

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 13 July 2021

TITLE	St Philips Reuse and Recycling Centre – Lease renewal		
Ward(s)	Lawrence Hill		
Author: Jason Bailey	Job title: Property Partner		
Cabinet lead: Cllr Nicola Beech	Executive Director lead: Stephen Peacock		
Proposal origin: <i>BCC Staff</i>			
Decision maker: Cabinet Member Decision forum: <i>Cabinet</i>			
Purpose of Report:			
<ol style="list-style-type: none"> 1. To approve the terms for the lease renewal at St Philips RRC as outlined in this report and as set out in Appendix A1. 2. To authorise the Executive Director Growth and Regeneration in consultation with the Cabinet Member: Climate, Ecology, Waste and Energy to take all steps required to enter into the lease renewal. 			
Evidence base			
<ol style="list-style-type: none"> 1. Bristol City Council (BCC) holds the St Philips RRC site from Network Rail (NR) under 2 leases – a long lease (99 years from March 1991) and short 35 year lease from July 1984 (expired 2019) shown respectively green and blue on the attached plan (appendix A2). 2. The long lease area is not a sufficient size on its own for the RRC to operate so in order to ensure immediate business continuity it is essential to renew the short lease. Also, it is necessary to ensure that the wider user clause for the site is varied to permit the Council to operate in compliance with the lease. 3. The short lease expired in July 2019 and since that time BCC has been “holding over” and engaged in negotiations with NR for its renewal. 4. These negotiations have been complex because: <ol style="list-style-type: none"> (a) the RRC site was originally developed as a freight waste site by Avon County Council and this involved all waste leaving the site via the adjoining rail network and then onto landfill. This was a requirement under the terms of the original lease. (b) the recent closure of the Hartcliffe Way Depot to create a 3rd RRC facility has resulted in relocation of the Council’s “Winter Service” onto the St Philips RRC site, which is a use not permitted under the terms of the NR lease although NR have given a time-limited consent to allow Winter Services to operate. 5. Waste handling has changed since the 1980’s such that the emphasis is now on recycling and treatment at Energy Recovery Facilities located in Bristol. This means the rail network is no longer used by BCC as the waste is now sorted and recycled and waste is directly delivered to the facilities in Avonmouth. 			

6. The St Philips long and short leased areas are still registered by the Office of Rail and Road (“ORR”) and NR as a designated strategic freight site. Accordingly, NR believes it is statutorily barred from granting BCC a new lease which excludes the obligation to operate the site via rail freight. By way of a compromise, NR has offered to grant BCC a 5 year renewal lease on terms which will not breach the ORR regulations by compromising a freight site for non-freight use. This preserves the opportunity for the RRC site to be used once again for freight in the future if BCC were to vacate the site at the end of the lease.

Other options relating to the St Philips RRC site

7. Rather than accept the terms put forward by NR, BCC could apply under the 1954 Act for the grant of a new lease on terms to be determined, in the absence of agreement with NR, by the courts, which have discretion to grant a renewal for up to 15 years. However, please see appendix A1 for more details

Longer term needs of the Waste Service

8. In order for BCC to effectively plan the waste Service long term it is likely that St Philips RRC will have to be replaced on land that BCC owns, which may involve utilising BCC’s existing corporate estate or purchasing new land/buildings in the central area to replace St Philips RRC services on site, including:
- Reuse and Recycling Centre;
 - Winter Services;
 - Cleansing depot for central area;
 - Storage area for Highways.
9. It is anticipated that the potential for replacing St Philips RRC could exceed £4M depending upon what level of services/operations need to relocate. It should be noted that finding and securing a suitable site for a replacement RRC in central region of Bristol is unlikely (due to the need for off highway queuing, size, distance from residential properties etc.);
10. An alternative to finding an another site/sites is to explore with NR if there are any NR sites e.g. Freight Depot at Eldon Way where BCC could facilitate intensification of use, which could be used to gain approval from Office of Rail and Road for the release of St Philips RRC from the strategic freight site designation. If that could be achieved, it might open the way for BCC to negotiate terms for a long lease or purchase of the St Philips RRC site.

Cabinet Member / Officer Recommendations:

1. To approve the terms for the lease renewal at St Philips RRC as outlined in this report and as set out in Appendix A1.
2. To authorise the Executive Director Growth and Regeneration in consultation with the Cabinet member: Climate, Ecology, Waste and Energy to take all steps required to enter into the lease renewal.

Corporate Strategy alignment:

1. This proposal will assist BCC in achieving its key commitments in relation to reducing carbon emissions and other environmental benefits such as greater scope for recycling - as without Days Road HWRC there is less capacity to reuse/recycle waste in Bristol

City Benefits:

1. The lease renewal at St Philips RRC offers the community greater scope for recycling being a central hub and this also reduces carbon emissions from traffic use as the continued use of St Philips RRC will reduce journey times - being more central than Avonmouth RRC and the proposed new RRC at Hartcliffe Way

Consultation Details:

1. Internal - Highways, Legal, Waste and Property have consulted on this proposal and externally Network Rail,

Office of Rail and Road
Background Documents: None

Revenue Cost	See Appendix A1	Source of Revenue Funding	Waste Services budget
Capital Cost	See Appendix A1	Source of Capital Funding	n/a
One off cost <input checked="" type="checkbox"/>	Ongoing cost <input checked="" type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice
 This approval does not impose any new financial risk on the council, and of itself does not have any additional financial implications that is not already covered within the services existing funding envelope.

Finance Business Partner: Kayode Olagundoye, Interim Finance Business Partner, Growth and Regeneration.

2. Legal Advice:
 The Council's power to acquire property by agreement and at market value falls within the Local Government Act 1972 for the purpose of any of its functions or for the benefit, improvement or development of the area.

Legal Team Leader: Andrew Jones – Property, planning and Transport Team Leader, 5 July 2021

3. Implications on IT: No anticipated impact on IT Services

IT Team Leader: Simon Oliver

4. HR Advice: No HR implications

HR Partner: James Brereton

EDM Sign-off	Stephen Peacock	19.05.21
Cabinet Member sign-off	Councillor Craig Cheney	28.06.21
For Key Decisions - Mayor's Office sign-off	Mayor's office	14.06.21

Appendix A 1. Principle terms agreed for the lease renewal and A2. plan	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	YES
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	YES
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	NO
Appendix J – HR advice	NO
Appendix K – ICT	NO