

Cabinet



SOUTH
KESTEVEN
DISTRICT
COUNCIL



Monday, 11 September 2023 at 2.00 pm
Council Chamber - South Kesteven House, St. Peter's
Hill, Grantham. NG31 6PZ

Cabinet Members: Councillor Richard Cleaver, The Leader of the Council (Chairman)
Councillor Ashley Baxter, Deputy Leader of the Council and Cabinet Member for Finance and Economic Development (Vice-Chairman)

Councillor Rhys Baker, Cabinet Member for Environment and Waste (jobshare)
Councillor Phil Dilks, Cabinet Member for Housing and Planning
Councillor Patsy Ellis, Cabinet Member for Environment and Waste (jobshare)
Councillor Philip Knowles, Cabinet Member for Corporate Governance and Licensing
Councillor Rhea Rayside, Cabinet Member for People and Communities
Councillor Paul Stokes, Cabinet Member for Leisure and Culture

Supplement to the Agenda

4. **Proposed Replacement Depot Turnpike Close Grantham** (Pages 3 - 49)
Cabinet is asked to consider the proposals and agree next steps to enable the development of a new depot at Turnpike Close in Grantham.

This page is intentionally left blank



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**



Cabinet

11 September 2023

Report of Councillor Richard Cleaver,
Leader of the Council and Councillor
Ashley Baxter, Deputy Leader of the
Council

Proposed Replacement Depot Turnpike Close Grantham

Report Author

Debbie Roberts, Head of Corporate Projects, Policy and Performance

 Debbie.roberts@southkesteven.gov.uk

Purpose of Report

Cabinet is asked to consider the proposals and agree next steps to enable the development of a new depot at Turnpike Close in Grantham.

Recommendations

Cabinet is asked:

1. To recommend to Council that an allocation of £8m be included in the General Fund Capital Programme to provide funding to construct a new depot at Turnpike Close, Grantham.
2. To delegate authority to the Council's s151 Officer, in consultation with the Leader and Deputy Leader of the Council, to allocate further funding if required due to unforeseen costs during the project.
3. To request that the Finance and Economic Overview and Scrutiny Committee adds the replacement depot to its work programme and establishes a working group to receive regular updates and monitor the project.

Decision Information	
Is this a Key Decision?	Yes
Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Clean and sustainable environment
Which wards are impacted?	All wards

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 This proposal is a significant capital outlay for the Council and demonstrates the Council's commitment to provide a new modern fit for purpose depot that will serve the District in the medium to long term. The combined cost for the capital is approximately £10m and the Council will be required to provide a minimum revenue provision (MRP) over a 50-year period which is the expected life of the asset. The MRP is calculated at £200k per annum (the actual calculation will be based on the final spend level) for 50 years and is a new budgeted cost the Council will incur once the asset becomes operational. Therefore, the Council's Medium Term Financial Plan will be required to incorporate this new cost and therefore this will be a necessity to identify the financial headroom in the budget setting proposals.
- 1.2 The suggested financial strategy will be to undertake internal borrowing as a short-term solution as this will enable the Council to avoid undertaking external borrowing and therefore not incurring Public Works Loan Board (PWLb) interest costs. Whilst this will not avoid incurring the annual MRP cost it will enable the Council to minimise the annual financial impact of the new depot scheme. Based on current interest rates of 5.34%, this would be a further £550k per annum for 50 years in addition to the annual MRP cost. It is expected there will be only a marginal change to the operational costs of the new depot when compared to the current location as the larger size of the depot will be offset by the energy efficiency initiatives that will be incorporated into the new depot design.

- 1.3 The financial strategy also underway is to generate capital receipts from the disposal of surplus assets and utilise those receipts to offset the amount of borrowing (internal and external) that will be necessary. The amount of receipts that will be available at the time of borrowing is not possible to anticipate at this time but will be kept under review.
- 1.4 The proposed budget is based on accurate projected costs provided by external cost consultants. In the unlikely event that the projected costs exceed the proposed budget allocation, then the Council can utilise the reserves to respond to any cost volatility.

Completed by: Richard Wyles, Chief Finance Officer

Legal and Governance

- 1.5 This report seeks a recommendation to Full Council for approval of an allocation of £8m in the General Fund Capital Programme. This decision has to be taken by Full Council.
- 1.6 There will be significant legal and governance implications in respect of planning and procurement, as set out in the body of the report, which will require due consideration at the appropriate time of the proposed scheme.

Completed by: Graham Watts, Assistant Director of Governance and Monitoring Officer

Risk and Mitigation

- 1.7 The site is currently demolished and is the responsibility of the Council and insured for public liability. If the Council appoints a contractor to commence the construction, it is the contractor's responsibility for the duration of the build to insure and secure the site until completion.
- 1.8 There will be provision of a generator at the new depot which will provide the new location with back-up power in the event of a power outage (the Council has no provision of this currently). Therefore, the new depot will contain provision to be the business continuity site should the Council require it.

Health and Safety

- 1.9 The Health and Safety Plan will be part of the documentation provided at the construction stage of the contract to build the new depot and will be the contractors responsibility.

Completed by: Phil Swinton, Emergency Planning and Health & Safety Lead

Climate Change

- 1.10 It is essential that every opportunity is taken to ensure that the new Depot site operates efficiently and contributes towards the Council's agreed carbon reduction targets of at least 30% by 2030.
- 1.11 It is expected that the new site as outlined in this report will maximise renewable energy generation on site, with the buildings being heated using low-carbon energy.
- 1.12 Provision of electric vehicle charge points will also be made available on the new site for several of the Council's pool car vehicles available for staff. The site offers significant potential for future provision of additional electric vehicle charging facilities, enabling the transition towards an electric fleet.

Completed by: Serena Brown, Sustainability and Climate Change Officer

2. Background to the Report

2.1 The Existing Depot

South Kesteven District Council's current depot at Alexandra Road, Grantham was built in the 1970's and is now at the end of its operational life. It is no longer fit for purpose, does not allow for service expansion and no longer supports the Council's current and future operational needs.

- 2.2 The existing depot is facing increasing maintenance costs and significant levels of investment if it is to remain an operational facility that is able to respond to the projected growth in the District as identified in the Local Plan 2011-2036.



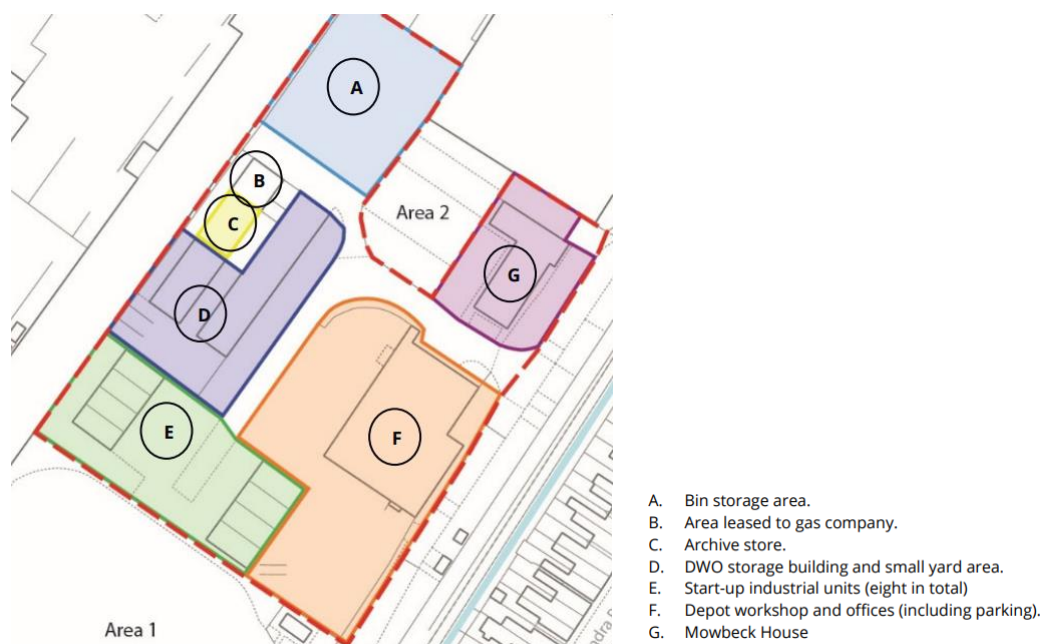
View of the workshop building and office from Mowbeck Way.



View of Mowbeck House and staff parking.

- 2.3 There are a number of operational concerns with the existing site which impacts on the services that are currently delivered from the location including site access (proximity to a residential area), health and safety concerns with respect to the movement of vehicles, poor welfare standards and limited growth opportunities of the site due to boundary constraints.
- 2.4 The site is not large enough to accommodate any additional operational vehicles, and currently does not have enough workforce parking. There are over 280 staff that work from Alexandra Road, there are also 8 industrial units that are occupied by SMEs, our CCTV unit within Mowbeck House and the Lincolnshire County Council's Household Waste Recycling Centre (which will continue to operate at the site) meaning that there is significant traffic movement on a constrained site.

- 2.5 An increase in vehicle numbers over a certain number requires an application to be made to the Traffic Commissioners for an increase in the number allowed to be operated from the site which is specified in our Operator's Licence (O-Licence). Due to the location of the site, there is the potential that such applications could attract objections, and that an application for increased vehicle numbers may be refused.
- 2.6 An outline plan showing Alexandra Rd, Grantham usage (the land identified as Area 2 is not in SKDC's ownership) is shown below:



2.7 Turnpike Close Site

Alternative suitable depot locations have proven problematic to identify in the Grantham area but in 2020 an opportunity to acquire the land at Turnpike Close (Appendix 1 – Site Plan) and to progress the relocation of the depot site in Grantham was approved with the budget agreed to purchase the site on the 26th November 2020 Council and subsequent reports on the 1st December 2020 to Cabinet and 16th March 2021 Cabinet. The Council officially acquired the site in April 2021 for £2m.

The acquisition of land in South Kesteven report can be found here:

<https://moderngov.southkesteven.gov.uk/documents/s28444/Strategic%20Land%20Acquisition%20in%20South%20Kesteven.pdf>

- 2.8 As part of the report to acquire the site a Business Case was completed by Avison Young in 2021 (Appendix 2 – Business Case). In summary the key components supporting the development of the site are:

- It has good accessibility and no conflict with neighbouring uses meaning the risk of restrictions or the revoking of the licence is mitigated.

- There are no planning risks, and the principle of a depot should be supported by the Local Planning Authority.
 - The site is fully serviced and benefits from all the main utilities.
 - There are no major technical constraints or risks that would prevent the Council from developing a new depot.
 - The site is large enough for the Council's new depot.
 - The site offers flexibility for future expansion.
 - It will bring back into productive use a site that has been vacant for a significant period.
- 2.9 The primary element of the business case for the relocation of the depot is based on a single location in Grantham with close proximity to the main trunk roads on the edge of town (A1, A52, A607). This was due to a number of key considerations:
- Close proximity to the waste transfer station at Gonerby Moor, Grantham.
 - The avoidance of duplicate depots sites that would require management, fuel, workshop and other supporting infrastructure.
 - The acquisition of a site in the south of the District.
 - The mobilisation of the workforce to 2 locations.
- 2.10 The priority for a replacement depot was identified in the Corporate Plan 2020-2023 with a key action for its delivery under the corporate priority of 'Building a fit for purpose depot'.
- 2.11 When Cabinet approved the Turnpike Close acquisition at a meeting on 16th March 2021 the following delegation was approved:
- 'Upon the completion of the acquisition to delegate authority to the Chief Executive in consultation with the Cabinet Member for Commercial and Operations to reprioritise and draw down the required funds from the remaining balance of the Council approved funding and authorise expenditure in order to continue to progress the project and to meet the costs of site planning, maintenance and other preparatory works'.*
- 2.12 In July 2021 an Officer Delegated Decision report enacted decision 3 as set out above to proceed with the site planning after a procurement process to appoint Gleeds Advisory Limited as the Lead Consultant and progress the project into the design stage.
- 2.13 Gleeds Advisory Limited have been acting as Lead Consultant and a full design team appointed to work on detailed drawings for the replacement depot, the associated budget and seek approval now to proceed prior to submitting a planning application to the Local Planning Authority.
- 2.14 The design team are currently at RIBA (Royal Institute of British Architects) Stage 3 – Spatial coordination, this stage involves the production of spatially coordinated

designs to support a Planning Application. This design has taken a longer than anticipated period to conclude as there was a pause whilst linked work regarding fleet procurement was undertaken. The Council has an agreed way forward on how it will maintain its vehicles which could have impacted on the design of the replacement depot as it includes workshop bays for fulfilling this function.

- 2.15 The scope of the design has also changed significantly during the development of the drawings as the new depot now includes waste, street scene (including grounds maintenance), the direct works organisation (repairs) and a workshop for in-house fleet repairs and servicing.
- 2.16 Since acquisition, enabling works to have been undertaken at the site in order to prepare it for the commencement of the depot construction. These works have now been completed at a cost of £251,000. The works that were required were the removal of slab, foundations, and hard standings within the boundary of the site plan in Appendix 1 and the crushing of demolition arisings to be stockpiled and retained on site for future development.
- 2.17 The design team has had pre-application discussions with the Local Planning Authority and a design pad meeting took place on the 19th July 2023 with a final design pad diarised on the 7th September 2023. All questions raised as part of the pre-application processed have been addressed as part of the application. The timeline for submitting the full planning application would be after a decision is made regarding the budget for the construction (early October 2023). An indicative drawing of the site layout is in Appendix 3 to this report.
- 2.18 It is worth noting that the original business case identified that the Turnpike Close site was large enough for the Council to give consideration to either selling or developing an area that was surplus after the design elements had been completed. During the design phase the scope of the works has increased and therefore the design now includes a space identified as 'potential development' and 'future parking', but it is not recommended to proceed with selling or committing these areas for other uses until the implications of the changes to the Environment Act are fully understood. As an example of the possible future expansion requirements, should the Council be required to undertake food waste separately under changes in the Act this would require additional vehicles utilising the future parking spaces.

2.19 **Outline Programme and Key Milestones**

A draft programme with milestones is below.

Budget approval timetable

- Cabinet 11th September 2023 (recommendation to Council)
- Council 28th September 2023 (Council approval for budget)

Planning

- Submission of Planning Application early October 2023
- Planning Application determination (13 weeks major application) Feb 2024

Procurement

- Prepare documents for Expressions of Interest via a framework October 2023
- Evaluate Expressions of Interest November 2023
- Tender on design and build contract December 2023 – February 2024
- Approval of contractor March 2024
- Award Contractor April 2024

Construction Process

- Mobilisation on site May – June 2024
- Construction programme (estimated 36 weeks) June 2024 – March 2025
- Handover and operational from 1st April 2025

Costs and Procurement

- 2.20 As part of RIBA Stage 3, a cost consultant has been working with the design team to provide an initial estimate of what the scheme may cost when the full project is procured. It is worth noting that until the scheme is fully tendered these costs are indicative hence the approval for a budget ceiling of £8m. The cost estimate of £7.9m includes all the fees to complete the site based on a 36-week built out timeline on a design and build contract.
- 2.21 A copy of the cost estimate is appendix 4 to the report. There was discussion at the Joint Overview and Scrutiny meeting regarding the inflation figure included in cost estimate. The inflation included is based on BCIS All In Tender Price Indices. At the time of drafting in July, this was calculating as 4.2%. Whilst construction inflation was incredibly volatile throughout 2022 and early 2023, we have seen a marked reduction in volatility in recent months which has reflected in BCIS' current forecasts.
- 2.22 With regards to ensuring best value for delivering the scheme the Council is intending to hold a mini-tender (Expression of Interest) on the Pagabo framework rather than directly appointing one of the contractors on it. The preferred framework has been identified in order to ensure there are a number of competitive bids from reputational and financial robust companies that are able to meet the requirements of the construction specification.

Alexandra Road Options

- 2.23 The existing site at Alexandra Road will need to remain operational until the new depot is built and handed over (no earlier than April 2025).
- 2.24 The original business case gave some high-level suggestions with respect to alternative uses for the site once the site has been cleared.
- 2.25 Given that the high-level options appraisal was completed in 2021 it is recommended that a full options appraisal is undertaken on exploring the full

range of alternative uses for the site and a presentation of the options is provided at a future meeting.

3. Key Considerations

- 3.1 The Council does need to find an alternative provision for delivering its statutory function of this service. The site at Alexandra Road is geographically constrained and therefore cannot accommodate any further service growth to meet future operational needs as identified in the Local Plan.
- 3.2 The site is extremely constrained with poor facilities such as a workshop with multiple entrances and restricted parking.
- 3.3 The welfare facilities do not meet modern standards for our workforce. With a new facility it will provide drying areas, new locker provisions as well as canteen and training facilities. The training room could be used by officers and Members providing a multipurpose space.
- 3.4 The Council does not have a back-up generator in the event of power failures (it was previously in the St Peters Hill offices). Should this occur, the new depot would be the hub for officers to work from should an emergency be declared. An alternative location would need to be agreed (and budget agreed for a generator) should the construction of the new depot not proceed.
- 3.5 Ability to maximise sustainable systems so that the operational cost of the facility is much less showing the Council is being progressive in its approach and as such, working towards its carbon reduction target of 30% by 2030 and zero carbon by 2050.

4. Other Options Considered

- 4.1 Option 1 - To do nothing, not approve the budget for the construction of a new depot and remain at Alexandra Road. This has been discounted due to the growth of the District as identified in the Local Plan and subsequent inability in the existing site to meet the demands on the growth.
- 4.2 Option 2 – See if Alexandra Road that is in the ownership of SKDC can be re-modelled to reconfigure the site.
- 4.3 Option 3 – Sell Turnpike Close site and look for another site to purchase.

5. Reasons for the Recommendations

- 5.1 The need for a replacement depot has been included above and, in the options considered. The site was chosen and purchased as the ideal situation for a replacement depot. The costs for the scheme are volatile but the need of building the site is priority due to potential changes in the Environment Act.

6. Consultation

- 6.1 A joint overview and scrutiny meeting took place on the 25th July 2023 to consider this item. The minutes of the meeting are available here:-

[Printed minutes 25th-Jul-2023 12.00 Joint Meeting of the Finance Economic Environment Overview.pdf](#)

<http://gra-app-003/documents/g4537/Printed%20minutes%2025th-Jul-2023%2012.00%20Joint%20Meeting%20of%20the%20Finance%20Economic%20Environment%20Overview.pdf?T=1>

- 6.2 The Committee discussed the scheme with great emphasis on the budget and the level of contingency that is included in the draft cost estimate.
- 6.3 The Committee requested that Officers review the contingency calculation, considering an increase from 4.8% to 15% and the potential impact of that increase on corresponding calculations. It can be confirmed that following the meeting, officers have re-engaged with the external cost consultants and assurance has been provided that the level of contingency is deemed to be sufficient. However, to alleviate any further concerns regarding any further spending pressures a delegation has been recommended to be able to respond to any unforeseen costs that could arise.
- 6.4 Members supported the replacement depot and were clear that there is a need for new, fit for purpose facilities to meet the needs of our growing population.
- 6.5 The Leader and the Deputy Leader have discussed recommendation 3 in the report regarding the formation of a working group, the Chairman of the OSC Committee has supported this approach.
- 6.6 There has been initial consultation regarding the pre- planning application via a design pad meeting in July with a second planned for September to incorporate any questions or points raised.
- 6.7 There will be formal consultation as part of the planning process.

7. Background Papers

- 7.1 26 November 2020 Council report
[South Kesteven District Council - Choose agenda document pack - Council 26 November 2020](#)
<https://moderngov.southkesteven.gov.uk/mgChooseDocPack.aspx?ID=4041>
- 7.2 1 December 2020 Cabinet report
[South Kesteven District Council - Agenda for Cabinet on Tuesday, 1st December, 2020, 2.00 pm](#)

<https://moderngov.southkesteven.gov.uk/ieListDocuments.aspx?CId=164&MId=3983>

7.3 16 March 2021 Cabinet report

[South Kesteven District Council - Agenda for Cabinet on Tuesday, 16th March, 2021, 2.00 pm](#)

<https://moderngov.southkesteven.gov.uk/ieListDocuments.aspx?CId=164&MId=3987>

7.4 Cawardens budget and contract award

[South Kesteven District Council - Agenda for Cabinet on Tuesday, 12th July 2022, 2.00 pm](#)

<https://moderngov.southkesteven.gov.uk/ieListDocuments.aspx?CId=164&MId=4270&Ver=4>

8. **Appendices**

8.1 Appendix 1 – Site plan

Appendix 2 – Business case

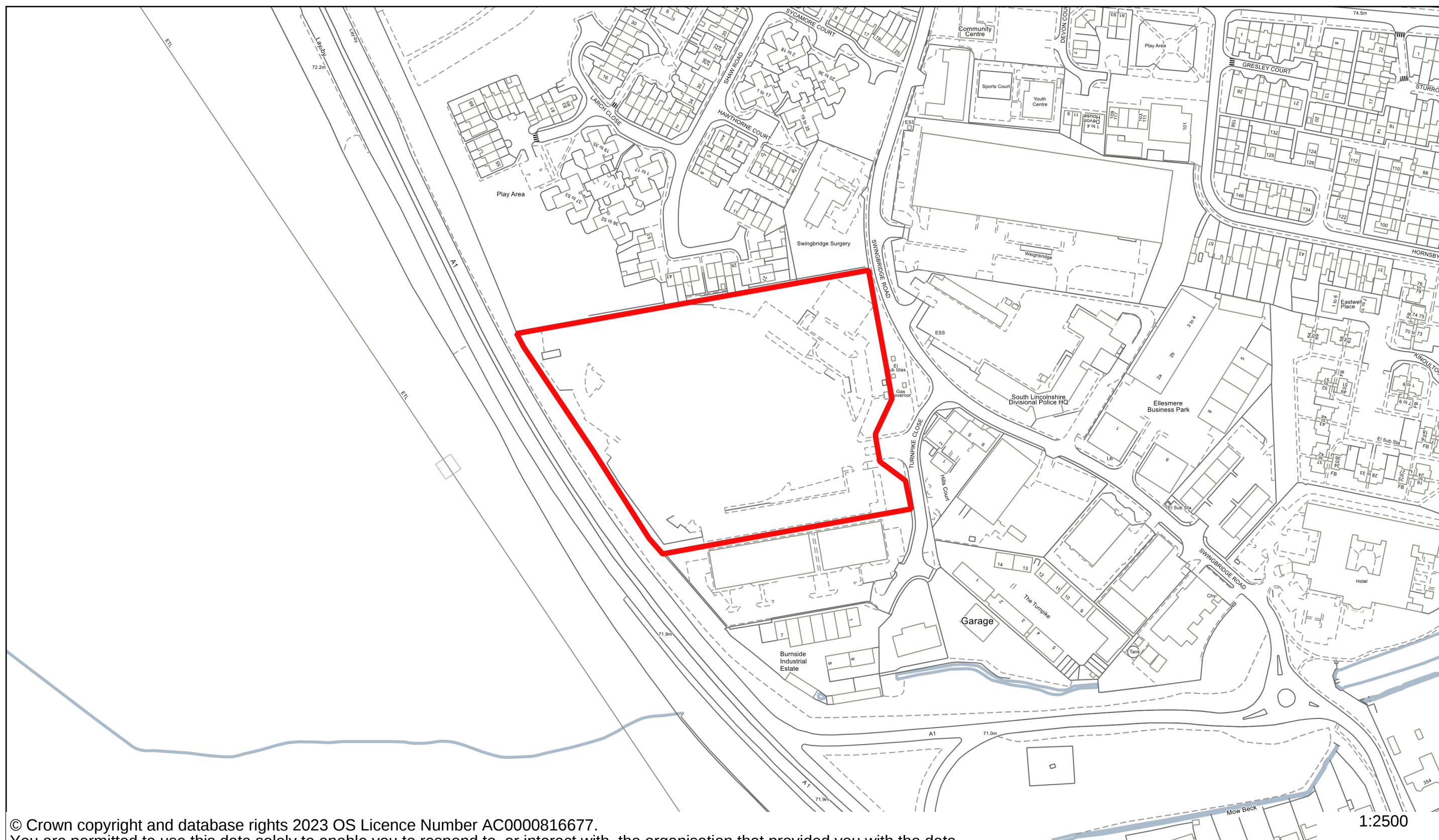
Appendix 3 – Proposed site plan

Appendix 4 – Cost plan

This page is intentionally left blank



Turnpike Close, Grantham



This page is intentionally left blank

Grantham Depot Relocation

Outline Feasibility / Business Case

March 2021

Confidential

Contents

1.	Background and Context	3
2.	Turnpike Close Site	6
3.	Space Requirements for the New Depot	8
4.	Financial Considerations	9
5.	Risk Assessment	11
6.	Scheme and Economic Development Benefits.....	14
7.	Critical Path / Next Steps	15
8.	Conclusions and Recommendations	16

18

Appendices

Appendix I	Site Plan
Appendix II	Detailed Space Requirements
Appendix III	Economic Development Assessment
Appendix IV	Illustrative Concept Plan

Prepared By: Dale Robinson

Date: March 2021

For and on behalf of Avison Young (UK) Limited in association with Alan Baxter Associates

1. Background and Context

1.1 The Council's existing depot site on Alexandra Road extends to an area of approximately 1.08ha (2.66 acres). The site is currently accessed from Mowbeck Way via Alexandra Road and has been used as a depot and industrial site for more than 40 years. The site comprises:

- Depot workshop, yard area and ancillary offices.
- Repairs / DWO storage building and small yard area.
- Bin storage area.
- Eight start-up industrial units.
- Workforce parking (although limited).
- Mow Beck House (which includes CCTV).

1.2 A plan showing the configuration of the existing site is presented in Figure 1.

1.3 There are also two separate landowners who access the site via the Council's access road:

- Lincolnshire County Council (LCC) who operate their Household Waste Recycling Centre (Area 1).
- Mr John James Ferguson who owns a cleared site to the North West of Mowbeck House (Area 2).

1.4 In addition the tenants from the eight industrial units also access their premises via the Council's access road.

1.5 The Council's ownership extends beyond the depot site and incorporates an area of informal open space to the south west of LCC's Household Waste Recycling Centre.

1.6 The extent of the Council's full land ownership is presented in Figure 2. All the Council's land at Alexandra Road, as well as Areas 1 and 2, are within a locally important employment site (EMP G16) which will be protected to ensure continued provision of locally important employment opportunities.



View of the workshop building and office from Mowbeck Way.



View of the workshop building from inside the depot.



View of Mowbeck House and staff parking.



View of start-up industrial units (north).



View of workshop building and start-up industrial units (south).



View looking towards the DWO building (left).

Figure 1 – Alexandra Road configuration



- A. Bin storage area.
- B. Area leased to gas company.
- C. Archive store.
- D. DWO storage building and small yard area.
- E. Start-up industrial units (eight in total)
- F. Depot workshop and offices (including parking).
- G. Mowbeck House

Figure 2 – Full extent of Council's ownership



- Area 1. Land owned by Lincolnshire County Council (Household Waste Recycling Centre).
- Area 2. Land owned by Mr John James Ferguson.

Main Issues and Constraints with the Alexandra Road Depot

- 1.7 The current depot at Alexandra Road has been operational for more than forty years and as Grantham and other settlements have continued to grow the depot has now reached a point where it is at capacity, which presents multiple operational challenges. The main issues include:
- Challenges with the layout, particularly around the waste waggons accessing the site, parking and these waggons being appropriately serviced and maintained in a safe way.
 - Given the lack of physical space at the depot the movement of vehicles presents a greater risk than it should, both in terms of damage due to collisions with other vehicles and the risk to operatives on site.
 - Existing security and health and safety concerns mainly linked to the site being shared by multiple users.
 - Not meeting current welfare standards for the workforce.
 - Ageing depot which will face increasing repairs and maintenance costs.
 - The buildings are not energy efficient.
- 1.8 Looking forward, services will need to expand to keep pace with the housing growth set out within the adopted South Kesteven Local Plan, of which Grantham is the focus. In responding to this growth, refuse collection services will need to grow with as many as 45 HGV's¹ and additional depot space needed to deliver these operational services in an efficient, safe and effective manner.
- 1.9 There is no scope to expand the Alexandra Road depot due to its location and in particular the residential nature of the surrounding area, which presents significant operational and legislative risks. The biggest area of concern is the increased HGV traffic through local residential streets and the impact this has on the local environment. This issue alone means there is a significant risk that a traffic commissioner may restrict the operating licence, thereby reducing the overall number of vehicles allowed to operate at the site or in a worst case scenario revoking the operating licence altogether.

¹ There are currently 38 HGVs operating from Alexandra Road

² Other sites considered included a) *Gonerby Moor, north of Grantham*. The site is owned by Lincolnshire County Council who decided to hold the land for their own future operational purposes. b) *Tego Metall (adjacent to Gonerby Moor site), north of Grantham*. There is a large 5,574sq.m (60,000sq.ft) shed on the site which pushed up the land value. The existing building was to a higher spec than required for the Council's requirements and would have been expensive to convert. There was an undeveloped part of the site that could have been purchased separately. The Council commissioned a

- 1.10 There are currently no alternative sites across the Council's estate, out of which it could operate should any restriction occur. Therefore, any restriction on the use of the existing site would directly impact on the delivery of refuse collection services, as Grantham and other settlements in the District continue to grow.
- 1.11 If the Council is to continue to deliver safe, efficient, and reliable refuse collection services to residents it is essential to identify a new and suitably located site on which to relocate the depot services.
- 1.12 It is for these reasons that the relocation of the existing depot is identified as a key priority in the Council's newly approved Corporate Plan.

The Opportunity

A site search of the area has found that the only site available, in terms of cost, geography, accessibility and size is the former Fenland Food site at Turnpike Close. It has been agreed between Officers that Turnpike Close is the best site and in view of there being no suitable alternative sites it is matter of urgency that the Council move now to acquire this site to ensure they are able to progress the relocation of the depot².

This will ensure the Council is able to future proof its refuse collection service, in a way that means they are spending public money as wisely as possible and delivering excellent value for money for the residents of South Kesteven for the foreseeable future.

valuation of the land which supported a market value of £250,000 per acre. Whilst the landowner is willing to sell off market no formal offer was ever put forward as the vendor had previously rejected a higher offer than the market value. c) *Barrowby*. The site is owned by Lincolnshire County Council who decided to hold the land for their own future operational purposes.

2. The Turnpike Close Site

The Turnpike Close site is an ideal location for the new depot because:

- a) It has good accessibility and no conflict with neighbouring uses meaning the risk of restrictions or the revoking of the licence is mitigated.
- b) There are no planning risks and the principle of a depot should be supported by the Local Planning Authority.
- c) The site is fully serviced and benefits from all the main utilities.
- d) There are no major technical constraints or risks that would prevent the Council from developing a new depot.
- e) The site is large enough for the Council's new depot.
- f) The site offers flexibility for future expansion and opportunities for additional economic development.
- g) Heads of Terms have been agreed including a price, which is below the asking price³
- h) It will bring back into productive use a site that has been vacant for more than seven years.

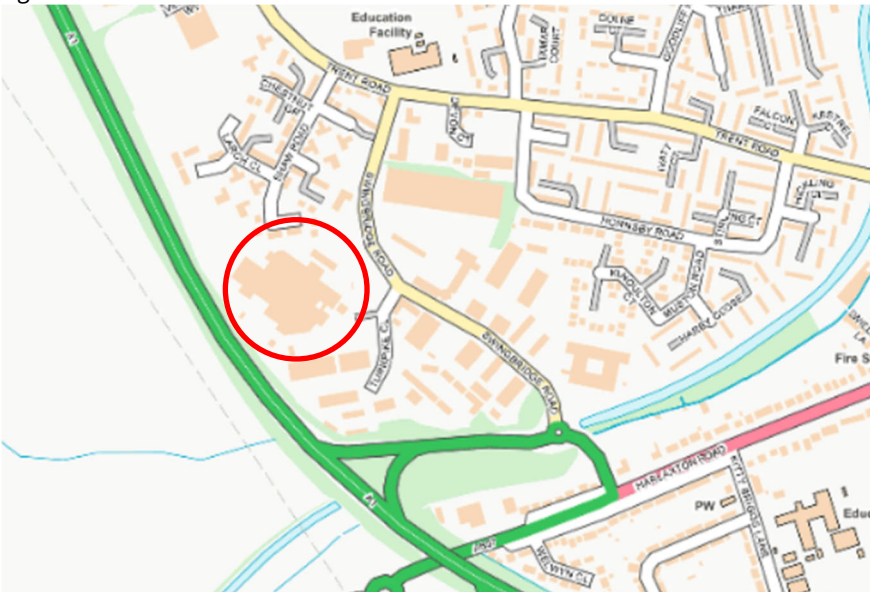
Consequently, there are no significant issues / risks associated with acquiring this site.

- 2.1 The site is the former Fenland Foods manufacturing facility, which has been closed for more than seven years. A plan showing the extent of the site is included at Appendix I.
- 2.2 Multiple warehouses, offices, and hardstanding remain on the site, but all buildings are currently in the process of being demolished.
- 2.3 The site is located to the west of Grantham in an established industrial/commercial location. Surrounding occupiers include Gardner Douglas Sports

Cars, 2 Recycling Limited, Amari Plastics, the Urban Leisure Hotel, Micronclean Clothes Shop and Barkston Refinishing.

- 2.4 The site is currently accessed from Turnpike Close and is adjacent to the A1M. Therefore, the site has very good road communications, with Swingbridge Road joining the A1, approximately 200 metres to the south of the property.

Figure 3 – Location Plan



- 2.5 The site extends to approximately 3.2 Ha (7.91 acres). As outlined in the next section the new depot will require an area of approximately 2.06ha (5.14 acres) meaning there is circa 1.14ha (2.77 acres) of residual land available for future expansion and other economic development opportunities.

Utilities

- 2.6 The site benefits from all the main utilities.

³ The asking price was £2,250,000 (two million two hundred and fifty thousand pounds) but a price of £2,000,000 (two million pounds only) has been agreed.

Electricity

- 2.7 The current electricity supply to the site is being terminated as part of the demolition works. However, Western Power has provided a budget cost for reconnecting the electricity supply. In the meantime, Western Power has agreed to provide a temporary low voltage supply /connection to the site. This will be a domestic scale connection rated at 60kVA but would be more than adequate for the Council's appointed contractor during the construction works. The costs of these works (circa £100,000) is reflected in the agreed purchase price which is £250,000 lower than the asking price.

Gas

- 2.8 The site has an existing 15,112 kwh gas supply at medium pressure, which is likely to be more than the Council would need. The demolition works will not interfere with the gas apparatus meaning connecting the supply to the new depot will be straight forward.

Water

- 2.9 The water supply is being retained throughout the demolition contract and the current owners of the site are not requesting a permanent disconnection. The supply will be protected throughout the demolition contract to prevent contamination of Anglian Water's network. Therefore, connecting the supply to the new depot will also be straight forward.

BT/Openreach

- 2.10 BT / Openreach will be removing their apparatus as part of the demolition works but providing a new supply to the depot will, again, be straightforward.

Planning

- 2.11 To ensure there are no planning risks associated with the redevelopment of the site Avison Young has undertaken a planning appraisal. The main conclusion is that there are no major planning risks and the principle of a depot should be supported by the Local Planning Authority.
- 2.12 The main area of risk relates to the impact of the proposals on the local and / or strategic highway network. The Council has set up an enquiry and consulted with the highway authority and is currently awaiting an in-principle opinion on the acceptability of the proposals. In view of the sites previous use as a food manufacturing facility, with its associated vehicle movements, the Council is

confident that the redevelopment of the site, for a new depot, will have less of an impact on the local /strategic highway network than the previous use and the proposals will, therefore, be acceptable.

Technical Reports

- 2.13 Technical reports that the vendor has available have been provided to the Council and no significant / major areas of concern have been identified that would prevent the Council from developing a new depot. The Council will commission its own Phase 2 intrusive ground investigation prior to completion of the acquisition.

Legal Due Diligence

- 2.14 The land is filed at the Land Registry under Title Number LL280697.
- 2.15 There are no onerous title restrictions albeit there are several restrictive covenants across the site in favour of the Council. The Council's covenants prevent specific uses or development without the Council's consent. However, these would fall away if the Council were to acquire the site.
- 2.16 There are no occupational leases affecting the property that would prevent the Council from obtaining vacant possession on completion of the purchase.
- 2.17 Part of the adopted highway is within the boundary of the site. The implications of this are being considered but it is not considered to be a major concern.
- 2.18 Western Power Distribution have an access easement across the north east corner of the site in relation to existing 11kv underground cable. The quote from Western Power Distribution to reconnect the electricity supply to the site includes the diversion of this cable.

3. Space Requirements for the New Depot

- 3.1 Whilst the scheme that eventually gets built is not yet fully defined an exercise has been undertaken, with Council Officers⁴, to define the space requirements for the new depot. These are summarised in Table 1 and set out in more detail at Appendix II.

Table 1 – Space requirements for the new depot

Main Building	
Office	269sq.m (2,900sq.ft), split between two floors. Ground floor 135sq.m (1,450sq.ft); first floor 135sq.m (1,450sq.ft).
Training	100sq.m (1,076sq.ft). First floor, assumed above storage.
Storage	100sq.m (1,076sq.ft)
Depot (workshop, MOT)	1,779sq.m (19,148sq ft).
DWO/Repairs	186sq.m (2,000s.ft). Separate access to the front and no access to secure yard at the rear.
Secure Yard Area	
Refuelling area	514.5sq.m (5,538sq.ft). Area includes underground fuel tank, Adblue tank and 2 fuel pumps
Wash down	269.5sq.m (2,900sq.ft).
Bin Store	1,812sq.m (19,500sq.ft)
Bag Storage	330sq.m (3,550sq.ft)
Parking	
Parking	Parking for depot and DWO/repairs, including: - Depot: Parking for 45 HGVs, 23 LGV's and 15 food waste vehicles. - DWO/Repairs: Parking for 2 HGVs and 5 LGV's (2 x lorry, 1 x pickup 2 x spare van)

- 3.2 The new depot will cover an area of approximately 2.06ha (5.14 acres) meaning there is circa 1.14ha (2.77 acres) of residual land available for future expansion and other economic development opportunities.
- 3.3 Research undertaken by Avison Young⁵ concludes that the focus of the economic development opportunities should be the provision of industrial start-up units and appropriately sized grow on space, which would address significant gaps in the property supply chain and capitalise on strong levels of latent demand. In turn this will create new job opportunities and help retain existing businesses in the District, thereby protecting existing jobs.
- 3.4 A concept plan illustrating how the depot and other economic development opportunities could be accommodated on the site at Turnpike Close is included at Appendix IV.
- 3.5 The final layout will be determined through detailed design and will consider flexibility for future expansion and opportunities to maximise economic development opportunities.
- 3.6 Through detailed design the Council will also focus on heating, lighting, energy, water, and waste requirements to ensure the depot is energy efficient, thereby having a direct and positive impact on the Council's carbon reduction target in response to its climate emergency declaration.

The Turnpike Close site is large enough to accommodate the Council's requirements for the new depot and provides the opportunity / flexibility for future expansion and additional economic development opportunities.

⁴Discussions have been held with Blake Hutchinson, Clova Townhill, Chris Pike and Debbie Roberts

⁵ Refer to Appendix III.

4. Financial Considerations

- 4.1 The total capital costs to deliver the depot relocation are in the region of £8,100,000. The costs are split £2,150,000 for acquisition (which is in line with the Cabinet and Full Council reports) and £5,950,000 construction costs, which is in line with the Council's expectations.
- 4.2 Annual revenue costs of £75,000 (thereabouts) are also anticipated, which is a projected saving of circa £15,000 per annum on current costs.
- 4.3 A summary of the project costs is set out in Table 2.

Table 2– Project Costs

Costs	Cost £	Notes
Turnpike Close Acquisition	£2,000,000	1
Purchaser's costs (including stamp duty, legal and agents' fees and valuation fees)	£121,000	2
Site Surveys/Ground Investigation	£29,000	3
Total Acquisition Costs	£2,150,000	
Construction Costs	£5,000,000	4
Electricity Supply and Diversion Costs	£100,000	5
Contingency	£750,000	6
Mobilisation Costs	£100,000	7
Total Construction Costs	£5,950,000	
Total Capital Costs	£8,100,000	
Annual Revenue Costs	£75,000	8

- 4.4 The Council will need to consider and review its strategy for financing the scheme, both acquisition and construction. Therefore, the costs in Table 2 do not include the necessary financing costs associated with this proposal. However, the Council will need to carefully consider the full financial implication as part of its wider Medium Term Financial Plan.

Notes

- 1) A Red Book Valuation, prepared by Avison Young, confirms that the agreed price is a true reflection of Market Value. VAT is not payable on the purchase. It is also envisaged that there will be a simultaneous exchange and completion meaning a deposit is unlikely.
- 2) Stamp Duty based on the current HMRC rates, agents' fees agreed at 0.85% of the purchase price (i.e. £17,000), legal fees budgeted at £10,000, Land Registry fees budgeted at £455 and valuation fees agreed as a fixed fee of £4,000. Total costs circa £121,000
- 3) The Council has received a quote from Lithos for a Stage 2 report.
- 4) Costs have been benchmarked against the new depot currently being delivered by West Lindsey District Council near Caenby Corner. The scheme has many similarities with the proposals for Turnpike Close comprising a new operational services depot to facilitate waste services in the region, including an operations office and staff welfare building, external yard for storage and maintenance of the vehicle fleet, storage facility, staff and visitor parking and site landscaping. The total site area of WLDC's new depot is 2.08hectare (5.14 acres). This is also almost identical to the proposed size of depot at Turnpike Close (i.e. 2.06ha/5.09 acres). In view of the similarities between the schemes this is an excellent scheme on which to benchmark the costs. WLDC has confirmed that the contract value has been agreed at £5m (Henry Boot has been appointed as the contractor) and works started on site in December 2020.
- 5) Western Power has provided a budget cost for providing a temporary connection, reconnecting the electricity supply and diverting the existing 11kv cable in the north east corner of the site. The total cost of the works is c£100,000, subject to any additional costs that may be required for network reinforcement.
- 6) A contingency has been added to the cost estimate to compensate for possible cost estimate inaccuracies caused by uncertainties in the project definition. Examples of uncertainties in the current project definition include a) Possible reinforcement works to the electricity supply, b) foundation solutions c) the extent to which sustainability factors will form part of the design requirements. At this stage (i.e. preliminary business planning stage) the allowance for contingencies will be higher than at the point of awarding the contract where a typical contingency might be 5%. Recognising that the Council is only at the early stages of project definition and the project uncertainties which still need to be resolved a higher contingency of 15% has been included. This equates to £750,000. As the project definition / scope is worked up in more detail and project uncertainties are resolved specific budgets can be identified for these items meaning the contingency allowance can be reduced.
- 7) It is anticipated that the depot team will be relocated over the course of a weekend, ideally managed and arranged by staff themselves. The fuel will also put into the new site a few weeks before handover. This will limit the period of

transition ideally to no more than one week meaning the Council will have limited exposure to incurring running costs on both sites. At this stage a provisional allowance of £100,000 has been included for mobilisation costs.

- 8) It is expected through modern design and the introduction of other sustainable measures, that the running / operational costs of the new depot will be lower than the cost of running the current depot site at Alexandra Road. It can also be assumed that any maintenance liabilities would be negated over say the first 5 years as the building would be under warranty from the D&B contract for the first year and thereafter the amount of maintenance required is likely to be limited due to the building being new. It is also anticipated that there will be utility savings due to the building being of modern energy efficient design. However, the cost of Business Rates is likely to increase due to the depot and its associated buildings being larger than those at Alexandra Road. Taking these matters into consideration it is provisionally estimated that the annual running costs will be circa £75,000 per annum equating to an annual saving of around £15,000 on the 2020/21 running costs for Alexandra Road.

Options for Offsetting / Recovering Project Costs

- 4.5 The depot is required infrastructure for statutory services and is not expected to achieve a profit or pay for itself. However, there are opportunities available to the Council to offset /recover some of the project costs.
- 4.6 Relocating the depot will release the existing site and other Council land at Alexandra Road for development. The sale of this land will generate a capital receipt, which could then be offset against the capital costs of this project. Subject to the land sale option Avison Young estimate that the capital receipts could range between £320,000 and circa £1,470,000⁶.
- 4.7 The HRA could have potential interest in the Alexandra Road site for town centre housing. Two layouts have been drawn up by the HRA one based on an apartment scheme and the other based on a mixed housing and apartment

scheme. Any progression of this would be subject to planning, ground investigation etc and the HRA will need to satisfy themselves on these matters before making a formal offer for the land.

Table 3 – Value extracted from Alexandra Road Land Sale

Options	Value (£) ⁷
Option 1: Residential (all of Council land)	£425,000
Option 2: Residential (all of Council land including synergistic value associated with third-party land)	£670,000
Option 3: Industrial (all of Council land)	£800,000
Option 4: Industrial (Council depot only)	£320,000
Option 5: Industrial (all of Council land on assumption of a Special Purchaser)	£1,470,000

- 4.8 Value to offset the capital costs of the project can also be extracted from the ancillary economic development opportunities at Turnpike Close. There several options available ranging from direct land sale, retaining any units to generate a direct income stream through to onward sale to a third party/JV etc but these are subject to further analysis and change.

Table 4 – Value extracted from economic development opportunities at Turnpike Close

Options	Value (£)
Option 1 – One off capital receipt from selling the land	£597,500 ⁸
Option 2 – One off return for direct delivery and investment sale	£990,000 ⁹
Option 3 – Direct delivery and retention of annual rental income	£238,500 ¹⁰
Option 4 – Lease wrapper and retention of annual ‘profit rent’.	£59,625 ¹¹

⁶ In considering the land sale options for Alexandra Road there are several existing occupiers / Council tenants within the industrial units on Mowbeck Way that will need to be relocated or have their leases terminated. Lawyers will need to be involved and compensation may need to be paid, the costs of which would need to be deducted from the capital receipt.

⁷ It should be recognised that the Council's land at Alexandra Road is within a locally important employment site (EMP G16) which will be protected to ensure continued provision of locally important employment opportunities. For this reason, the land values associated with disposal options for residential use have been adjusted to reflect the planning and market risks.

⁸ The illustrative plan included at Appendix IV shows the employment area is 2.39 acres which results in a land value of £597,500 at a market value of £250,000 per acre (confirmed within the Avison Young valuation).

⁹ Based on the rental value in Option 3 if the Council were to then sell the investment the capitalised rent generates a value of circa £3,400,000 which after deducting the estimated capital costs (£2,410,000) generates a net surplus of £990,000.

¹⁰ The Council could undertake direct delivery and rent the industrial units, which would generate a gross rental income of around £238,500 per annum (based on the scheme layout shown in the concept plan at Appendix IV).

¹¹ The Council could consider an option whereby they commit to a long lease (say 20 years) with a developer / investor who will then finance and deliver the scheme. The Council's passing rent would be less than market rent (typically 75%) enabling the Council to sublet at a higher rent meaning they retain the difference. Assuming a market rent of £238,500 per annum (as set out in Option 3) the Council could potentially earn £59,625 per annum. This is the difference between the market rent (£238,500) and the Council's rent at 75% of market rent (i.e. £178,875).

5. Risk Assessment

5.1 There are no significant /major risks associated with this project. The following table categorises the project risks, based on the following risk rating.

			Impact				
			1	2	3	4	5
			Negligible	Low	Medium	High	Severe
Likelihood	5	Almost certain	5	10	15	20	25
	4	Likely	4	8	12	16	20
	3	Possible	3	6	9	12	15
	2	Unlikely	2	4	6	8	10
	1	Very unlikely	1	2	3	4	5

	Risk	Impact	Likelihood	Score	Mitigation	Revised impact	Revised likelihood	Score
1	Electricity reinforcement works. The current electricity supply to the site is being terminated as part of the demolition works. Western Power has provided a budget cost for reconnecting the electricity supply. The total cost of the works is £96,233.44, subject to any additional costs that may be required for network reinforcement.	3	2	6	The Council has instructed Avison Young to make enquiry's with Weston Power and enter an in-principle contract, on behalf of the Council, with Western Power to secure /reserve the supply to the site. Once the power has been secured / reserved it is unlikely that any network reinforcement works will be needed. A contingency has been included to mitigate possible uncertainties in the project definition which includes the potential requirement for network reinforcements. In the likely event that reinforcement works are not necessary the contingency allowance can be reduced.	2	2	4
2	Ground Conditions / Contamination. •The Council will commission a Phase 2 Ground Investigation, and this may identify issues that have an impact on the delivery of the project.	3	3	9	Given the site has been previously developed there is not thought to be any issues that would restrict the redevelopment of the site. If the investigation identifies contamination linked to the sites previous use, then an appropriate remediation strategy will need to be put in place. The costs associated with cleaning up any previous contamination, if linked to the sites previous use, will be paid for by the vendor.	2	2	4

	Risk	Impact	Likelihood	Score	Mitigation	Revised impact	Revised likelihood	Score
3	Planning not being granted for the new depot meaning the Council would be unable to relocate the depot having already purchased the site.	3	2	6	To ensure there are no planning risks Avison Young has undertaken a planning appraisal. The main conclusions are there are no planning risks and the principle of a depot should be supported by the Local Planning Authority. The only area of planning risk relates to a technical issue, which is the impact of the proposals on the local and / or strategic highway network (see risk 4).	2	1	3
4	Access and Transport is the main area of planning risk (see risk 3). If there is deemed to be an unacceptable impact on highways safety or the cumulative impacts on the road network would be severe it is possible that any planning application would be refused.	3	2	6	The Council has set up an enquiry and consulted with the highway authority and is currently awaiting an in-principle opinion on the acceptability of the proposals. In view of the sites previous use as a food manufacturing facility and associated vehicle movements the Council is confident that the redevelopment of the site, for a new depot, will have less of an impact on the local /strategic highway network than the previous use and the proposals will therefore be acceptable.	2	2	4
5	Cost Overruns. It is possible that the construction costs may be higher than the provisional estimates meaning the overall project becomes unaffordable.	3	3	9	Costs are based on similar comparable scheme and a contingency has been included to compensate for possible cost estimate inaccuracies due to the early preliminary feasibility stage of the project and possible uncertainties in the project definition. As the project definition / scope is worked up in more detail and project uncertainties are resolved the contingency allowance can be reduced. At the point of contract award, the Council will seek to mitigate cost over runs by seeking a fixed price contract.	2	2	4

	Risk	Impact	Likelihood	Score	Mitigation	Revised impact	Revised likelihood	Score
6	Vendor pulls out of sale. If the vendor pulls out of the sale there are no alternative suitable sites meaning there could be restrictions placed on the use of the existing site, or revocation of the licence to operate. This would directly, and immediately, affect the delivery of refuse collection services.	4	2	8	Heads of Terms have been agreed and the Council are moving at pace to acquire the site including a simultaneous exchange and completion. There are also several restrictive covenants across the site in favour of the Council. The Council's covenants prevent specific uses or development without the Council's consent. In view of these covenants it would be surprising if the vendor were to pull out of the sale.	2	2	4
7	The Council decides not to proceed with the depot relocation following purchase of the Turnpike Close Site.	3	2	6	It is essential, if the Council is to continue to deliver safe, efficient, and reliable refuse collection services to relocate the depot services to Turnpike Close. It is highly unlikely, therefore, that the Council would decide not to proceed with the depot relocation. In the unlikely event the Council were unable to proceed with the relocation they would either sell the site or consider a range of other economic development opportunities.	2	2	4

6. Scheme and Economic Development Benefits

6.1 The project will deliver the following beneficial outputs and outcomes:

- The Council will have a site that is in the optimum location to meet the needs of its future service requirements. This will enable improvements to the depot operation and safety.
- The Turnpike Close site has good accessibility and no conflict with neighbouring uses meaning the risk of restrictions or the revoking of the licence is mitigated.
- A more efficient and pleasant environment for staff.
- The new depot will segregate operational areas from the office areas so that parking and lorry movements are streamlined, and office users have a dedicated car parking area.
- Not only will a new depot improve the workplace for the Council's staff/workforce it will also help the Council to deliver an outstanding service, in a way that means they are spending public money as wisely as possible, delivering excellent value for money for the residents of South Kesteven for the foreseeable future.
- The new depot will allow the Council to adapt to changing waste management needs and means they will be able to make any necessary changes to deliver sustainable waste management required by national and local waste strategies.
- Providing a modern energy efficient depot will have a positive impact on the Council's carbon reduction target, in response to its climate emergency declaration. The new depot's carbon footprint will rely on factoring in sustainability as a core part of the design process. This will need to focus on the building design, heating, lighting, energy, water, and waste requirements. The sustainability team will offer guidance throughout this part of the process when required.
- The new depot will mitigate all the health and safety concerns regarding movement of vehicles and risks to operatives on the Alexandra Road depot.
- Business continuity of current services is maintained during the construction works and relocation to the new depot.
- Reduction in annual running costs.

- The new depot has the potential to enhance the local economy because employment opportunities will arise for residents due to the natural turnover of staff and new job opportunities arising because of the growth in the service requirements.
- The Turnpike Close site also provides an opportunity for the Council to deliver wider economic development opportunities through industrial space particularly targeted at small start-up and expanding firms. This will provide an opportunity for the Council to create new job opportunities for residents. The industrial space will also help retain existing business in the District (who are currently being forced to locate outside of the District due to a lack of supply of suitable grow on space) and protect existing jobs.

7. Critical Path and Next Steps

7.1 The next steps / critical path are set out below.

Acquisition

7.2 The Council are working towards a simultaneous exchange and completion of contracts in April 2021.

Construction

7.3 The recommended contractor route is Design and Build. This is a term describing a procurement route in which the main contractor is appointed to design and construct the works as opposed to a traditional contract where the Council would appoint consultants to design the scheme and then a contractor to construct the project. The contractor will be responsible for the design, planning, organisation, control, and construction of the works to the Council's requirements.

7.4 If the Council wants a greater influence over the design a concept design and outline specification can be prepared on behalf of the Council. The contractor would then be appointed to complete the design and carry out the construction.

7.5 The Council will need to provide interested parties with their requirements and the contractors will then respond with their proposals including the tender price for the works.

7.6 Design and Build contracts can be awarded on a fixed price, lump sum basis, but price certainty is then dependent on not making any subsequent changes as these could prove to be expensive (as prices charged by the contractor for those changes will not be subject to competition).

7.7 The advantages of a Design and Build contract include:

- Single point of responsibility for design and construction.

- Earlier commencement on site as you can overlap the design and construction.
- Early price certainty.
- Benefit of contractor's experience harnessed during design.
- Minimised risk as no responsibility for design.

7.8 The disadvantage of the Design and Build contract include.

- The Council will have to commit to a concept design early.
- Variations from the original brief can be difficult to arrange and be expensive.
- Harder to compare tenders and determine if they offer value for money.

7.9 Due to the contract value the Council will need to appoint directly via one of the OJUE procurement routes or appoint a contractor from one of the many public sector frameworks for construction projects.

7.10 An indicative timeline for the design and construction of the depot is set out below.

1	Prepare detailed requirements /specification for new depot	Spring/Summer 2021
2	Consider procurement route	Spring /Summer 2021
3	Prepare draft D&B contract documents	Summer / Autumn 2021
4	Design and Build proposals including agreement on project timelines	Autumn 2021
5	Run selection process	TBA
6	Appoint D&B Contractor	TBA
7	Design and Build Period (18 months)	TBA
8	Hand depot over	TBA

	Contractor Procurement
	Design and Build Period
	Completion

8. Conclusions and Recommendations

8.1 The current depot at Alexandra Road has been operational for more than forty years. However, as Grantham and other settlements have continued to grow the depot has now reached a point where it is at capacity, which presents multiple operational challenges. The main issues include:

- Challenges with the layout, particularly around the waste waggons accessing the site, parking and these waggons being appropriately serviced and maintained in a safe way.
- Given the lack of physical space at the depot the movement of vehicles presents a greater risk than it should, both in terms of damage due to collisions with other vehicles and the risk to operatives on site.
- Existing security and health and safety concerns mainly linked to the site being shared by multiple users.
- Not meeting current welfare standards for the workforce.
- Ageing depot which will face increasing repairs and maintenance costs.
- The buildings are not energy efficient.

8.2 Looking forward, services will need to expand to keep pace with the housing growth set out within the adopted South Kesteven Local Plan, of which Grantham is the focus. In responding to housing growth refuse collection services will need to expand with as many as 45 HGV's¹² and additional depot space needed to deliver these operational services in an efficient and effective manner.

8.3 There is no scope to expand the Alexandra Road depot due to its location and in particular the residential nature of the surrounding area, which presents significant operational and legislative risks. The biggest area of concern is the increased HGV traffic through local residential streets and the impact this has on the local environment. This issue alone means there is a significant risk that a traffic commissioner may restrict the operating licence, thereby reducing the overall number of vehicles allowed to operate at the site or, in a worst case scenario, revoking the operating licence altogether.

8.4 There are currently no alternative sites across the Council estate, out of which it could operate should any restriction occur. Therefore, any restriction on the use of the existing site would directly impact on the delivery of refuse collection services as Grantham and other settlements in the District continue to grow.

8.5 It is for these reasons that the relocation of the existing depot is identified as a key priority in the Council's newly approved Corporate Plan.

8.6 A site search of the area has found that the only site available, in terms of cost, geography, accessibility and size is the former Fenland Food site at Turnpike Close. It has been agreed between Officers that Turnpike Close is the best site and in view of there being no suitable alternative sites it is matter of urgency that the Council move now to acquire this site to ensure they are able to progress the relocation of the depot.

8.7 This will ensure the Council is able to future proof its refuse collection service, in a way that means they are spending public money as wisely as possible and delivering excellent value for money for the residents of South Kesteven for the foreseeable future.

8.8 The Turnpike Close site is an ideal site for the new depot because:

- a) It has good accessibility and no conflict with neighbouring uses meaning the risk of restrictions or the revoking of the licence is mitigated.
- b) There are no planning risks and the principle of a depot should be supported by the Local Planning Authority.
- c) The site is fully serviced and benefits from all the main utilities.
- d) There are no major technical constraints or risks that would prevent the Council from developing a new depot.
- e) The site is large enough for the Council's new depot.
- f) The site offers flexibility for future expansion and opportunities for additional economic development.
- g) Heads of Terms have been agreed including a price, which is below the asking price¹³

¹² There are currently 38 HGV's operating from Alexandra Road

¹³ The asking price was £2,150,000 (two million one hundred and fifty thousand pounds) but a price of £2,000,000 (two million pounds only) has been agreed.

- h) It will bring back into productive use a site that has been vacant for more than seven years.
- 8.9 The total capital costs to deliver the depot relocation are in the region of £8,100,000. The costs are split £2,150,000 for acquisition (which is in line with the Cabinet and Full Council reports) and £5,950,000 construction costs, which is in line with the Council's expectations.
- 8.10 Annual revenue costs of £75,000 (thereabouts) are also anticipated, which is a projected saving of circa £15,000 per annum on current costs.
- 8.11 Whilst the depot is required infrastructure for statutory services and is not expected to achieve a profit or pay for itself, there are opportunities available to the Council to offset /recover some of the project costs.
- 8.12 Relocating the depot will release the existing site and other Council land at Alexandra Road for housing or industrial development thereby generating a capital receipt, which could then be offset against the capital costs of the project. Subject to the land sale option, receipts could range between £320,000 and £1,470,000.
- 8.13 The HRA could have potential interest in the Alexandra Road site for town centre housing. Two layouts have been drawn up by the HRA one based on an apartment scheme and the other based on a mixed housing and apartment scheme. Any progression of this would be subject to planning, ground investigation etc and the HRA will need to satisfy themselves on these matters before making a formal offer for the land.
- 8.14 Value to offset the capital costs of the project can also be extracted from the ancillary economic development opportunities at Turnpike Close. There are several options ranging from direct land sale, retaining any units to generate a direct income stream through to onward sale to a third party/JV etc but these are subject to further analysis and change. One off receipts range between £597,500 and £990,000 and options for annual revenue range between £59,625 and £238,500.
- 8.15 The project will deliver a significant number of beneficial outputs and outcomes, including:

- The Council will have a site that is in the optimum location to meet the needs of its future service requirements. This will enable improvements to the depot operation and safety.
- The site has good accessibility and no conflict with neighbouring uses meaning the risk of restrictions or the revoking of the licence is mitigated.
- A more efficient and pleasant environment for staff. •
- The new depot will segregate operational areas from the office areas so that parking and lorry movements are streamlined, and office users have a dedicated car parking area. •
- Not only will a new depot improve the workplace for the Council's staff/workforce it will also help the Council to deliver an outstanding service, in a way that means they are spending public money as wisely as possible, delivering excellent value for money for the residents of South Kesteven for the foreseeable future.
- The new depot will allow the Council to adapt to changing waste management needs and means they will be able to make any necessary changes to deliver sustainable waste management required by national and local waste strategies.
- Providing a modern energy efficient depot will have a positive impact on the Council's carbon reduction target, in response to its climate emergency declaration. The new depot's carbon footprint will rely on factoring in sustainability as a core part of the design process. This will need to focus on the building design, heating, lighting, energy, water, and waste requirements. The sustainability team will offer guidance throughout this part of the process when required.
- The new depot will mitigate all the health and safety concerns regarding movement of vehicles and risks to operatives on the Alexandra Road depot.
- Business continuity of current services is maintained during the construction works and relocation to the new depot.
- Reduction in annual running costs.
- The new depot has the potential to enhance the local economy because employment opportunities will arise for residents due to the natural turnover of staff and new job opportunities arising because of the growth in the service requirements.

- The Turnpike Close site also provides an opportunity for the Council to deliver wider economic development opportunities through industrial space particularly targeted at small start-up and expanding firms. This will provide an opportunity for the Council to create new job opportunities for residents. The industrial space will also help retain existing business in the District (who are currently being forced to locate outside of the District due to a lack of supply of suitable grown on space) and protect existing jobs.

Recommendation

The only viable way for the Council to future proof its refuse collection service is to acquire and develop a new depot at Turnpike Close. In view of there being no other suitable alternative sites it is matter of urgency that the Council move now to acquire this site to ensure they can progress the relocation of the depot.

The recommended route for the construction of the project is to progress relocation of the depot as a design and build contract.

Appendix I

Site Plan



Appendix II

Space Requirements

South Kesteven District Council Depot – Space Requirements

Buildings

- New vehicle repair/maintenance workshop with a rear / open area that all the vehicle fleet can drive into (including DWO fleet). Refuse Collection Vehicles (RCV's) are the main maintenance demand. The building needs to provide several dedicated bays with associated areas to ensure safe working. The building also needs to include a MOT test lane and HGV Brake roller. The brake roller could provide a source of income as other private commercial operators could use the facility for a fee. Therefore, consideration is required on where the brake rollers/drive through building is located as this will also need to be accessible for large HGV's that are privately owned so preferably needs to be near the yard entrance.
- The workshop also needs to include a storage and training centre (for up to 30 people) as well as an office /amenities block. There is scope to include these uses at a mezzanine level or additional accommodation (joined or separate to industrial building). Storage to be located close to offices.
- The training room could be rented out for uses so the building would need to be positioned on the site so that public access could be facilitated, without entering the working depot.

Yard Area

The following requirements need to be accommodated within the yard area of the new depot.

Re-fuelling area

- A fuel tank with capacity for 50,000 litres. An area equivalent to 4/5 parking spaces (i.e. ~ 5m x 12.5m) is needed for the tank or this could be undergrounded. A pump will also be required but this can be separate from the tank.
- An area equivalent to one car parking space is also required for bulk Adblue tank. This can be separate from the pumps.

- Two-sided access to fuel pumps required. Consideration given to a fuel pump which is located away from the main tank, albeit it is accepted that it is more cost effective to have the fuel pumps near to the main tank.
- 2 fuel pumps also required for DWO and Environment SK vehicles.
- Locate the refuelling near entrance to depot.

Bin Store

- Bin store of circa 1,812sq.m (19,500sq.ft¹⁴). The area will be used for the storage of skips and sweeper vehicles etc. The area will also include a wheelie bin store.
- Area needs to accommodate HGV vehicles so sufficient space for unloading and manoeuvring required.

Bag Storage Area

- A covered bag storage area also needs to be provided. Forklift trucks need to be able to access this area.

Wash Area

- 4 bays required plus pump house.
- Water tank needs to be located next to wash area. The existing gravity tank from Alexandra Road can be relocated. Approx. size of van parking space required for the water tank.

Oil Drums

- Storage for oil drums – these could be stored within the workshop building.

Parking

- HGV (including refuse collection vehicles) total requirement for 45 spaces with circulation space for maintenance.
- Smaller fleet vehicles (transit van, caged vehicles and 7.5 tonne): total requirement for 23 spaces.
- Food waste vehicles: assume additional 15 spaces may be required in future.
- Several parking bays also need to adjacent to the workshop.

¹⁴ ¹⁴. The current bin store on the Alexandra Road depot is circa 1,208sq.m (13,000sq.ft) and it has been agreed that the new store need to be 50% bigger.

- The parking then needs careful consideration with the higher vehicles at the rear to improve site visibility.
- Car parking: 100 staff car parking spaces .

General

- Requires an obvious one-way system.
- Vehicles come into the site then 1) refuel and blue 2) get washed and 3) park up or go into the workshop or in one of the workshop parking bays (if required).
- Advantageous to have an unbroken view of the entire yard from the offices / workshop with no “blind spots”.
- Whilst a single site access is acceptable the depot needs to be securely separated from other uses on the site. The entrance/exit to the main yard of the depot needs to be restricted to employees and visitors only.

Repairs / DWO Building

Buildings

- A new storage building with footprint of circa 186sq.m (2,000sq.ft) is required.

Yard Area

- Preferably have its own wash down area and pump house but could also share the facilities within the depot yard area.
- Preferably have its own refuelling area and pump but could also share the facilities within the depot yard area.

Parking

- Parking is required for:
 - 3 transit van spaces, to be parked at the depot.
 - 7.5 tonne vehicles: 2 (these legally must be parked at depot).
 - 22 car parking spaces (20 staff and 2 visitor spaces).

Appendix III

Economic Development Assessment

The new depot will cover an area of approximately 2.06ha (5.15 acres) meaning there is circa 0.97ha (2.39 acres) of residual land available for future expansion and other economic development opportunities. Within this note we provide a market overview of demand for industrial space.

Market Overview

Within the table below we have summarised the market activity within the industrial sector over the past 5 years.

Table 1 – Market transactions (lettings) - past 5 years

Year	Total Lettings	Total Sq.ft	Average Sized Unit (sq.ft)	Average Rent £psf
2020	6	10,713sq.ft	1,786sq.ft	£6.47psf
2019	2	4,102sq.ft	2,051sq.ft	£4.34psf
2018	10	25,793sq.ft	2,579sq.ft	£5.68psf
2017	20	81,100sq.ft	4,055sq.ft	£4.95psf
2016	14	35,063sq.ft	2,576sq.ft	£4.40psf

- In terms of achieved lettings there were six transactions within Grantham throughout the course of last year. A total of 995sq.m (10,713sq.ft) of space was let equating to an average unit size of 166sq.m (1,786sq.ft). Five of the lettings were on 3-year leases with details of the 6th letting undisclosed. The average rental value achieved was circa £70psm (£6.47psf).
- In 2019 there were only two known lettings. A total of 381sq.m (4,102sq.ft) was let over the two units with an average unit size of 190sq.m (2,051sq.ft). One unit was let by way of a 5-year lease, but the terms of the other transaction are undisclosed. The average rent achieved across both units was £46.72psm (£4.34psf).
- There were ten lettings in 2018 and a total of 2,396sq.m (25,793sq.ft) was taken up across these transactions equating to an average unit size of 240sq.m (2,579sq.ft). Based on the information we have obtained, two of the transactions were based on a 1 year lease, three were based on 3 year leases, one was based on a 5 year lease and the remaining transactions have not disclosed the lease terms. The average rent achieved was £61.14psm (£5.68psf).

¹⁵ discussions were held with Jon Hinde

- The highest number of transactions occurred in 2017 when there was a total of twenty transactions. A total of 7,534sq.m (81,100sq.ft) was let equating to an average unit size of 377sq.m (4,055sq.ft). Typical lease terms ranged between 1 and 3 years. The average rent achieved was circa £53.22psm (£4.95psf).
- In 2016 there were 14 transactions / lettings. A total of 3,257sq.m (35,063sq.ft) was let equating to an average unit size of 239sq.m (2,576sq.ft). Once again typical lease terms were on average 3 years. The average rent achieved was £47.34psm (£4.40psf).

Whilst there has been a gradual decline in the number of lettings over the past 5 years rents have continued to rise from an average achieved rent of £4.40psf in 2016 to an average rent of £6.47psf in 2020.

This is evidence that there is demand but supply is limited meaning the number of transactions falls (lack of supply) but demand pushes up rents for the supply that is available.

Soft Market Testing

We have supplemented this research through dialogue with Invest SK¹⁵. The feedback confirms that there is demand for small / starter units of circa 93sq.m (1,000sq.ft) on a rental / leasehold basis. Another area of demand is grow on space between 93sq.m (1,000sq.ft) and 232sq.m (2,500sq.ft). This grow on space is in particularly short supply meaning occupiers of start-up units are unable to grow, thereby blocking the units for other small/start-up companies. Ultimately, when firms do grow on from these smaller units they are forced to look outside of the District for suitable grow on space. Therefore, the grow on space is just as important in the supply chain so it can release existing starter units but also allow existing small business to grow without them having to relocate outside of the District.

We are also aware that Brackley Property Developments only very recently drew up proposals for the Turnpike Close site which included a 465sq.m (5,000sq.ft) and 697sq.m (7,500sq.ft) unit both of which were specifically aimed towards two known /bespoke requirements, albeit these were freehold requirements from companies currently renting in Grantham. As part of their proposals Brackley Property Developments were also going to build twelve 93sq.m (1,000sq.ft) starter units.

Current Supply / Availability

At the time of writing this report there are ten industrial units known to be available for rent. Nine of the units' range in size from 73sq.m (789sq.ft) to 67sq.m (7,232sq.ft). The average size being circa 261sq.m (2,800sq.ft). Asking rents range between £38.85psm (3.61psf) and £78.79psm (£7.32psf) with the average asking rent being around £59psm (£5.50psf).

The current supply provides a total of 2,183sq.m (23,501sq.ft) of floorspace which based on the average take up over the past five years¹⁶ provides less than one year's supply.

Pipeline

In terms of pipeline schemes King 31 has planning consent for 3 high quality industrial /distribution facilities ranging from 7,693sq.m (82,806sq.ft) to 87,409sq.m (940,853sq.ft). The scheme benefits from a new dedicated junction onto the A1M and is clearly targeting inward investment from national logistics operators rather than small start-up and growing local companies.

Buckminster Estates have also recently been granted planning permission for up to 110,000sq.m (1,184,000sq.ft) of employment space within use classes B1, B2 and B8 to the south of Grantham on land adjacent to the B1174. Once again, this scheme is targeting inward investment from the big shed occupiers rather than growing and start up local companies.

There is demand for small start-up and grow on space but the existing and pipeline supply of opportunities to satisfy this demand is extremely limited. The provision of smaller start-up units of circa 93sq.m (1,000sq.ft) and appropriately sized grow on space up to 232sq.m (2,500sq.ft) at Turnpike Close would address the supply chain gaps and capitalise on inherent latent demand.

The Council also options to develop their existing Alexandra Road depot potentially for industrial uses. Whilst the depth of demand is thought to be strong enough to support schemes on both sites the product could be differentiated such as providing grow on space at Turnpike Close and starter units at Alexandra Road.

¹⁶ The average take up over the past 5 years is 2,912sq.m (31,354sq.ft).

¹⁷ Refer to Appendix IV.

Quantum of Development

The concept plan at Appendix 5 shows approximately 2,973sq.m (32,000sq.ft) of industrial floorspace space being accommodated on the site. The space is configured in five units / buildings, but this plan is only indicative. The ultimate development and layout of the site will respond to market demand when the site is brought forward and may need to be phased rather than being brought forward as one single scheme.

Estimated Revenue /Rental Value

Industrial rental values have continued to rise in Grantham from an average achieved rent of £47.36psm (£4.40psf) in 2016 to an average rent of £69.64psm (£6.47psf) in 2020. The Council also has eight light industrial/ start-up units on Mowbeck Way (within the Alexandra Road depot). Rents range between £43psm (£4.00psf) and £95psm (£8.85psf). The average passing rent is £68.35psm (£6.35psf). The most recent letting was unit 5 which was let on 8th January 2020 for a three-year term at an annual rent of £4,758 per annum, which equates to £95psm (£8.85psf). This letting is a useful barometer for where market rents are currently for small start-up units.

For grow on space an average rental value of £70psm (£6.50psf) has been applied.

Based on this evidence the industrial floorspace, shown in the Concept Plan¹⁷ could generate a gross rental income of £238,500 per annum¹⁸, as summarised in Table 2.

¹⁸ It should be noted that the complete redevelopment of the existing depot at Alexandra Way, will mean that the Council will lose annual income of £28,000 from the units at Mowbeck Way.

Table 2 – Industrial rent

Space Type	Sq.m (Sq.ft)	No. Units	Rent	Gross Annual Rent
Start-up units	1,208sq.m (13,000sq.ft)	13	£95psm (£8.85psf)	£115,000
Grow on space	1,765sq.m (19,000sq.ft)	8 ¹⁹	£70psm £6.50psf	£123,500
Total	2,973sq.m (32,000sq.ft)	21		£238,500

Estimated Capital Value

In order to derive the capital value an All Risk Yield (ARY) is often used by valuers to capitalise the income, which provides an indication of the likely capital value of a particular investment. The all-risks yield reflects income over asset value, where all risks (current and future) associated with the asset are intrinsically priced into the yield. These risks can include tenant covenant strength, market conditions, voids, future costs, investment purchaser's costs, capital expenditure etc. In this instance the annual income outlined in Table 11 has been capitalised based on an All Risk Yield of 7%²⁰. This generates a **capital value £3,407,143 (say £3,400,000)**.

Capital Costs

The estimated capital costs associated with developing the industrial scheme are estimated to be in the region of £2,410,000. Please refer to Table 3.

If the Council were to sell the investment, they are likely to generate a net surplus of circa £990,000. .

¹⁹ Assumes two units of 186sq.m (2,000sq.ft) and 6 units of 232sq.m (2,500sq.ft).

²⁰ AY's investment agents confirm that investor demand for new build multi let industrial units would be strong.

²¹ Based on cost data from BCIS rebased to South Kesteven for the first Quarter 2021. A cost of £567psm (£53psf) has been applied which is based on the lower quartile rates.

Table 3 – Estimated capital costs of industrial scheme

Cost Item	£
Construction costs	£1,696,000 ²¹
External works (at 10% of construction costs)	£169,600
Project fees (at 8% of construction costs and external works)	£247,680
Contingency (at 15% of construction costs and external works)	£279,840
Lettings agents' fees (based on 7.5% of 1st year's rent)	£15,600
Profit	£0 ²²
Total Costs	£2,408,720 (Say £2,410,000)

Other Ways of Extracting Value from the Economic Development Opportunities include:

- **Land Sale.** A market value of £250,000 per acre is appropriate for industrial land in this location. The total site area which is potentially available for economic development is 2.39 acres which results in a land value of £597,500.
- **Lease Wrapper.** The Council could consider an option whereby they commit to a long lease (say 20 years) with a developer / investor who will then finance and deliver the scheme. The Council's rent would be fixed but subject to an annual indexed linked increase. The Council's passing rent would be less than market rent (typically 75%) enabling the Council to sublet at a higher rent meaning they retain the difference. Assuming a market rent of £238,500 per annum the Council could potentially earn £59,625 per annum. This is the difference between the market rent (£238,500) and the Council's rent at 75% of market rent (i.e. £178,875). Capitalised at 7% this would generate a capital value of £851,786 (say £850,000). At the end of the term the Council would also have the option to acquire the building for £1.

²² No profit assumed as the scheme is being delivered by the Council for the income potential not for profit. However, note that the capital value of the asset (£3,400,000) is £622,812 higher than the estimated capital costs meaning the council could potentially receive a net profit of circa £600,000 if they were to sell the assets.

Appendix IV

Turnpike Close Illustrative Concept Plan



45



- Site boundary
- Depot site boundary (2.14 Ha)
- Employment site (0.74 Ha)
- DWO site (0.22 Ha)

GRANTHAM DEPOT RELOCATION

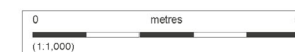
TURNPIKE CLOSE
DEPOT SITE LAYOUT

12/11/170

1:1000 @ A3

JANUARY 2021

Alan Baxter



Contact Details

Enquiries

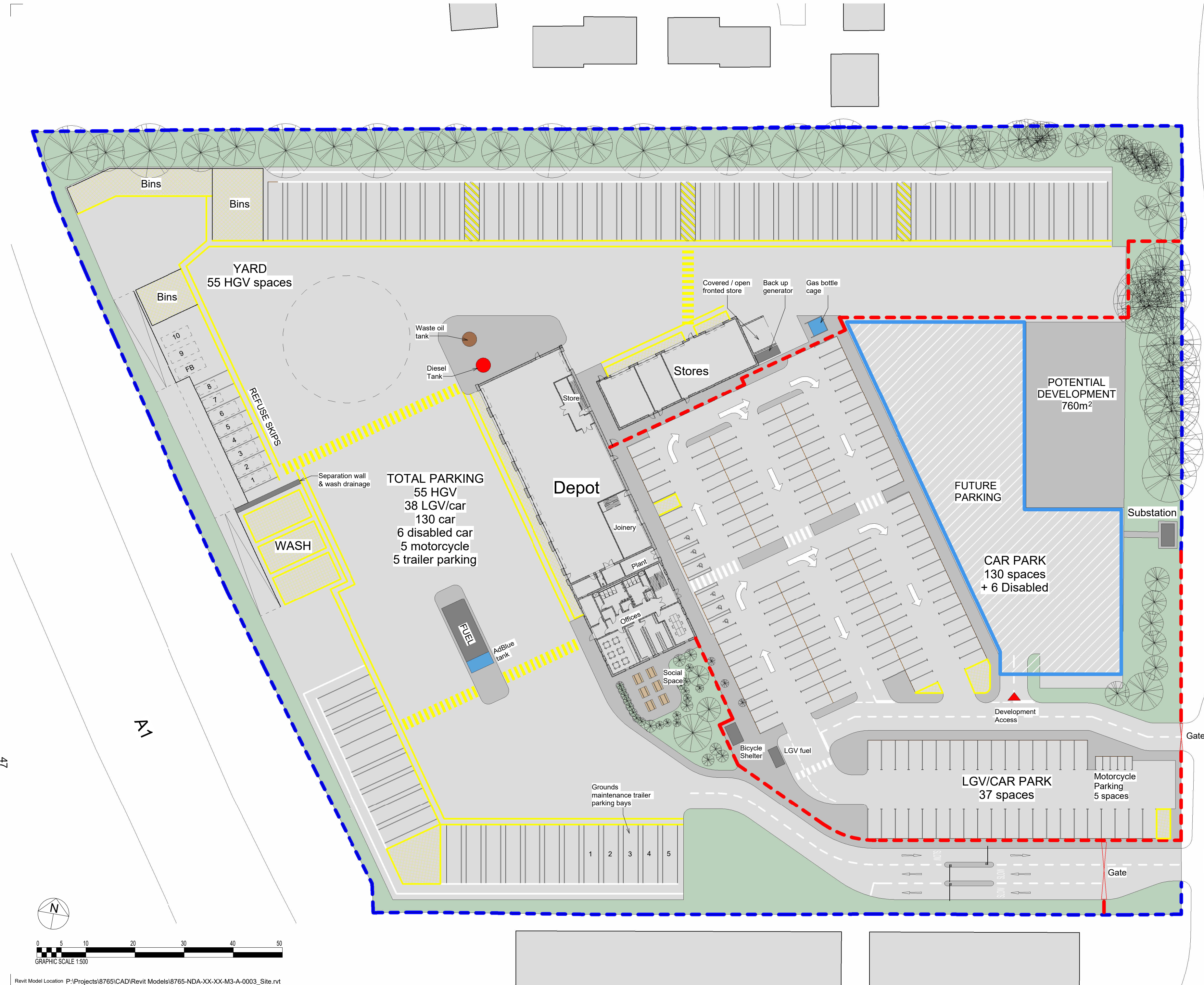
Dale Robinson

07810757422

dale.robinson@avisonyoung.com

Visit us online

avisonyoung.co.uk



- Print Date and Time: 06/07/2023 12:00:14
- General Notes:**
1. The drawings, design and all information contained therein are the sole copyright of Norder Design Associates (NDA) and reproduction in any form is forbidden unless permission is obtained in writing.
 2. This drawing is to be read in conjunction with all other relevant Architects, Engineers and specialists drawings, details and specifications.
 3. Conflicting information shown on the NDA drawings or discrepancies between the information given by NDA and that provided by others must be referred to NDA before work proceeds.
 4. Dimensions must not be scaled from this drawing.
 5. Dimensions marked 'dimension to be site checked' are subject to confirmation by site measurement before construction proceeds.
 6. Subcontractor surveys, such as for the purposes of steelwork installation, take precedence over 'site dimension' indicated on this drawing. All surveys should ensure an accurate fit of components.
 7. Temporary works associated with the construction of the project shall be the responsibility of the Principal Contractor.
 8. Where any temporary works or scaffolding are required the Principal Contractor shall appoint a competent and suitably experienced Temporary Works Coordinator (TWC). Refer to BS 5975 for guidance on temporary works and the role of a TWC.
 9. Calculations and drawings of all Contractor designed structural items associated with NDA's design responsibilities shall be submitted to the Engineer for comment at least 10 days prior to manufacture. Any comments made by NDA do not absolve the Contractor of his design responsibilities.

KEY

- Existing 2.3m high metal fence
- Proposed metal security fence

P15	06.07.23	Fire separation added to HGV parking. Gas bottle store relocated and adjustments made to the car park	MM	TD
P14	27.06.23	Trailer parking & fuel tanks added. Store extended and now includes open fronted store	MM	TD
P13	21.06.23	Layout revised to option 5.	DH	TD
P12	09.05.23	Layout revised.	DH	TD
P11	04.07.22	Fuel Tank moved to North of Main Building. LGV fuel tank size reduced.	MJG	PS
P10	29.06.22	Fuel Area moved. Bin Store moved. Social space adjusted.	MJG	PS
P9	06.06.22	Parking revised.	DH	PS
P8	10.02.22	Revised to DTM comments.	DH	TD
P7	22.12.21	Gates added.	DH	PS
P6	14.12.21	Layout revised as DTM.	DH	PS
P5	07.12.21	Emergency Generator & Substation added.	DH	PS
P4	01.12.21	Parking revised as DTM.	DH	PS
P3	01.12.21	Revised as DTM discussion.	DH	PS
P2	11.11.21	Updates to DTM comments.	DH	TD
P1	10.11.21	First Issue.	DH	TD
REV	DATE	AMENDMENT	BY	CHK

CLIENT



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

PROJECT

South Kesteven Council Depot
Turnpike Close
Grantham

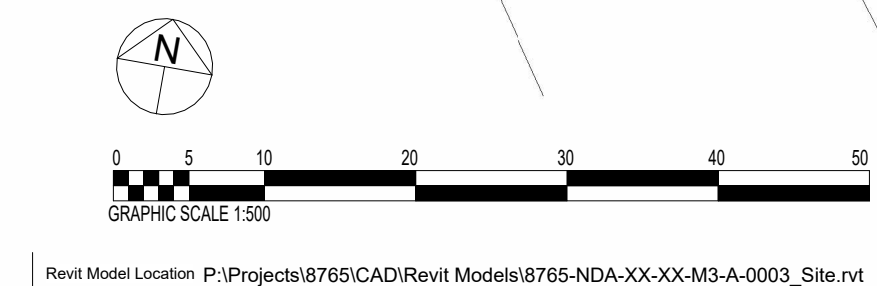
DRAWING TITLE

Proposed Site Plan



Norder
Engineers. Architects. Innovators.

Beech Lawn, Green Lane, Belper, Derby DE56 1BY Tel: 01773 824414 E-mail: enquiries@norder.co.uk		
SCALE 1 : 500	SHEET SIZE A2	NDA REF 8765
SUITABILITY S3 - Review & Comment		
DRAWING NO. 8765-NDA-ST-XX-DR-A-1001	REV P15	



This page is intentionally left blank

Project Cost Summary

2,282 m² 24,563 ft²

Construction Costs		Total Cost	£/m ² (GIFA)	£/ft ² (GIFA)	%
1	Substructure	£175,020	£76.70	£7.13	2.21%
2	Superstructure	£1,105,208	£484.32	£44.99	13.98%
3	Internal Finishes	£111,081	£48.68	£4.52	1.40%
4	Fittings & Furnishings	£256,900	£112.58	£10.46	3.25%
5	Services	£1,037,943	£454.84	£42.26	13.13%
6	Complete Buildings & Building Units	£0	£0.00	£0.00	0.00%
7	Work To Existing Buildings	£0	£0.00	£0.00	0.00%
8	External Works	£2,733,340	£1,197.78	£111.28	34.57%
9	Facilitating Works	£0	£0.00	£0.00	0.00%
10	Main Contractors Preliminaries	£805,510	£352.98	£32.79	10.19%
11	Main Contractors OHP	£435,750	£190.95	£17.74	5.51%
14	Risk (Construction)				0.00%
14.1	Design Development Risks	£166,519	£72.97	£6.78	2.11%
14.2	Construction Risks	£166,519	£72.97	£6.78	2.11%
Total Construction Cost		£6,993,790	£3,064.76	£284.73	88.46%
12	Professional Fees				
12.1	Consultants' Fees	£234,002	£102.54	£9.53	2.96%
12.2	Main Contractors Pre-Construction Fees	£0	£0.00	£0.00	0.00%
12.3	Main Contractors Design Fees	5% £349,690	£153.24	£14.24	4.42%
		£583,692	£255.78	£23.76	7.38%
13	Other development/project costs				
13.1	Other Development / Project Costs	0.5% £34,969	£15.32	£1.42	0.44%
		£34,969	£15.32	£1.42	0.44%
14	Risk (Employer)				
14.3	Employer Change Risks	£0	£0.00	£0.00	0.00%
14.4	Employer Other Risks	£0	£0.00	£0.00	0.00%
		£0	£0.00	£0.00	0.00%
15	Inflation				
15.1	Tender Inflation	4.2% £293,739	£128.72	£11.96	3.72%
15.2	Construction Inflation	incl. £0	£0.00	£0.00	0.00%
		£293,739	£128.72	£11.96	3.72%
Total Project Cost (Excl. VAT)		£7,906,190	£3,464.59	£321.87	100.00%

This page is intentionally left blank