

# APPENDIX G

## WAVERLEY BOROUGH COUNCIL

### EXECUTIVE

4 SEPTEMBER 2012

---

#### Title:

**LEASES OF DEPOTS -  
BOURNE MILL, GUILDFORD ROAD, FARNHAM  
NANHURST, ELMBRIDGE ROAD, CRANLEIGH**

**[Portfolio Holders: Cllrs Mike Band & Stephen O'Grady]  
[Wards Affected: N/A]**

---

#### Summary and purpose:

Authorisation is sought for Waverley to take leases from Surrey County Council (SCC) of the above-named premises, shown outlined on the plans annexed, for a period of 21 years on terms and conditions in the (Exempt) Annexe. Authorisation is also sought for Waverley to then sublet the depots to its grounds maintenance contractor (Glendale) and undertake improvement works to the depots on terms and conditions in the (Exempt) Annexe.

---

#### How this report relates to the Council's Corporate Priorities:

**Value for Money** - Securing of depot provision through SCC will provide significant rental savings when compared to the current costs of depot provision through the grounds maintenance contract. The provision of two depots has led to significant contractual savings being made over the previous grounds maintenance contract due to the efficiencies gained.

**Environment** – The provision of two depots strategically located within the borough will result in efficiency improvements in the grounds maintenance contract, through reduced travelling times and reduced fuel consumption and carbon emissions. The securing of these depots would allow for closed loop recycling of green waste material produced by the grounds maintenance contract; a first for Waverley.

#### Equality and Diversity Implications:

Waverley continually seeks to ensure all decisions consider equality and diversity implications.

#### Resource/Value for Money implications:

Significant lease rental savings provided through negotiation with SCC and contractual savings made through the provision of two strategically located depots have ensured best value is given by the Council's grounds maintenance contract to Waverley's residents.

## **Legal Implications:**

While SCC will draft the leases, there will be legal resource required for the agreement of the wording and to draft the sub-lease under the same terms & conditions to Glendale. Legal costs are to be shared by each party.

---

## **Background**

1. Waverley has recently extended the grounds maintenance contract with its present contractor, Glendale. In order to provide the contract efficiencies, improvements and savings to Waverley, the new contract extension requires the provision of two depots rather than one in strategic locations located within the borough.
2. In the previous contract, the contract depot rental costs have been approximately £70,000/annum (excluding rates/utilities). Through the contract extension Glendale offered two prices, one with and one without the cost of renting depots.
3. Waverley sought cheaper accommodation through direct negotiations with SCC that have led to a significant reduction in rental levels set out in the (Exempt Annexe), in comparison to the current contract depot costs, provided that Waverley continues to undertake the SCC highway horticultural contract.
4. Under the proposed terms of the leases, Waverley will be able to sub-let to Glendale, who will have the same obligations as Waverley has with SCC. The Council will not incur maintenance costs throughout the term. It is proposed to sub-let the depots to Glendale without charging rental, as this type of approach is already reflected in the contract price, the costs of which would have been through the contract anyway, if Glendale were required to supply the depots. There will also be break clauses every seven years to correspond with the re-tendering of the ground maintenance contract in seven years time.
5. SCC will bring up the sites to a reasonable state of repair and ensure that all health and safety issues are satisfied.
6. The Council and its contractor will be permitted to undertake improvement works to the site during the course of the lease with consent from SCC. These works will ensure the efficient operation of the grounds maintenance contract and will result in rental holidays for the Council.
7. It has been proposed to SCC to alter the main access to the Bourne Mill Depot site, as this will improve the safety of the public in the neighbouring Community Recycling Centre (CRC) site and create a separate access route for our contractor to use. It is intended to undertake this work as soon as possible, once agreement is reached with SCC and its other lessee SITA, who occupy the neighbouring CRC site.

8. The new grounds maintenance contract is due to start November 1 2012. Waverley's contractor Glendale will need to mobilise for the new contract during October, and therefore requires the securing of these two depots for October 2012.
9. While detailed heads of terms have not yet been agreed with SCC, the main issues of rental level and repair have been agreed. In order to ensure that the lease can be completed in time for Glendale to start the contract with the depots in place, authorisation is being sought now rather than after all terms are agreed.

### **Conclusion**

If Waverley enters into these leases with SCC, it will make significant savings on the cost of the ground maintenance contract with regard to the depots at little risk to itself and minimal investment. Waverley would then be able to sublet the depots to Glendale so that they are able to undertake the grounds maintenance contract.

### **Recommendation**

It is recommended that:

1. Waverley takes leases of the depots at Guildford Road, Farnham and Nanhurst, Cranleigh, from Surrey County Council on terms and conditions as set out in the (Exempt) Annex.
2. Waverley sublets the above depots to Glendale on terms and conditions in the (Exempt) Annex.
3. A maximum of £20,000 towards access improvements and overall site improvement works to the depot sites, be funded by the Council through the urgent unallocated schemes from the capital programme.
4. Other terms and conditions to be negotiated by the Head of Leisure and the Estates and Valuation Manager subject to the authorisation of the Deputy Chief Executive after consultation with the Portfolio Holders.

---

### **Background Papers**

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

---

### **CONTACT OFFICER:**

**Name:** Matthew Lank

**Telephone:** 01483 523190

**E-mail:** matt.lank@waverley.gov.uk

**Name:** Ailsa Woodruff

**Telephone:** 01483 523459

**E-mail:** ailsa.woodruff@waverley.gov.uk