


Individual Mayoral Decision Proforma Decision Log No: 79	 TOWER HAMLETS
Report of Corporate Director, CLC (Stephen Halsey) :	Classification: Unrestricted
Interim Depot arrangements to facilitate the release of Watts Grove Depot	

Is this a Key Decision?	Yes
Decision Notice Publication Date:	12 February 2015
General Exception or Urgency Notice published?	
Restrictions:	Unrestricted

EXECUTIVE SUMMARY

This report provides the Executive Mayor with an update in regard to the practical implications and necessary alternative depot arrangements required to facilitate the release of Watts Grove Depot

On 17 September 2014, the Mayor considered an interim depot strategy report that considered two options for the delivery of the decant project. The Mayor supported the utilisation of Leven Road as the cheaper option noting that the scheme had not yet been approved through the planning process. Officers were tasked with delivering the decant proposal within the agreed timescale, namely 9th March 2015.

Following more detailed ground surveys and discussions with the Planning Department, it has not proved feasible to deliver the Leven Road site within the cost envelope and timescale available and officers have therefore explored alternative options that will still enable services to be transferred from Watts Grove in the required timescale and within the budget envelope established by the original report. This report outlines how this can be done for less capital outlay

It is therefore being recommended that 'back office' staff and an element of street cleaning operations are transferred to Southern Grove, the remainder of relevant Clean and Green services be split between Blackwall Depot and Commercial Road whilst Passenger Services operate from Toby Lane and Blackwall Depots. The scope of the works will be cheaper to implement than the original proposal and the arrangements can be put in place to the target time line.

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Full details of the decision sought, including setting out the reasons for the recommendations and/or all the options put forward; other options considered; background information; the comments of the Chief Finance Officer; the concurrent report of the Head of Legal Services; implications for One Tower Hamlets; Risk Assessment; Background Documents; and other relevant matters are set out in the attached report.

[all options put forward must be supported by reasons]

DECISION

The Mayor is recommended

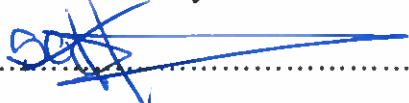
- 1 Agree to proceed with the implementation of the depot relocation project described in paragraph 6.7
- 2 Authorise the Corporate Director of Communities Localities and Culture after consultation with the Service Head – Legal Services, to enter into all relevant agreements necessary to give effect to the above decision
- 3 Note that £1m has been approved in the Capital programme for the above works.

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APPROVALS

1. **(If applicable) Corporate Director proposing the decision or his/her deputy**

I approve the attached report and proposed decision above for submission to the Mayor.

Signed  Date 20/2/15

2. **Chief Finance Officer or his/her deputy**

I have been consulted on the content of the attached report which includes my comments.

Signed *C. Chen* Date *20/2/15*

3. Monitoring Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

(For Key Decision only – delete as applicable)

I confirm that this decision:-


(a) has been published in advance on the Council's Forward Plan OR
(b) is urgent and subject to the 'General Exception' or 'Special Urgency' provision at paragraph 18 or 19 respectively of the Access to Information Procedure Rules. *Decision not before 20/02/15*

Signed *[Signature]* Date *19/02/15*

4. Mayor

I agree the decision proposed in paragraph above for the reasons set out in paragraph 2.1 in the attached report.

Signed *[Signature]* Date *25/02/15*

Individual Mayoral Decision 10 February 2015	 TOWER HAMLETS
Report of: Corporate Director, CLC (Stephen Halsey)	Classification: Unrestricted
Interim Depot arrangements to facilitate the release of Watts Grove Depot	

Lead Member	Cabinet Member for Clean and Green (Councillor Shahed Ali)
Originating Officer(s)	Service Head, Public Realm (Jamie Blake)
Wards affected	Bromley South Blackwall & Cubitt Town Limehouse Lansbury St Dunstan's
Community Plan Theme	Great Place to Live
Key Decision?	Yes

Executive Summary

1. SUMMARY

- 1.1 This report provides the Executive Mayor with an update in regard to the practical implications and necessary alternative depot arrangements required to facilitate the release of Watts Grove Depot.
- 1.2 On 17 September 2014, the Mayor considered an interim depot strategy report that considered two options for the delivery of the decant project. The Mayor supported the utilisation of Leven Road as the cheaper option noting that the scheme had not yet been approved through the planning process. Officers were tasked with delivering the decant proposal within the agreed timescale, namely 9th March 2015.
- 1.3 Following more detailed ground surveys and discussions with the Planning Department, it has not proved feasible to deliver the Leven Road site within the cost envelope and timescale available and officers have therefore explored alternative options that will still enable services to be transferred from Watts Grove in the required timescale and within the budget envelope established by the original report. This report outlines how this can be done for less capital outlay.
- 1.4 It is therefore being recommended that 'back office' staff and an element of

street cleaning operations are transferred to Southern Grove, the remainder of relevant Clean and Green services be split between Blackwall Depot and Commercial Road whilst Passenger Services operate from Toby Lane and Blackwall Depots. The scope of the works will be cheaper to implement than the original proposal and the arrangements can be put in place to the target time line.

2. RECOMMENDATIONS

2.1 The Mayor is recommended

1. Agree to proceed with the implementation of the depot relocation project described -in paragraph 6.7
2. -Authorise the Corporate Director of Communities Localities and Culture after consultation with the Service Head – Legal Services, to enter into all relevant agreements necessary to give effect to the above decision.
3. Note that £1m has been approved in the Capital programme for the above works.

3. REASONS FOR THE DECISIONS

- 3.1 The original decision to proceed with relocation of depot functions to Leven Road is no longer viable. The alternative proposals are considered to be more cost effective than the original decision. The relocation of these services away from Watts Grove Depot would enable the Watts Grove Depot Site to be redeveloped to provide 148 council homes.

4. ALTERNATIVE OPTIONS

- 4.1 No alternative options have been identified that would ensure the decant of waste operations from Watts Grove within the required cost and time parameters necessary to facilitate the sites redevelopment for housing. Staying on Watts Grove would result in the loss of GLA funding and the foregoing of affordable housing on that site.

5. WATTS GROVE HOUSING PROPOSALS

- 5.1 The Watts Grove site has been earmarked as a council housing site, for which funding has been secured from the GLA as well as from the HRA budget. The condition of funding from the GLA is that the contract has to be let and works commenced on site by March 2015. This therefore requires a vacant site by the 9th March 2015 in order not to compromise the funding.

5.2 The GLA London Developer Panel Framework was utilised to procure a Design and Build contractor in order to expedite the programme and to achieve the GLA requirement to start on site no later than March 2015. The GLA framework allowed the Council to move through the process quickly and to identify a Design and Build contractor, which is a consortium made up of Family Mosaic Home Ownership Limited and Mulalley & Co. Limited.

6. DETAILS OF REPORT

6.1 This report updates the Council proposals to manage front line service operations from its depot's in the short to medium term in order to free up Watts Grove Depot for housing. These arrangements are required in advance of the development of a strategic asset management strategy that will incorporate the operational and financial requirements of depot dependent services and associated assets within it. These services include waste disposal, recycling, refuse collection street cleaning and Transport Services.

6.2 The council delivers a range of front line services across a number of depot sites, which include the following sites with the stated existing uses:

- Blackwall Depot – includes passenger services, transport vehicles, bins storage and maintenance, MOT and servicing workshop
- Commercial Road – includes the civil protection store, car pound, parking services, trading standards, environmental health & FM
- Toby Lane Depot – catering and passenger services
- Watts Grove Depot – Veolia waste and street cleaning vehicles, clean and green team, Veolia waste team office
- Southern Grove Offices – currently vacant

6.3 Cabinet in September 2012 considered a report titled 'Update on Council development projects & proposal to dispose of surplus properties'. It was recommended that officers should be instructed to consolidate the Council's depot operations in order to release a site, namely Watts Grove, for the provision of council homes. This project required the delivery of a vacant site by 9th March 2015, due to the funding arrangements, as set out in para 5.1 above.

6.4 On 17 September 2014, the Mayor considered an interim depot strategy report that considered two options for the delivery of the decant project. The Mayor supported the utilisation of Leven Road as the more cost effective option, noting that the scheme had not yet been approved through the planning process. Officers were tasked with delivering the decant proposal within the agree timescale, namely 9th March 2015

6.6 Following a detailed ground survey of the Leven Road site, it became apparent that significant work would be required to reinforce and stabilise ground conditions sufficient to withstand the heavy vehicle movements

brought about by depot use. The need to resurface approximately two thirds of the site resulted in two further complications that resulted in the scheme becoming unviable:

Leven Road Planning Permission

The Planning Department took the view that the resurfacing of the majority of the Leven Road site would require planning permission. Whilst the costed proposal was sufficient for a short term operational facility, planning permission would have required the agreement of the Environment Agency (EA). It would not have been possible to complete the necessary negotiations with the EA and secure planning permission whilst keeping to budget and time line. This made this site option unviable as a short term lease option.

National Grid

The original proposal was for the Council to enter into a temporary lease for a 12 month period, with a 6 month rolling lease thereafter. Whilst negotiations with National Grid for a temporary lease were progressing, they were clearly cautious about the development of the site and potential impact on their plans for future redevelopment and their remediation strategy in relation to contaminated land. As plans for the site became more complex, national Grid expressed their reservations about the level of works that were being planned and the impact on future plans. In addition the lease would have included a clause that the site was to be returned to its original condition, thus presenting the council with a future financial liability.

6.7 Alternative Approach.

As the Leven Road project has now effectively become undeliverable within the timescale and budget available, officers have looked to develop a cost effective alternative approach to service relocation that still enables the release of the Watts Grove site. The Blackwall Depot site is currently not surplus to requirement, and D&R has now advised that any future development option would take a minimum of five years to realise. Officers have, therefore, based the revised plans on developing an economic medium term solution for Blackwall Depot and minimal investment in other sites that will enable a longer and more cost effective payback period in relation to capital investment and support the strategic review of facilities. In summary the alternative proposals consist of:

- Transfer of a number of auxiliary services and vehicles to Commercial Road. This will not require any major works and so saves significant capital expenditure compared to the original proposal.
- Investment within Blackwall Depot focused on the installation of a spine road to provide a one way system through the site, the addition of lighting and installation of portacabins for staff welfare facilities. The site already benefits from planning permission allowing for the majority of the necessary work. At this time it is considered that any changes

are likely to be de minimis. The Blackwall depot contains contaminated land but this will not be disturbed by the proposed works. Office staff and minor street cleanings operations will be transferred to Southern Grove. As this is an existing facility, further savings on the original estimates have been secured as office accommodation will not require additional renovation of the Blackwall site

- Passenger service vehicles will be in part transferred to Toby Lane depot and the remainder of the fleet will remain co located at Blackwall Depot

6.8 Operational requirements for services dependent on depot facilities will need to be an integral part of the asset management strategy currently under development by D&R and supported as part of that strategy by best value and value for money analysis. Should this establish that Blackwall Depot can be freed up and redeveloped it is considered that redevelopment would be realised on site in the medium term rather than the short term. Even if the current proposals are only to be considered for the next 2-3 years, the capital expenditure of £1m may still be considered better value for money than the £1.4m Leven Road option when weighed against the following:

- the significant community benefit of the new housing to be delivered on the Watts Grove site;
- the £6.9m of external funding for social housing;
- the new housing units set against local need for social housing within the borough; and
- the need to continue to deliver the services currently associated with the site's use as a depot.

7. COMMENTS OF THE CHIEF FINANCE OFFICER

7.1 The report seeks the agreement of the Mayor to proceed with the implementation plan set out in Para.6.7. This will free up the Watts Grove Depot site to be redeveloped and provides a more cost effective depot option than the previous site considered. There is currently the sum of £1m approved within the capital programme to fund the cost of the work of relocating the depot.

8. LEGAL COMMENTS

8.1 The Mayor is asked to approve the above arrangement which involves discontinuing use of the Watts Grove depot and accommodating the associated Council functions on the remaining depots.

8.2 The Council functions affected by the proposed changes -to Depot arrangements -are as follows –

- Pest control services. The Council has a duty under the Prevention of Damage by Pests Act 1949 to take such steps as may be necessary to secure as far as practicable that Tower Hamlets is kept free from rats and mice. This requires the carrying out of inspections, the destruction of rats and mice on council land and enforcement of the duties of owners and occupiers.
- Transport services. The Council has a range of transport functions related to the work of its Education, Social Care and Wellbeing directorate. In particular, the Council has a duty under section 508B of the Education Act 1996 to make and provide suitable home to school travel arrangements for eligible children in Tower Hamlets to facilitate the attendance of each such child at the relevant educational establishment.
- Waste and cleansing services. The Council has a duty under section 89 of the Environmental Protection Act 1990 (EPA) to keep clean the highways and roads for which it is responsible and land under its direct control to which the public have access. The Council is a waste collection authority and a waste disposal authority within the meaning of Part 2 of the Environmental Protection Act 1990 and as such has the duty to collect and dispose of controlled waste collected in Tower Hamlets and to comply with the targets for reduction of waste to landfill established under the Waste and Emissions Trading Act 2003.

8.3 As the Council is obliged to carry out most of the functions, it must ensure there are adequate depot arrangements in place to enable the functions to be delivered.

8.4 It is proposed that the Council will tender for the works and services required to deliver the arrangements outlined in this report, except to the extent that urgent works/services were required to be purchased and have been authorised by the corporate director. Procurement will need to be carried out in accordance with the Council's Procurement Procedures and the Public Contract Regulations 2006 (or the Public Contract Regulations 2015 for procurements commenced on or after 26 February 2015). The relevant internal procedure in accordance with the Council's Procurement Procedures and the Financial Regulations will be dependent upon the value of each individual contract.

8.5 Compliance with the procurement procedures should assist the Council to comply with its duty as a best value authority under section 3 of the Local Government Act 1999 to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". It is considered that the proposal represents better value for money than the previous proposal as addressed in the report. This must be judged by reference to the inter-dependent housing project and the statutory functions outlined above.

8.6 It is noted that part of the land on which the Blackwall depot is situated may be contaminated, but it is considered that this will not be disturbed by the

proposed works. Notwithstanding this the Council must comply with its continuing obligations under the Environmental Protection Act 1990 which establishes a framework for dealing with contaminated land, including the duty to inspect (section 78B(1)), the duty to require remediation (section 78E) and arrangements for determining liability arising therefrom (section 78F).

- 8.7 When considering whether or not to adopt the Interim Depot arrangements, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector equality duty). Information is set out in the report relevant to these considerations.

9. ONE TOWER HAMLETS CONSIDERATIONS

- 9.1 There are no immediate One Tower Hamlets considerations arising from this report. The release of Watts Grove depot for housing will allow the delivery of 149 council homes, including family sized homes, helping to alleviate overcrowding and homelessness.
- 9.2 The report will require the re-location of staff to work from depots other than the Watts Grove site. As the depots are all located in the borough there is no contractual impediment to the strategy and no resulting redundancies. The transition has been the subject of consultation with staff and will be managed in accordance with the Council's policies. It is not considered there will be any adverse equality impacts on staff and this has been confirmed by consultation to date.
- 9.3 It is not proposed to change any service delivery arrangements to the community and, accordingly, the strategy will not have any adverse equality impacts on service users. This is confirmed in the equality checklist at Appendix A to the report.
- 9.4 Whilst there may be some potential short term disruption to services as new arrangements "bed down" these are likely to be short term and limited in nature and will not adversely affect any single group within the community. Any negative impacts will be largely mitigated through a detailed plan to decant the current sites and by revising vehicles routes to take into account the new starting points.

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 10.1 There are no immediate sustainable actions for a greener environment implications arising from this report.

11. RISK MANAGEMENT IMPLICATIONS

- 11.1 The capital estimate has been determined with the intention of keeping costs

as low as possible. The estimate has been based on the lowest acceptable level of work considered necessary. There is a risk, however, that the estimate may be exceeded, which officers will need to manage.

- 11.2 There is a risk of objection to the suitability or fitness of the depot accommodation. It is proposed to engage actively with the contractor, Veolia, and with staff in order to meet the required minimum criteria and avoid disputation.
- 11.3 Any delay in vacation of the Watts Grove depot puts the provision of council homes and GLA funding at risk.

12. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 12.1 There are no immediate crime and disorder implications arising from this report.

13. EFFICIENCY STATEMENT

- 13.1 The above proposals are considered to provide a more cost efficient approach to the development of medium term depot management arrangements enabling the freeing up and development of Watts Grove than the original Leven Road proposal.