

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO COUNCIL

21 NOVEMBER 2018

REPORT OF THE CORPORATE DIRECTOR COMMUNITIES

PARC AFON EWENNI

1. Purpose of the Report

1.1 The purpose of the report is:

- (i) Council to note the proposal to develop a modern Highways Depot at Waterton on a reduced footprint to allow the Parc Afon Ewenni (PAE) regeneration site proposal to progress and future proof future depot requirements for the Council as part of the overall depot rationalisation process.
- (ii) to seek Council approval for a revision to the Capital Programme for a further capital sum of £4,944,000 to be included in the Capital Programme to fully refurbish and develop the depot, to be funded partly from the sale of land at Waterton as part of the PAE project and partly from general capital funding.

2. Connection to Corporate Improvement Objectives/ Other Corporate Priorities

2.1 The proposal directly supports the Corporate priority of making smarter use of resources by “Rationalising the Council’s estate” and making overall premises efficiency savings and releasing land for sale to generate capital receipts.

3. Background

3.1 A report was submitted to Cabinet and approved in November 2016 which identified an alternative strategy as an interim measure, of continuing to operate a reduced footprint Depot at Waterton for the next 4/5 years. This provided the best value for money given the circumstances at the time. The strategy was to find a balance between operating a viable depot and maximising the land allocated for disposal. Five key/core operational facilities within the depot were identified:

- The continued operation & location of the salt barn for winter maintenance.
- The continued operation & location of the de-watering facility
- The continued operation & location of the vehicle wash down ramp
- The continued operation & location of the refuelling facility
- The continued operation of a materials reprocessing facility

3.2 It was proposed that all of the above facilities should remain in place since these facilities have existing Consents to discharge or Waste Management Licencing. To re-locate these facilities would require a planning application, a requirement to apply for and gain approval of new permissions and surrender of the existing permissions principally under the approval of National Resources Wales (NRW).

- 3.3 In progressing the strategy for a reduced footprint operational depot at Waterton two principal options were identified and assessed, which also included works at Bryncethin depot to accommodate Parks:
- Option 1 (Retain both the Highways Building & Biffa Building demolish County Borough Supplies (CBS), Fleet building & Wheelie bin store)
 - Option 2 (Retain Biffa Building, demolish CBS, Fleet, Highways & Wheelie bin store)
- 3.4 The PAE Board made the decision to progress Option 2 above. As a result the demolition of the CBS building, Fleet and Highways buildings, the Wheelie Bin store & Training school all at Waterton was progressed. These works were completed during 2017.
- 3.5 It is considered likely that any future configuration of local government re-organisation will still require a Highways Depot in Bridgend to serve the County Borough. The cost of providing a new Highways depot at a new location is likely to be considerably more than the £6.5m-£7.5m estimated in 2016. The original Cabinet approval in 2016 was for the continued operation of the depot at Waterton for 4/5 years as an interim measure and then to potentially develop a new fully compliant depot at that point. It is now estimated that the cost of a new Highways depot in a new location would be in the region of £9m - £12m as a result of (probable) changing and more onerous NRW requirements.

In recognition of the above, the option of operating a largely unchanged depot for 4/5 years as an interim measure and then constructing a new depot at a new location looks increasingly unaffordable.

- 3.6 An investigation was therefore undertaken to identify the differences between the continued operation of the reduced footprint depot for 4-5 years with a new depot constructed at a new location thereafter, and the alternative option of the development of a permanent operational depot, on a reduced footprint, at Waterton. PAE board also instructed that options that include re-locating the salt barn (to allow further reduction of the residual footprint - although this requires a planning application) should be considered.

This exercise identified areas of potential non-compliance in the existing depot:

- Life expired drainage (foul & surface water)
- The existing sewer & pumping station is on land that is scheduled to be disposed of and thus requires to be diverted onto land remaining within BCBC ownership
- The extent & quality of hard-standing is inadequate
- Buildings in poor state of repair
- Consents to discharge (foul & surface water) are historical and details are not able to be located.

PAE Board agreed:

- the best option is provide a compliant reduced footprint depot including a re-located salt barn.
 - the proposal was to include the development of the reduced footprint depot into full compliance based on current standards with the existing buildings also made fit for purpose to provide a 'permanent' solution that would be suitable for the foreseeable future.
- 3.7 The PAE board directed that robust estimates for the necessary works should be determined and the proposed depot footprint re-evaluated. However further reduction of the depot footprint should not compromise the operation of the depot or safety arrangements.
- 3.8 The total current capital budget for the scheme is £4.376 million. However, some of this budget has already been committed to works at Bryncethin depot, as a result of moving some of the parks and built environment operations to this location, leaving a balance of around £3.2 million. A layout was proposed that further reduced the footprint of the depot which allowed a larger area to be released for sale and development with the aim that the total cost of the works would be met from the total of the existing capital budget and the estimated net land receipt.

4. Current Situation

- 4.1 The scheme cost of what is now the preferred option is now estimated to be in the region of £8.144 million. This is consistent with the cost of developing Highways Depots in neighbouring authorities over recent years. However, now that the cost of refurbishment work has been included on all the remaining existing buildings on site, there is now a deficit between the overall cost of the maintenance/compliance works and the total estimated net land receipt and the existing capital budget. In order to progress this option a further capital investment of the order of £4.944 m is required in addition to the estimated remaining capital of £3.2m, which would come from the estimated total land receipt of £3.5m plus an additional £1.444 million of general capital funding. It should be noted however that the total land receipt will be subject to prevailing market conditions at the time of sale and also the extent to which any additional development costs may impact on the net receipt, for example highways improvements, abnormal ground conditions etc. However, every attempt has been made to mitigate these variables by carrying out initial feasibility work.

This proposed depot layout provides for:

- the smallest operationally acceptable footprint
- a permanent, modern depot compliant with the appropriate standards
- maximum land available for disposal

4.2 Compliance

The principal drivers to achieve compliance are the **Health & Safety at Work Act** and the requirements of **National Resources Wales**. Issues to be resolved/ remediated include:

- Demarcated pedestrian walking routes in the depot
- Demarcated vehicular routes/one way system in the depot
- Compliant drainage systems (foul & surface water)
- Compliant concrete hardstanding (licenced waste management areas)
- Compliant Welfare facilities
- Relocated Salt barn, de-watering facility & vehicle wash-down ramp
- Relocated Highways stores

5. Effect upon Policy Framework and Procedure Rules

5.1 The existing policy will not be affected.

6. Equality Impact Assessment

6.1 The Council's Equalities Impact Assessment Toolkit has been utilised, which indicates that the project will have no impact on specific equality groups.

7. Well-being of Future Generations (Wales) Act 2015 Assessment

7.1 The proposed development is a positive step in regard to the Council's role in complying with the Well-being of Future Generations (Wales) Act 2015. The proposal offers an opportunity to develop a modern and fit for purpose operational depot facility leading to improved financial efficiency and enhanced environmental benefits, for example, improved drainage arrangements. Additionally the sale of land released for development will lead to the development of much needed new housing in Bridgend in line with the approved Local Development Plan (LDP), for the benefit of current and future generations.

7.2 In terms of the five ways of working within the Act, the proposal offers the following potential benefits:

1. Long Term - The proposal will develop a smaller, more operationally efficient depot which will have long term benefits in terms of lower site operating costs, for example energy, and improved environmental performance.
2. Prevention - The proposal will prevent the further deterioration of the existing depot facility which is already in poor condition and does not currently meet the relevant standards for a facility of this sort were it being built now.
3. Integration - The proposal offers an opportunity to create economic benefits around house building and construction, but also safeguards the future of the Council's highways operational service by providing a fit for purpose and sustainable depot solution.
4. Collaboration - The proposal offers the opportunity for further collaborative arrangements to be explored with both local public and private sector partners, including registered social landlords (RSL's) to share facilities on the same basis, for example, that the current Fleet Depot is shared with South Wales Police.

5. Involvement - The proposal and the subsequent release of development land allows the opportunity to work with a range of stakeholders to develop a sustainable 'village' at Parc Afon Ewenni to include, for example, active travel solutions.

8. Financial Implications

- 8.1 In February 2015 Council approved a total budget for the Parc Afon Ewenni scheme of £4.376 million. In November 2016, Cabinet agreed the use of this funding to rationalise the Waterton depot, enabling the services to operate on a reduced footprint for an interim period, estimated to be 4/5 years, with partial staff relocation to Bryncethin Depot, with upgrades to the existing barn and welfare facilities at Bryncethin Depot. The assumption was that this option would be at a much lower cost than the amount of funding within the Capital Programme, thus enabling the release of a proportion of the funding at a later date.
- 8.2 To date there has been just over £520,000 of capital works undertaken at both Bryncethin and Waterton Depots, with further commitments of £600,000 to £700,000, leaving a balance available of around £3.2 million towards any further works at Waterton.
- 8.3 The capital receipt from the land disposal is estimated to be in the region of £3.5 million. With existing funding, this would provide total capital funding available of around £6.7 million. The total estimated cost of the works required to provide a compliant Highways Depot at Waterton is £8.144 million, which would require approval from Council of an additional £1.444 million, in addition to the allocation of the capital receipt, a scheme increase of £4.944 million in total. In the event that the receipt from land sales does not meet the estimated value of £3.5 million it would be necessary to either seek a further capital allocation from Council and/or attempt to value engineer the scheme and reduce the costs but with a risk that in those circumstances it may not be possible to fully refurbish the existing buildings or carry out some of the desirable work to improve overall regulatory compliance and health and safety.

9. Recommendations

- 9.1 It is recommended that Council note the proposed preferred option for development of the Highways Depot is now to provide a permanent modern, fit for purpose depot, on a reduced footprint at the Waterton site. This will ensure compliance with all necessary current standards/legislation while maximising the amount of land available for sale to generate a capital receipt and allow housing development in line with the approved Local Development Plan.
- 9.2 It is recommended that Council give authority that the capital receipt from the sale of the Council's land at Waterton is reinvested to support the development of the depot as without the progression of the new depot proposed above, it would not be possible to release all of the land for sale.
- 9.3 It is recommended that Council give approval that a further capital sum of £4,944,000 be included in the Capital Programme to fully refurbish and redevelop the depot as proposed, including refurbishment of the appropriate buildings.

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Background Papers:

Local Development Plan - September 2013

Medium Term Financial Strategy - Report to Council February 2015

Cabinet Report November 2016