

Agenda Item No:

NORTH LONDON WASTE AUTHORITY

REPORT TITLE:

ARSENAL RELOCATION - UPDATE

REPORT OF:

HEAD OF WASTE STRATEGY AND CONTRACTS

FOR SUBMISSION TO:

AUTHORITY MEETING

DATE:

15th December 2004

SUMMARY OF REPORT:

This report advises Members of progress with the relocation of the Authority's waste transfer station to Hornsey Street, Islington from Ashburton Grove, Islington.

RECOMMENDATION

The Authority is recommended to note this report

**Signed by: Head of Waste Strategy
& Contracts**

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Date:.....

1. INTRODUCTION

- 1.1 At its meeting in April 2003 the Authority agreed to the relocation of its Ashburton Grove waste transfer station to a new waste transfer station and recycling bulking facility at Hornsey Street, Islington at a rail-side location to facilitate possible future rail transfer of the wastes. The relocation was provided by Arsenal Football Club, who requires the Authority's existing site as part of the land required for their new 60,000-seat stadium. The new waste facility is part of a larger building designed to accommodate both the Authority's activities and those of LB Islington's vehicle depot and waste contractor ICSL Accord.
- 1.2 A Relocation Agreement required Ashburton Properties Ltd (APL – a company belonging to Arsenal FC) to pay for the design, construction and proving of the new waste facility, which has now been exchanged for the Authority's land (APL has a parallel agreement with LB Islington for their land). The Authority and LB Islington each have a long-term leasehold interest in the new site that is effectively a freehold interest. The Authority and LB Islington have let relevant parts of the new facility to their contractors and pay their contractors to operate specified services.
- 1.3 This over-arching Relocation Agreement that governed the whole transaction was signed on 8th October 2003. The Authority simultaneously agreed a secondary Relocation Agreement with LondonWaste Ltd (LWL), including a contract variation and sub-lease for operating the new facility. The main relocation agreement was conditional on APL achieving financial close with its bankers. This was achieved on 21st February 2004. Arsenal re-commenced work on the Hornsey Street Waste and Recycling Centre (WRC) in January 2004 with "Practical Completion" occurring on 20th July 2004.
- 1.4 Practical Completion was the point at which the Independent Engineer, acting as contract administrator for the building contract, certified that in his opinion the works were completed to the extent that the Authority and LB Islington could take possession (with only minor defects left to remedy) and the Authority exchanged its freehold interest in Ashburton Grove for its 999-year leasehold interests in the Hornsey Street WRC. The Authority also used it as the trigger for the exchange of consequent agreements with LondonWaste Ltd, our tenant and contractor at Ashburton Grove and Hornsey Street.

2. RECENT PROGRESS

- 2.1 Whilst the facility was constructed and handed over to the London Borough of Islington and the Authority on 20th July 2004 and is now fully operational, it is important that Members are aware that there remain a large number of outstanding snags or defects that have still to be resolved satisfactorily. In fact there are currently over a hundred items outstanding. The fact that so many existed at the time of Practical Completion was not perceived as a major problem for the Authority or its contractor, given the complexity of the overall project, the fact that LondonWaste Ltd had in practice been able to operate the facility satisfactorily for the four-week proving period, the minor nature of most of the snags and Sir Robert McAlpine's (SRM - Arsenal's building contractor) assurances that all would be corrected within six weeks.
- 2.2 As further time has passed however, each tenant and occupant has highlighted the five of most significance to them, in order that SRM, and their sub-contractors can prioritise their efforts.
- 2.3 The five major design issues for the Authority are
- i) Design of the waste compactors, and their ability to process the waste without frequent blockages;
 - ii) Dust suppression and extraction systems on the tipping hall floor that appear inadequate and appear consequently to trigger the fire alarms incorrectly;
 - iii) Harness points by the waste compactor access doors for attaching operatives' safety belts;
 - iv) Design of the barriers by the compactor chutes to ensure operatives' safety; and
 - v) Settings of the compactor hydraulic pressures to achieve consistent weights, and thereby minimise the bulk waste transportation costs.
- 2.4 The many other smaller snags and defects are matters such as white line painting, kerb painting, missing drain seals, inadequate door finishes, incorrect and therefore poorly-fitting taps, etc.
- 2.5 As noted above, it is disappointing that so many issues remain unresolved, given that at Practical Completion, SRM assured all interested parties that these would be put right within six weeks.
- 2.6 Officers are still progressing these matters with assistance from LondonWaste Ltd and the Authority's Technical Consultant, and are escalating matters with AYH and SRM. Authority officers are liaising too with LB Islington officers who have a similar level of concern about the finishing of the facility. Additional operational measures are being employed by LondonWaste Ltd to temporarily overcome the matters listed above so as to ensure a safe working environment.

3. RECOMMENDATION

3.1 The Authority is recommended to note this report.

4. COMMENTS OF THE FINANCE OFFICER

4.1 It is not expected that the operational changes that LondonWaste have had to make to accommodate SRM's delays in remedying the snags will raise the additional expenditure that LondonWaste will seek to claim from the Authority beyond that already budgeted for. These matters remain under review.

5. COMMENTS OF THE LEGAL ADVISER

5.1 The issue of the Certificate of Practical Completion effectively terminates the building contract and commences the running of the defects period. Should the Main Contractor not remedy the defects or delay matters then advice will be required from the Legal Adviser as to what steps can be taken.

Local Governments Act 1972 – Access to information

Reports to the Authority:-

Arsenal Relocation Update Report, 5/2/03, 23/4/03, 17/12/03, 28/4/04, 07/07/04

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Report Ends