

WILTSHIRE COUNCIL

CABINET CAPITAL ASSETS COMMITTEE

7 FEBRUARY 2011

**Subject: WORKPLACE TRANSFORMATION PROGRAMME
DEPOT FACILITIES STRATEGY & IMPLEMENTATION
PLAN**

Cabinet member: Councillor John Noeken – Resources

Key Decision: No

Purpose of Report

1. To summarise the key findings of the Depot Review and to ask Cabinet (or potentially Capital Assets Committee) to endorse the depot facilities strategy as part of the Workplace Transformation Programme (WTP) subject to funding approval via the capital programme.

Background

2. Wiltshire Council operates twelve main depots and highways salt stores for core services such as waste collection, recycling, vehicle fleet workshops, highways and winter maintenance. Other council services such as housing repairs, road safety equipment, car parking management and rights of way services also share accommodation at some depots.
3. A review of the council's depot facilities has been conducted and there are a number of reasons to support depot rationalisation and improve overall depot service delivery:
 - 3.1 Forecasted revenue spending over the next 25 years if we do nothing is £52 million which includes £16 million of un-budgeted back log repairs;
 - 3.2 Majority of current facilities are out of date and carbon emissions are forecasted to be 23,000 tonnes over the next 25 years which equates to £1m in carbon emission payments;
 - 3.3 Insufficient space to accommodate enlarged waste recycling services from 2011 onwards or other service expansion;

3.4 Current depot portfolio is some 107,000 sq.m and much space is wasted due to poor design;

3.5 All major streetscene depots have a Highway depot within five miles, duplicating site management and maintenance costs.

Main Considerations for the Council

Aims and Methodology for the Review

4. The aim of the review was to meet WTP requirements including the principles of co-location of services, shared overheads, increased office occupation ratio of 3:2 (employees : workstations) as part of an ongoing programme of continuous improvement.
5. A further aim was to develop criteria for shared use and potential depot locations by analysing population density, service standards and transport costs to determine a recommended depot framework. Employee workshops were organised to “challenge” all services in terms of their service delivery, mapping future needs, storage space requirements and degree of employee mobility.
6. The recommended depot locations are designed to ensure they are sympathetically placed to deliver services to customers and strategically positioned to meet economic and environmental standards.
7. To maximise future depot usage initiatives were developed and have been agreed with key services including the introduction of double shift working, sharing of storage space across services and multi use of floor space.

Key Findings/Recommendations

8. To implement an improved and refurbished depot framework to meet the operational needs of the service it is recommended to create three new depot and salt barn facilities in the Chippenham, Melksham and Salisbury area and minor improvements to the existing Kennet House site in Devizes.
9. Furthermore the proposed framework includes improvements to salt barns at Mere and Warminster to meet drainage requirements, in addition to the two new salt barns under construction at Marlborough and Wootton Bassett and the existing facility at High Post; the outcome includes an 8% increase in salt barn capacity.

10. Based on the shared use criteria around 25 core depot and other council services have been identified as appropriate for accommodation at depot locations. Nine services include transport, equipment, materials and employees; eleven services cover material storage only and a further five services are currently under discussion to finalise their inclusion.
11. The design that has been developed via the workshops will:
 - 11.1 reduce floor space by some 45,000 sq.m whilst providing space for 150 extra operational staff to have a base;
 - 11.2 reduce carbon emissions by approximately 20% over 25 years;
 - 11.3 reduce the forecast revenue spend (i.e. cost avoidance) by 28% over 25 years;
 - 11.4 provide secure facilities that will reduce losses via theft whilst improving operational access/egress.
12. An outline implementation plan is attached as appendix A.

Environmental and climate change considerations

13. The proposals for the depot review will provide the means for the council to reduce its carbon emissions. The initial proposed outline design shows an estimated reduction of some 5,000 tonnes (20%) of carbon emissions over 25 years.

This reduction will occur due to the high construction and quality standards that will be applied to the new build, refurbished facilities and the retained estate.

Equalities Impact of the Proposal

14. An equality impact assessment (EIA) has been completed which demonstrates that the depot development programme fully promotes equality of opportunity. Services that will be accommodated in the operational depot estate will be designed to meet local needs and continuous operational improvements.

Risk Assessment

15. Capital Assets Committee/Cabinet endorsement of the approach to developing a network of depots and salt barns across Wiltshire is essential to ensure there is consistency and transparency in the process. Full risk management appraisals for each depot will be undertaken as part of the

project management function during the depot strategy implementation phase.

Financial Implications

16. The current approved Capital Programme has £3 million budget for depot review which has incurred over £0.9 million of spend this financial year. The budget line has since been wrapped into the main WTP line following the capital programme review.
17. The capital receipts outlined in the 2nd phase of the depot review indicates that approx £7.1 million of additional receipts will be raised in addition to receipts already factored into the funding of the overall capital programme e.g. Wootton Bassett and Coombe Bissett Depot at £1.4 million and £0.150 million respectively.
18. The total estimated capital cost of this phase is £8.295 million, which gives rise to a balance, which would have to be funded by additional borrowing of £1.195 million.
19. If the additional funding was approved at a formal meeting, this would then increase the depot review element of the WTP capital budget from £3 million to £11.295 million, of which the anticipated increased capital receipts of £7.1 million would be used in principal to fund the majority, however they would not be ring fenced against the scheme.
20. The forecast revenue costs over 25 years of doing nothing is estimated at circa £52 million. This includes over £16m of backlog maintenance that is currently not budgeted for, but is anticipated would have to be carried out in order to maintain operational levels.
21. The proposed capital investment of the review estimates that the revised revenue costs over the same period would be reduced to £37m i.e. a 28% reduction or rather a £15 million cost avoidance. However this is not a cashable saving in terms of reducing the council's net base budget.

Legal Implications

22. There are none identified at this time

Options Considered

23. A range of principles and approaches were considered and these have been distilled into this proposal. The approach to engagement with Wiltshire services has been conducted to construct a suitable geographical framework of depots based on the needs of services and achieving economies.

Conclusions

24. The current depot provision is operationally, financially and environmentally unsustainable. The WTP Depot Review has identified the opportunity to recommend bringing substantial benefits to the Council through the proposed implementation programme in its provision of depot facilities.

Proposal

25. To ask Cabinet/Capital Assets Committee to endorse the depot facilities strategy and outline implementation plan as part of the Workplace Transformation Programme subject to funding approval via the capital programme.

Reason for Proposal

26. The majority of the current depot facilities are inefficient and unsustainable. The Council would have to spend £52 million of revenue over the next 25 years to maintain current standards. This would not include any improvements.
27. This proposal sets out a replacement and refurbishment programme which requires a capital investment of £8.295 million over the existing approved capital programme, and will give rise to a revenue cost avoidance of £15m over the next 25 years.
28. Implementation of the depot strategy would ensure that the Council has fewer, more efficient and strategically located depots operating multi functional facilities.

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Background Papers

None