

Report to: Cabinet

Date: 2 July 2018

Title: Regeneration at Avis Way, Newhaven

Report of: Tim Whelan, Director of Service Delivery
Ian Fitzpatrick, Director of Regeneration and Planning

Cabinet member: Cllr Paul Franklin, Waste and Recycling
Cllr Bill Giles, Finance

Ward(s): Newhaven Valley, Newhaven Denton and Meeching

Purpose of report: To see approval to procure and construct a new waste depot and vehicle servicing facility at Avis Way, Newhaven.

Decision type: Key Decision

Officer recommendation(s): (1) That Cabinet delegates authority to the Director of Regeneration and Planning, in conjunction with the Director of Service Delivery to develop new premises for the Waste & Recycling Depot in Newhaven in accordance with the detail contained within this report.

(2) That Cabinet allocates the sum of up to £4.1m within the Capital Programme for delivery of the new depot facility.

(3) To delegate authority to the Director of Regeneration and Planning in consultation with the Director of Service Delivery, the Portfolio Holder for Finance, the Chief Finance Officer, and the Assistant Director – Legal and Democratic Services, to progress the project through the Clear Futures Energy & Sustainability Joint Venture if they consider it appropriate and at an appropriate future stage to decide the project should be put forward to the JV Steering Board for inclusion as a Part 1 and/or Part 2 project.

Reasons for recommendations: (1) To enable the provision of a new waste depot and vehicle servicing facility in Newhaven to replace a life-expired asset.

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1 Introduction

- 1.1 The Council owns the freehold of a site in Newhaven known as Robinson Road Depot (see Appendix A). The depot is too small to meet the needs of the service, and it has reached the end of its useful life and will require significant investment to meet health & safety and business requirements as set out below:
- a) Security at the existing depot is an issue. The site is vulnerable to break-in and difficult to secure. There have been a number of attempts to break-in to the site in recent years.
 - b) The current configuration means that there are conflicting vehicle movements and it is difficult to separate pedestrians from vehicles, which leads to increased risk of accidents. While this is mitigated by Risk Assessments and Safe Systems of Work, it is not an optimal solution as it impacts operations.
 - c) The welfare facilities are poor and if the depot remains at Robinson Road, would need to be completely refurbished. There is no separation between 'clean' and 'dirty' work and rest areas. Additionally, the shower facilities are not optimal for the type of work and number of staff who operate out of the building.
 - d) The building condition is poor and virtually life-expired in parts. There are also asbestos containing materials present in the building fabric, which are being managed and inspected in accordance with recommendations.
 - e) There are ongoing problems with the electricity supply and the existing facility needs to be completely rewired.
 - f) It would not be possible to rebuild on the existing site as it would be impossible to continue to operate the service while construction was taking place.
 - g) There is poor access for emergency vehicles onto and around the site.
- 1.2 The depot requires significant investment to resolve the issues outlined above and even with that investment, it would not be possible to resolve the site constraints given the operational requirements.

2 Proposal

- 2.1 The Council owns land at Avis Way Industrial Estate, Newhaven, part of which is currently leased (see Appendix B). This land would be a suitable location for the new depot facility. There are two adjacent plots of land on the industrial estate, known as 9a (leased) and 10 Avis Way (vacant).
- 2.2 In 2015/2016, the Council instructed two feasibility studies to determine the most cost effective and efficient layout for the site at Avis Way. The studies looked at options for a depot, transfer station, vehicle workshop and small picking station. As a result, Cabinet approved the sum of £3,500,000 to deliver the new depot at

Avis Way.

- 2.3 The project was stopped after the results of the site investigation showed that the ground conditions were so poor, that remedial works would double the cost of the project. However, the costs were based on the assumption that the Avis Way site would also house a Waste Transfer Station and the ground would need to be rated to enable 44-ton lorries regular access.
- 2.4 A recent study undertaken by Clear Sustainable Futures (CSF) shows that the Avis Way site can be made functional as a depot and maintenance facility with a much reduced cost for ground stabilisation. A new planning application would be required as the scheme has changed from the original concept (See Appendix C).
- 2.5 Plot 9a was leased to Truck Services of Sussex Ltd and the tenant remains in occupation. The passing rent payable to the Council is £26,000 pa. Negotiations with the leaseholder have proved to be successful and there is agreement for the business to relocate to 19-21 Cradle Hill, Seaford which is also a unit owned by the Council.
- 2.6 Plot 10 is currently vacant, but has previously been rented out at £35,000 per annum.
- 2.7 Moving the depot from its current location at Robinson Road would mean that the land becomes vacant. It is proposed that officers investigate potential options for future use of the land to include commercial, residential, or a mixed use scheme which will be the subject of a future Cabinet report and regeneration ambitions for Newhaven.

3 Outcome expected and performance management

- 3.1 Moving the depot to Avis Way would enable opportunities for the service to expand and to explore new revenue streams. Additionally, there are likely to be running costs savings for a new facility compared to the existing.

4 Consultation

- 4.1 Consultation will take place as part of the planning process. There will also be consultation with affected staff.

5 Corporate plan and council policies

- 5.1 The recommendations in this report support the Council's objectives set out in the Council Plan 2016-2020 under the heading of Quality Environment (Clean and Green District).

6 Business case and alternative option(s) considered

- 6.1 Land in Newhaven is at a premium and the Council does not own any other suitable land holdings where the depot could be relocated. The only other possible option would be to do nothing and for the depot to remain at Robinson

Road, however this is not a viable option for the reasons set out in para 1.1.

7 Financial appraisal

- 7.1 By developing the Avis Way site for LDC use, there will be a loss of revenue of £61,000 per annum, however the new building is likely to deliver running cost savings compared to the existing facility and also the opportunity to develop and grow new revenue streams.
- 7.2 CSF have identified that the project costs, including stabilisation works and professional fees would be estimated at £4,100,000. It is therefore recommended that Cabinet allocates the sum of up to £4.1m within the Capital Programme for delivery of the new depot facility.
- 7.3 A full valuation will be completed in relation to the site at Robinson Road and the opportunities that arise.

8 Legal implications

- 8.1 A Report on Title will be commissioned to ensure that the site is not subject to any title matters which would restrict development.
- 8.2 Legal advice will be taken to ensure that vacant possession of the leased area is obtained.
- 8.3 The construction work and any other necessary contracts to facilitate the development of the site will need to be awarded in accordance with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules with the particular process depending on the nature and value of each contract.
- 8.4 The Council's procurement and delivery framework, Clear Sustainable Futures, was developed by Lewes and Eastbourne Councils in a contractual joint arrangement with Robertson Capital Projects Ltd and AECOM Ltd, with a focus on innovative, sustainable development. CSF was procured in compliance with the Contract Procedure Rules and so, if the development of the site is undertaken through CSF, the framework can be used in accordance with its terms without the need for a further competitive process.
- 8.5 All transactions will be on market terms and so no issue of State Aid will arise.

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9 Risk management implications

- 9.1 The project manager will develop a risk management matrix and identify actions to mitigate risk. Any remaining risks will be reported through regular project management updates.

10 Equality analysis

- 10.1 The initial assessment indicates that there will be only either positive, or neutral impacts upon equalities.

11 Appendices

- Appendix A – Site Plan of Robinson Rd Depot
- Appendix B – Site Plan of Avis Way
- Appendix C – Technical Report

12 Background papers

- None