

Leicester
City Council

ABBEY AND BEAUMONT LEYS WARDS

CABINET

30 JULY 2001

ABBEY MEADOWS DEPOT RELOCATION – DELEGATED AUTHORITIES

Report of the Director of Environment, Development and Commercial Services

1. Purpose of Report

The purpose of this report is firstly to seek approval to delegate authority in respect of the invitation to tender and acceptance of tenders of works required to secure the relocation of the Abbey Meadows depot within the timescales agreed with the East Midlands Development Agency (Emda). Secondly, to draw Cabinet's attention to two other issues in relation to this depot relocation.

2. Summary

At its meeting on 19 March 2001, Cabinet approved the relocation of the Abbey Meadows depot; the various agreements required to secure the funding arrangements with Emda were completed on 30th March 2001. These arrangements place an obligation on the City Council to relocate from the depot on a phased basis and within agreed timescales. In order to meet these obligations it is being recommended that authority is delegated to the Director of Environment, Development and Commercial Services, in consultation with the Leader, Deputy Leader and the Lead Member for Strategic Planning and Regeneration to approve various aspects of the construction process. Cabinet is also informed of the consideration given to the early vacation of the offices and car park to make that part of the site available for development and also reminded of an electrical supply issue affecting Leycroft Road.

3. Recommendations

- 3.1 That the completion of the funding package with Emda on 30 March 2001 is noted.
- 3.2 That authority is delegated to the Director of Environment, Development and Commercial Services, in consultation with the Leader, Deputy Leader and Lead Member for Strategic Planning and Regeneration, as referred to in the report, to:
 - (a) agree the detailed design of the proposed scheme at Leycroft Road sites

- (b) obtain tenders in respect of the various proposed works
 - (c) accept the lowest tender (or the appropriate tender, in accordance with Standing Orders, in the event the lowest tender could not be recommended for acceptance)
 - (d) to consider and agree to, if appropriate, any requests requiring the temporary relocation of the depot offices and car park to secure early development of this part of the site, subject to identifying sources of funding in advance of the delegated authority being exercised.
- 3.3 That the Head of Legal Services is authorised to enter into the various works contracts with the successful tenderer(s) in connection with (c) and (d) above.
- 3.4 Note the circumstances surrounding the electrical supply available within Beaumont Leys and the effect this may have on the relocation of the depot to Leycroft Road.

4. Financial, Legal and Other Implications

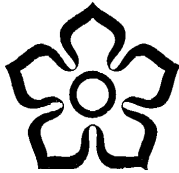
When the depot relocation was approved last March, capital funding was identified to enable the relocation to proceed based on the funding package agreed with Emda. Consequently, there is provision within the approved capital programme to cover the proposed expenditure. However, this provision did not anticipate the additional cost arising from the early relocation referred to in the report and consequently, there is no provision within existing budgets to meet the additional expenditure estimated at £250,000. The sources of funding would have to be identified in consultation with the Chief Financial Officer if the early relocation was to proceed.

The contract documentation to be prepared by the Head of Legal Services will have regard to the relevant terms within the various agreements entered into with Emda as part of the funding package.

5. Report Author:

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Extn. 5002

Peter Connolly
Director of Environment, Development and Commercial Services



ABBEY MEADOWS DEPOT RELOCATION – DELEGATED AUTHORITIES

Report of the Director of Environment, Development and Commercial Services

SUPPORTING INFORMATION

1. Report

1.0 Delegated Authority

1.1 A funding package was completed with EMDA on 30 March 2001 enabling the relocation of the Abbey Meadows depot to take place on a phased basis. Under this agreement with EMDA, Phase 1, the area comprising the offices, adjoining car park, City Highways, Cleansing and Transport has to be vacated by 31 March 2003. The remainder, Phase 2, comprising Street Lighting/ Festive Decorations and SITA by 31 March 2005. The 2 phases are shown on the attached plan.

1.2 To secure the funding package from Emda a number of agreements were entered into which involved principally the sale of the Abbey Meadows depot site to Emda (with the City Council remaining in occupation rent-free) and the sale and leaseback (rent free) of the Leycroft Road depot sites together with a repurchase provision in respect of the latter site. There are provisions for the payment of penalties by the City Council in the event that the Council does not achieve relocation within the time periods referred to in the previous paragraph. Cabinet is asked to note the completion of the funding package.

1.3 Cabinet members may recall that the City Council obtained planning consent for the proposed relocation depot at Leycroft Road and work is progressing with regard to the detailed design. This design will incorporate the Council's DDA and environmental requirements, and when completed I will be seeking tenders for the proposed construction works having regard to the timescales referred to above, particularly phase 1. (It is the phase 1 relocation that requires the Leycroft Road accommodation).

1.4 In order to meet these timescales and achieve relocation as soon as possible of phase 1, I am seeking approval to delegate authority to the Director of Environment, Development and Commercial Services, in consultation with the Leader, Deputy Leader and Lead Member for Strategic Planning and Regeneration, to agree the detailed design of the new depot, seek tenders and also accept the lowest tender (or the appropriate tender, in accordance

- with Standing Orders, in the event that the lowest tender cannot be recommended for acceptance).
- 1.5** Some of the works will be minor maintenance works required to the existing former transport depot on the site and these will be undertaken by way of individual contracts, again in accordance with Standing Orders.
- 2.0 Potential early redevelopment of the depot offices and car park site**
- 2.1** A Leicestershire company connected with space exploration, has been negotiating for a site close to the National Space Centre in private ownership to the rear of property in Abbey Lane for the last 12 months or so. It requires the site to accommodate approximately 25,000 square feet of accommodation together with car parking. The Company has to vacate its current accommodation in the county as its lease is not being renewed by the Landlord. Unfortunately, the negotiations for the Abbey Lane site have broken down and the Company is now seeking an alternative site. It has approached the City Council to consider if the site of the depot offices and car park could be made available for the first phase of its development (the second phase comprising a building of similar size is envisaged to be required within approximately three years time and the two phases must be located next to one another).
- 2.2** Paragraph 1.1 on page 3 sets out the timetable agreed with Emda for the phased relocation of the depot. The feasibility of vacating the depot offices quickly and in advance of the programme agreed with Emda has been reviewed to determine whether it was practical to secure Infoterra's relocation to Abbey Meadows.
- 2.3** Subject to the detailed examination of underground services, acceptable lead-in times with contractors and obtain planning consent, it was estimated that the move, principally involving the use Portakabins on the site, could be achieved within four months. (Staff have been consulted and would support the use of Portakabins). Subject to the earlier provisos, the estimated cost of this temporary relocation is in the region £250,000 for which no provision was made when the original relocation estimates were approved by Cabinet last March.
- 2.4** The sale of the site to enable the Company's occupation will be negotiated by Emda as landowner and therefore the need for the early vacation will be triggered by the conclusion of Emda's negotiations. The Company does not wish to purchase the freehold but rather lease a completed building. This will involve securing a developer to undertake the development on the basis of a pre-let to the Company. Consequently, Emda must agree terms with the developer and the developer must also agree lease terms with the Company. At the time of preparing this report these negotiations were not conclude. The Company is considering other sites in the area of junction 21. An update will be provided at the meeting.
- 2.5** Emda has been asked if it is prepared to fund the costs incurred by the City Council in undertaking this temporary relocation but has refused on the basis that it is unable to approve additional funding assistance to that approved in

connection with the depot relocation last March as this reached the limit of assistance which could be determined within the region. Further, its funding is already fully committed on other schemes for this financial year. Nevertheless discussions will continue with EMDA to attempt to secure funding assistance.

2.6 Depending on the terms of any disposal, circumstances may arise where the City Council could be entitled to ‘overage’ from Emda as this is provided for within the terms of the funding agreement reached with Emda. However, there is insufficient information available to comment on whether this would make a significant contribution to these removal costs but, at this stage, it is considered unlikely.

2.7 In view of the continuing negotiations between Emda, the developer and the Company, I am seeking delegated authority to be able to respond if an agreement can be reached. Consequently, Cabinet is recommended to delegate authority to the Director of Environment, Development and Commercial Services in consultation with the Leader, Deputy Leader and the Leader Member for Strategic Planning and Regeneration, to consider and agree to, if appropriate, any requests requiring the temporary relocation of the depot offices and car park to secure early development of this part of the site. This delegation to be subject to identifying sources of funding in advance of the authority being exercised.

3.0 Electrical Supply to the North of the City

3.1 The issue of the electrical supply to the Beaumont Leys area of the city was the subject of a presentation at the last meeting of Cabinet and Cabinet is reminded of the issue in so far as it affects new development at Beaumont Leys.

FINANCIAL, LEGAL AND OTHER IMPLICATIONS

4. Financial Implications

A summary of the funding arrangements is as follows:-

	£000's
Total depot relocation cost	<u>8,015</u>
Emda contribution	
Grant	1,365
Purchase of Abbey Meadows Depot	1,685
	3,050
City Council Contribution	
Land/capitalised rent	3,800
Gap funding	1,165
	4,965
	<u>8,015</u>

There is provision within the approved Capital programme to meet the City Council’s contribution. However, this provision did not anticipate the additional cost arising from the early relocation referred to in the report and consequently, there is no provision within existing budgets to meet the

additional expenditure estimated at £250,000. The sources of funding would have to be identified in consultation with the Chief Financial Officer if the early relocation was to proceed, and the delegated authority in respect of this element of expenditure is subject to sources of funding being identified in advance of the authority being exercised.

5. Legal Implications

The proposed works, other than minor maintenance works to the existing building, are covered by European procurement law and all the contract documentation will be prepared by the Head of Legal Services. This documentation will have regard to the Council's obligations under the various agreements with Emda.

Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph Within report	References
Equal Opportunities	YES	1.3	
Policy	NO		
Sustainable and Environmental	YES	1.3	
Crime and Disorder	NO		
Human Rights Act	NO		

6. Background Papers – Local Government Act (Access to Information) 1985

Report to Cabinet 19 March 2001

7. Consultations

The Town Clerk and Corporate Resources Department (Legal Services and Financial Strategy)

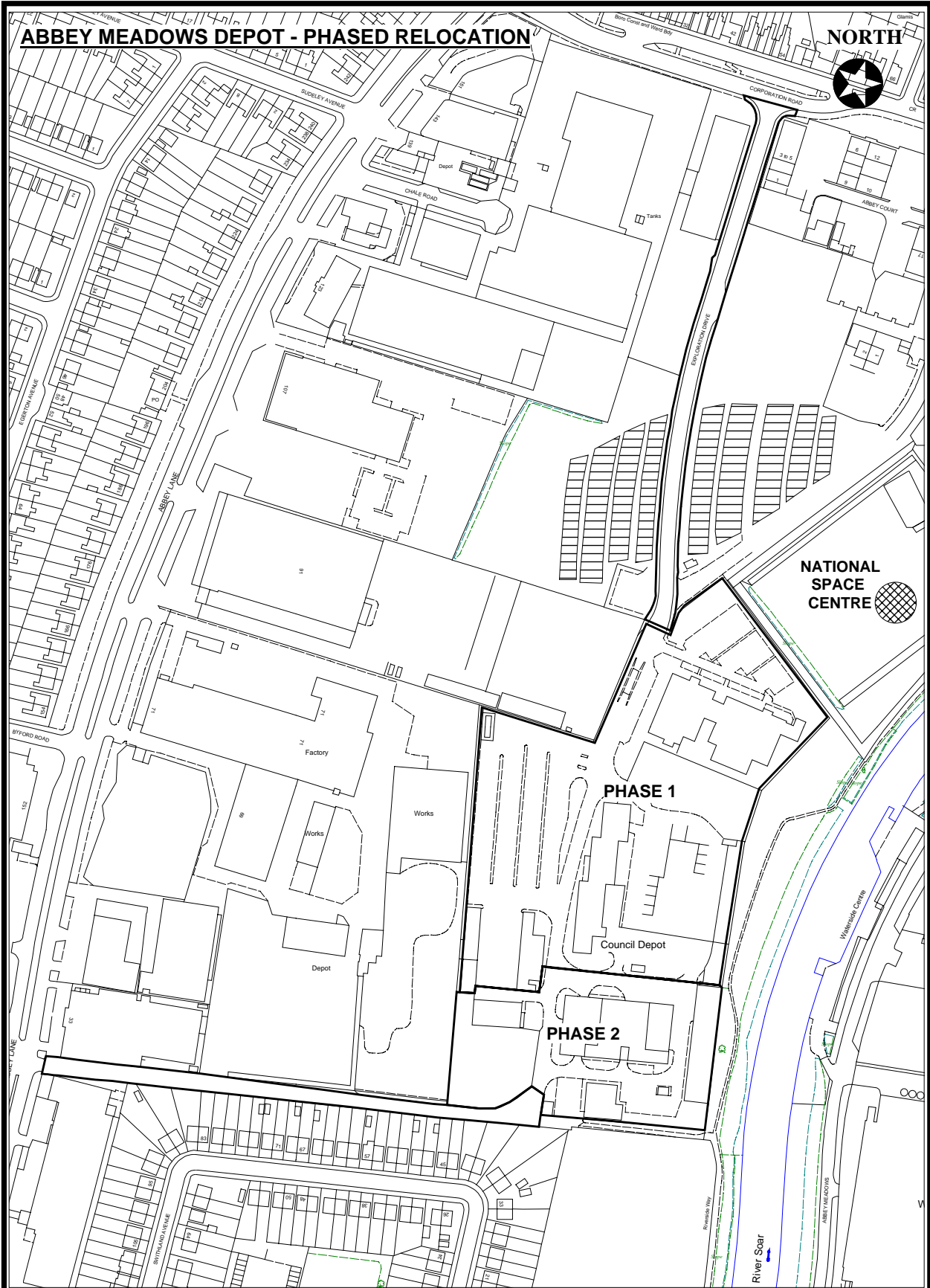
8. Report Author

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ABBAY MEADOWS DEPOT - PHASED RELOCATION

NORTH



BASED UPON THE ORDNANCE SURVEY MAP WITH THE SANCTION OF THE CONTROLLER OF H.M. STATIONERY OFFICE. CROWN COPYRIGHT RESERVED. LICENCE No. LA 078417

DRAWN BYRF PLAN No2001/204 NOT TO SCALE
 CHECKED BYSCI DATE21/06/2001

PETER CONNOLLY, DIRECTOR OF ENVIRONMENT, DEVELOPMENT AND COMMERCIAL SERVICES
 LEICESTER CITY COUNCIL