

Norwich Depot Hub Business Case Summary - April 2018

1. Summary

- 1.1 A new household waste recycling centre for Norwich is needed by September 2021 when the existing contract for Mile Cross Recycling Centre ends. This necessity has brought forward the potential to integrate a number of depot related properties around the Norwich area covering a range of services including highway maintenance, fleet, vehicle storage and strategic salt store. A business case has been prepared to look at the feasibility and cost of such a development alongside the benefits and risks.
- 1.2 A preferred site has been identified accessed via the Norwich Northern Distributor Road on land at Norwich Airport. The site is located on the boundary of Norwich City and Broadland District Council. Discussions have been held with Norwich Airport and officers at both Norwich City Council and Broadland District Council throughout the preparation of the business case.
- 1.3 Following the development of the full business case, senior officers at Norfolk County Council and Broadland District Council recommend not to pursue the depot hub at this time. This is due to the high costs of development compared to the current depot costs and the current discussions on future service arrangements.
- 1.4 A solution for the household waste recycling centre must still be pursued with a decision on a site required by the end of 2018 and alternative options will continue to be fully explored.

2. Statement of Need

- 2.1 The project proposal addresses a number of service needs for both Norfolk County Council and Broadland District Council, including:
 - A replacement recycling centre for Norwich at the end of the current contract for the existing Mile Cross site, required to prevent breach of planning and permitting at alternative sites, prevent reputational damage and provide a site for Norfolk's largest centre of population.
 - Provision of fit for the future depot facilities as a base for the County Council and District Council to operate statutory functions from including waste collection, street cleansing, waste disposal and highway maintenance.
 - Provision of a salt barn from the end of the current PFI contract from 2020 to replace existing facilities at Aylsham and Swaffham to cover north and east Norfolk.
 - Provision of depots in appropriate locations away from residential housing and well connected to the existing road network to allow efficient operation.

- Address forecast housing growth to the north east of Norwich through provision of a new recycling centre and larger depot to accommodate additional service vehicles needed for kerbside waste and recycling collections.

3. Benefits of a Co-located Depot Hub

- 3.1 Co-location of a joint depot and recycling centre through a strategically located hub for delivery of statutory services could bring many benefits. These include developing improved facilities whilst sharing the costs, locating vehicle based services at a site well connected to the road network and away from residential property and replacing three existing sites with one new hub. Additionally it would allow the existing facilities to be replaced with new, modern sites improving standards and the opportunity to include new technology, such as electric vehicles.

4. Finance

- 4.1 An estimate of the capital investment required for the depot hub has been carried out as part of the feasibility work. Some of the significant costs associated with the development of a depot include a workshop and a salt store. Currently the site has no access road or utilities and provision of these will need to be included in land negotiations. Whilst the cost of construction would be off-set by some one-off savings, the value of existing depot sites at Frettenham and Aylsham is lower than initially anticipated and would not significantly contribute to offsetting the capital investment required to develop a new depot facility.

5. Key Issues and Associated Risks

- 5.1 There are some significant issues identified with progressing a depot hub scheme. Proceeding with development of a new depot at the current time, whilst these elements of work are still being investigated and reviewed, would be a financial risk to the authority. If either the highways or district depot remain in their current location at this stage but require relocation at a later date, there will be a lost opportunity for the sharing of facilities and development costs.
- 5.2 Future changes to the way the authorities operate current services could impact depot requirements and occur for a number of reasons including legislative change, fiscal measures, procurement, financial constraints and administrative or political change.
- 5.3 There is a risk around deliverability of the full depot solution and the need to provide a recycling centre by 2021 including securing the land. A deal on land purchase will be based on commercial values and an agreement would need to be reached should the depot hub be taken forward.