



Cabinet

Tuesday, 11 June 2019

Streetwise Relocation

**Report of the Cabinet Portfolio Holder for Business and Transformation
Councillor Andy Edyvean**

1. Purpose of Report

1.1. At its meeting on the 13 November 2018 after considering the “Depot Relocation” report, Cabinet resolved that:

- a) The relocation of the whole Recycling2Go service to operate from Nottingham City Eastcroft depot for an initial license term of five years be approved.
- b) The Executive Manager – Neighbourhoods be authorised to negotiate the final details of the license agreement with Nottingham City Council.
- c) The payment of the workplace parking levy for staff affected by the move be approved.
- d) Streetwise Environmental Ltd remain on the Abbey Road Site until October 2019 in order to support their endeavours to find an alternative site of which an outcome will be reported back to Cabinet.
- e) The Council's continued support to Streetwise Environmental Ltd to find an alternative operated base be endorsed.
- f) The cost pressures identified within the report be noted and be included within the Council's Medium Term Financial Strategy.

1.2 This report provides the update required under points d) and e) above.

2. Recommendation

It is RECOMMENDED that Cabinet endorses the relocation of Streetwise Environmental Ltd from the Abbey Road site to part of a unit and land owned by the Council at Chapel Lane, Bingham, under a market rate lease for a period of 3 years.

3. Reasons for Recommendation

3.1. The Council has a long-held ambition to vacate the Abbey Road depot site in West Bridgford, which is in a residential area, in order to develop the site for housing.

3.2. At its meeting of Cabinet in February 2018, Cabinet agreed that Streetwise Environmental Ltd and the Council's green waste service should relocate to

the Rushcliffe Borough Council-owned Chapel Lane site in Bingham whilst another site was found for the Recycling to Go (R2Go) service, ideally with Nottingham City or Nottinghamshire County Councils. This was to be subject to agreement by the Streetwise Environmental Board.

- 3.3. Subsequently an agreement was made to relocate the R2Go service to the Eastcroft Depot site owned by Nottingham City Council. It was not believed that there would be space at Eastcroft to accommodate the Council's green waste service too, but the City Council then secured additional land on that site to accommodate the green waste service and, as agreed at the November 2018 Cabinet, both the R2Go and green waste services have now successfully relocated to Eastcroft.
- 3.4. Whilst the Streetwise Environmental Board was grateful for the offer of the industrial unit at Chapel Lane Bingham following the February 2018 Cabinet meeting, it also wanted to check whether there were any alternative opportunities in the West Bridgford or Nottingham area that might suit Streetwise Environmental Ltd better.
- 3.5. To this end a comprehensive search of available properties has been underway for the last 15 months, including any assets within the Borough Council's ownership. Nothing has been found which meets the Streetwise requirements for covered and secure storage units in which to house the vehicles, plus office space, at the right size and the right price.
- 3.6. Officers have therefore revisited the Chapel Lane option with Streetwise Environmental Limited (SEL) and agreed Heads of Terms for SEL to take approximately 50 percent of the unit at a market rate for a lease of three years which may be extended if agreed by both parties.
- 3.7. The short term length of the lease will enable SEL to continue to review the property market and if an opportunity should come along which better complements its business requirements, it may exit Chapel Lane and relocate to another location.
- 3.8. The remainder of the Chapel Lane unit will be partially utilised for storage (currently located in the bunker at the Abbey Road depot) but the Council's property team may well be able to let the additional space to a complementary tenant to Street Wise Environmental (SWE) in the future.

4. Leisure Strategy

- 4.1. As part of the Council's plans for utilising the Chapel Lane site for a future leisure centre and office development, the value of retaining the existing industrial unit was investigated.
- 4.2. Gleeds were appointed to undertake an independent review of the site (referenced in the report to Cabinet in February 2019, "Bingham Leisure Centre – Review of Chapel Lane Site"). They concluded that the Council should look to re-let the existing unit on the site because there was more value in doing so than in demolishing the unit and redeveloping the area.

5. Alternative Options Considered and Reasons for Rejection

- 5.1. The Managing Director of SWE Ltd along with support from the RBC property team has viewed several alternative properties both within and outside of Rushcliffe. None of these have proven to be more suitable than Chapel Lane.
- 5.2. The Council could decide to allow SWE to stay on the Abbey Road site but as this would prevent the site from being redeveloped into housing this option is not recommended.

6. Risks and Uncertainties

- 6.1. The Council is currently SWE's landlord at Abbey Road and will continue to be SWE's landlord at Chapel Lane Bingham. There are minimal risks in this arrangement.
- 6.2. The letting of Council property at market rates is normal operational business that is delegated to and managed on a day to day basis by officers. The usual checks will be in place. The update on this particular letting is being reported to Cabinet as required by the decision in November 2018.

7. Implications

7.1. Financial Implications

7.1.1. The letting of Chapel Lane to SEL will be at market rate.

7.1.2. The recommendations in paragraph 2 would have a broadly cost neutral impact when compared to the current occupation of the Depot with no tenant at Chapel Lane.

7.1.3. The Council have received £300k in Land Release Funding that potentially would need to be repaid in the event that development does not begin on the Depot site by the target date. Currently this is March 2020.

7.2. Legal Implications

The lease will be subject to enforceable terms and conditions and will be let at Market Rates

7.3. Equalities Implications

There are no equalities implications from this report. SWE will be responsible for carrying out their own Equalities Impact Assessment in relation to the relocation.

7.4. Section 17 of the Crime and Disorder Act 1998 Implications

There are no Section 17 implications from this report.

8. Link to Corporate Priorities

SWE is a wholly owned Council company that is committed to delivering against the Council's priorities:

- Delivering economic growth to ensure a sustainable, prosperous and thriving local economy
- Maintaining and enhancing our residents' quality of life
- Transforming the Council to enable the delivery of efficient high quality services

9. Recommendations

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For more information contact:	Kath Marriott Deputy Chief Executive 0115 9148291 kmarriott@rushcliffe.gov.uk
Background papers available for Inspection:	Public Minutes of Exempt Cabinet Report of 13 February 2018 ("Relocation of Rushcliffe Borough Council Depot") Public Minutes of Exempt Cabinet Report of 13 November 2018 ("Depot Relocation") Cabinet Report of 12 February 2019 ("Bingham Leisure Centre – Review of Chapel Lane Site").
List of appendices:	None.