proposals.
- 5.2 If approved, the capital development project will continue to be progressed and monitored in accordance with the delegation to the Director of Regeneration and Planning, including requirements to consult with the Director of Finance and Performance (S151 Officer) and Lead Member for Finance, Assets and Community Wealth Building.
- 5.3 As above, the lease arrangement(s) proposed shall also be managed via the individual contractual terms.

6 Consultation

- 6.1 The proposals for the redevelopment of the Robinson Road waste and recycling depot have been developed in close consultation with Environment First as the service provider. The Preferred Option has also been subject to consultation with the Lead Member for Neighbourhood Wellbeing, incorporating the responsibility for the waste and recycling service.

Further consultation will be undertaken as the proposals continue to be developed, and in the lead up to planning.

7 Corporate plan and council policies

7.1 The proposals outlined within this paper will support the Re-imagining Lewes District Corporate Plan 2020-2024 in the following ways:

- **Your Services: Getting it right first time.** Providing excellent recycling and refuse services through a new purpose-built depot at Robinson Road.
- **Building Community Wealth.** Making best use of public sector land to support core services for the benefit of local communities.
- **Sustainability & Climate Change.** Reducing waste and emissions that arise from dealing with waste.

7.2 The capital development will also be delivered in accordance with the Council's Employers Requirements (ERs), which will continue to drive the objectives of the Corporate Plan commitment for climate change and in accordance with the Sustainability Strategy. In addition to resolving the service challenges identified, the completed development will make best use of sustainable development methodologies, including futureproofing the provision of changes in the fuel infrastructure, and significantly improve upon the efficiencies (financial and operational) compared with the existing facilities.

8 Business case and financial appraisal

8.1 The General Fund Capital Programme 2023/24 includes an allocation for the capital development across the MTFP as follows:

23/24 - £800,000

24/25 - £4,000,000

25/26 - £200,000

8.2 The capital proposals continue to be developed within the capacity of this budget allocation, subject to ongoing review. The scheme costs will become more certain as the project design is progressed, planning permission granted, and construction works tendered.

8.3 Any investment requiring a capital outlay presents an element of risk. The risk here is however considered as acceptable based on the existing approved budget allocation and on balance with the core statutory service requirement. Although there is no direct income associated with the service, the proposals may present new future opportunities for income generation (for example, the new workshop to support other vehicular services). Any other risks can be mitigated and managed through careful construction management and continued technical due diligence.

8.4 The taking of a lease from ESCC will have an added revenue implication to the Council and this will need to be taken consideration within the 2024/25 Business and Financial Planning process and factored into the ongoing General Fund revenue requirements.

8.5 The recommendations within this report will continue to be subject to financial due diligence, monitoring, and review as part of the Council’s usual budget management and monitoring processes.

9 Legal implications

9.1 In relation to the development proposals, the proposed works will have to be procured in accordance with the Council’s Contract Procedure Rules and the Public Contract Regulations 2015.

9.2 In relation to the proposed lease from ESCC, the Council has power to acquire land for the purposes of any of their functions or for the benefit, improvement, or development of their area pursuant to section 120 of the Local Government Act 1972.

9.3 The Council will continue to undertake full legal due diligence on the proposals including in respect of title investigation and negotiation of all required documentation.

[12305-LDC-KS 12 August 2023]

10 Risk management implications

10.1 The key risks and mitigations at this stage are set out in Table 2:

TABLE 2 – Risk Management Implications

	Risk	Mitigations
1	Increasing construction costs due to inflation and instability of interest rates impacting on development viability	The market continues to be monitored closely and the viability of the scheme assessed with regard to the budget allocation. Specialist/external advice will also be taken from independent agencies and the Council will look to enter into fixed price contracts wherever possible.
2	Planning may be refused	Extensive pre-application discussions and due diligence will take place prior to a formal submission. Splitting the sites into two applications will also limit delays.
3	Abortive costs as a result of a scheme not taken forward.	Spend within the early stages will be minimised. A scheme without sufficient viability and strategic benefit will be aborted to reduce the risk of unnecessary cost exposure. However, given the statutory nature of the waste and recycling service, “do nothing” is not an option.

4	Impact to waste service during the proposed works	Works will look to be phased to ensure operations can continue on-site to minimise disruption. This will be subject to agreement with the main contractor. The lease for the former HWRC will also provide additional parking for part of the fleet.
5	Infrastructure not in place to support new EV fleet from 2025	<p>Early survey works have been undertaken to identify existing capacity and requirements for sub-station upgrades.</p> <p>Works to the HWRC will also be accelerated to ensure the food waste can move to the new site earlier in the process.</p> <p>Alternate temporary accommodation to store the new vehicles may be required if the programme is delayed.</p>

11 Equality analysis

- 11.1 An Equality and Fairness analysis is not required at this stage as this is an update. The proposals outlined in this report have no direct impact relating to equality and fairness, but ultimately aim to improve and diversify the facilities for both staff and business visitors using the Robinson Road waste and recycling depot. Consultation with staff throughout the design process will be undertaken to ensure the design meets all needs.

12 Environmental sustainability implications

- 12.1 The proposals within this report support the Council's target for net zero carbon. The proposed welfare and office buildings target high thermal performance, will include no gas appliances, and will look to maximise PV installations.
- 12.2 The proposed plans allow for the infrastructure upgrades to support an all-electric fleet, with provision for hydrogen (if required). This supports the Corporate Plan to reduce emissions that arise from waste.
- 12.3 Provision for improved biodiversity across the sites will be developed as the scheme progresses.

13 Contribution to Community Wealth Building

- 13.1 The procurement of works and services are undertaken using the Council's adopted Social Value Charter. The Charter considers and assesses important elements over and above financial cost. The Charter aims to ensure sustainability and value in the community. Appointments of main contractors will continue to focus on local partnerships and supply chains as appropriate. The

Charter encourages the use of local Small & Medium Enterprises (SME), which in turn increases local employment and training opportunities.

- 13.2 The Council continues to work closely with local education partners, including the East Sussex College Group (ESCG), to ensure opportunities for apprenticeships and work placements are integrated and embedded within the capital development projects delivered.
- 13.3 As above, the capital development will utilise the latest Employers Requirements (ERs), ensuring the proposed welfare facilities are designed to a high thermal performance, reduce Co2 and running costs, and meet all current regulations.
- 13.4 The proposals also seek to utilise an existing Council-owned (brownfield) site to improve upon the facilities underpinning a priority statutory service. In addition, the leasing of land from ESCC also utilises sites within the wider public sector ownership to provide the required parking provision to meet the future needs of the fleet.

14 Appendices

- 14.1
- Appendix 1 – Robinson Road: Preferred Option
 - Exempt Appendix 2 – Lewes Road, Newhaven proposed terms.

15 Background papers

- 15.1
- LDC Cabinet – Property and Asset Management Update – 10th November 2022