

**Forward Plan reference number:** Not applicable

<b>Report title:</b> Drawdown from Waste Reserve: Provision of property advice in relation to Courtauld Road	
<b>Report to:</b> Councillor Christopher Whitbread – Chancellor of Essex	
<b>Report author:</b> Jim Aldridge – Programme Director for Waste Transformation	
<b>Date:</b> 07/12/2023	<b>For:</b> Decision
<b>Enquiries to:</b> Jim Aldridge – Programme Director for Waste Transformation	
<b>County Divisions affected:</b> None	

## 1. Everyone's Essex

- 1.1 Strategic property advice is required in relation to the site at Courtauld Road, Basildon, to ensure best value for money is achieved from the land upon its handback to Essex County Council.
- 1.2 This report seeks the necessary funding from the Waste Reserve to enable the provision of the expert strategic property advice.
- 1.3 Assessment of strategic options for the site will assist in the delivery of the Everyone's Essex strategy commitment regarding "Infrastructure" whereby "We will deliver and maintain high quality infrastructure to improve opportunities for people living in Essex as well as supporting a growing economy and the delivery of new homes and communities by investing in the region of £1 billion by the end of this council." The assessment of strategic options is part of a wider plan of ECC investment in the site to assist in stimulating growth through increasing the likelihood of industry investment in the site leading to good quality jobs.

## 2 Recommendations

- 2.1 Agree to the drawdown of £60,000 from the Waste Reserve to fund the strategic property advice required in relation to the site at Courtauld Road, Basildon. £40,000 will be drawn down in 2023/24 and £20,000 in 2024/25 with any unutilised funding being returned to the Waste Reserve.

## 3 Background and Proposal

- 3.1 ECC entered into a PFI contract with UBB Waste (Essex) Limited (**UBB**) on 31 May 2012 in relation to the design, build and operation of a MBT waste facility at Courtauld Road, Basildon
- 3.2 ECC entered an Amendment and Settlement Agreement with UBB dated 21 April 2022. As part of the agreement, the parties agreed to amend the PFI contract to include an obligation on UBB to demolish the MBT facility, hand back the Environmental Permit to the Environment Agency and return the empty site to ECC, following which the PFI contract will be terminated.

- 3.2 Deliveries of waste to the facility ceased in June 2020 and the facility was emptied of waste in August 2020. Demolition works are presently underway and once complete, Urbaser Environmental Ltd will then commence the process of handing back its Environmental Permit to the Environment Agency. The site will be made safe and secure for local residents. Once these steps have been completed, the empty site will be handed over to ECC. This is scheduled to occur in summer 2024.
- 3.3 ECC has a leasehold interest in the 8.5 hectare site that expires in 2051 (with options to extend beyond this date). Given the remaining period on the lease, it is in ECC's interests to maximise the value of the land. The identification and assessment of the land-use options requires specialist strategic property advice which is unavailable in-house. It is therefore recommended to draw down £60,000 from the Waste Reserve to fund external specialist advice to ECC that will comprise an optional appraisal and written report.
- 3.4 It should be noted the site presently enjoys a 6MW electrical supply via a UKPN substation hosted on the site. Power is supplied under a power purchase agreement (PPA) between UBB and EnDCo which is due to be novated to ECC upon the hand-back of the site. To maintain marketability of the site, it is recommended the grid connection should remain. This requires ongoing standing charge payments which will be the subject of a separate drawdown request later this year. In the same report, Officers envisage they will also seek funding for the on-going security at the site.
- 3.5 The required work will be called off from the Bloom framework agreement in accordance with ECC's procurement procedures and will be subject to a separate decision.
- 3.6. Following completion of the consultancy work, should any funds remain unspent, they will be returned to the Waste Reserve.

## **4 Links to our Strategic Ambitions**

- 4.1 This report links to the following aims in the Essex Vision
- Develop our County sustainably
  - Share prosperity with everyone
- 4.2 This report links to the following strategic priorities in the emerging Organisational Strategy 'Everyone's Essex':
- A strong, inclusive and sustainable economy
  - A high quality environment

## **5 Options**

- 5.1 The first option is to engage a property agent to market the site upon handback from UBB. This option risks missing opportunities for development or use of the site to the benefit of ECC and/or its partners because of failing to properly analyse the available options. **This option is therefore not recommended.**
- 5.2 The second option is to engage specialist strategic property advice to enable a range of options to be identified and analysed prior to selecting a future use. **This is the recommended option** as ECC should take a longer-term view about the revenues associated with a lease that does not expire until at least 2051.

## 6 Issues for consideration

### 6.1 Financial implications

- 6.1.1 Approval is sought for a drawdown from the waste reserve to fund the new incremental costs associated with this decision of £60,000. The forecast profile of expenditure is set out in Table 1 below and represents the period in which the expenditure is expected to be incurred. An estimate of £40,000 costs for the work have been obtained, however, the scope needs to be extended to include additional options not covered by the estimate. A provision of an additional £20,000 is therefore sought to cover the additional scope. Any unutilised funds will be returned to the reserve during the 2024/25 financial year.

	2023/24 £000	2024/25 £000	TOTAL £000
Property advice on Courtauld Road site	£40,000	£20,000	£60,000

- 6.1.2 Any variation away from these assumptions which creates a net revenue pressure will require a further request for funding via a drawdown from the waste reserve.

- 6.1.3 The balance on the reserve is £113m at the time of writing this paper and sufficient uncommitted funds exist to meet this drawdown.

### 6.2 Legal implications

- 6.2.1 The Council's financial regulations state that all drawdowns from reserves must be approved by the Cabinet Member for Finance.
- 6.2.2 Drawing down of money from reserves does not authorise any expenditure that is a key decision or any significant changes to ECC services or funding which must be authorised by the relevant Cabinet Member.

## 7 Equality and Diversity Considerations

- 7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
  - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 7.3 The Equalities Comprehensive Impact Assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

## **8 List of Appendices**

### **8.1 ECIA**

<b>I approve the above recommendations set out above for the reasons set out in the report.</b>	<b>Date</b>
<b>Councillor Chris Whitbread – Cabinet Member for Finance</b>	<b>14.12.23</b>

#### **In consultation with:**

<b>Role</b>	<b>Date</b>
<b>Cllr. Peter Schwier – Cabinet Member for Environment, Waste Reduction &amp; Recycling</b>	08/12/2023
<b>Executive Director, Finance and Technology (S151 Officer)</b>	07.12.2023
<b>Karen Williams and Adrian Osborne on behalf of Nicole Wood Director, Legal and Assurance (Monitoring Officer)</b>	29.11.2023
<b>Laura Edwards on behalf of Paul Turner</b>	