

Grantham Depot Relocation

Outline Feasibility / Business Case

March 2021

Confidential

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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.

- 1.10 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.

¹ There are currently 38 HGV's 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

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: <ul style="list-style-type: none"> • 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 HGVs¹² 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.

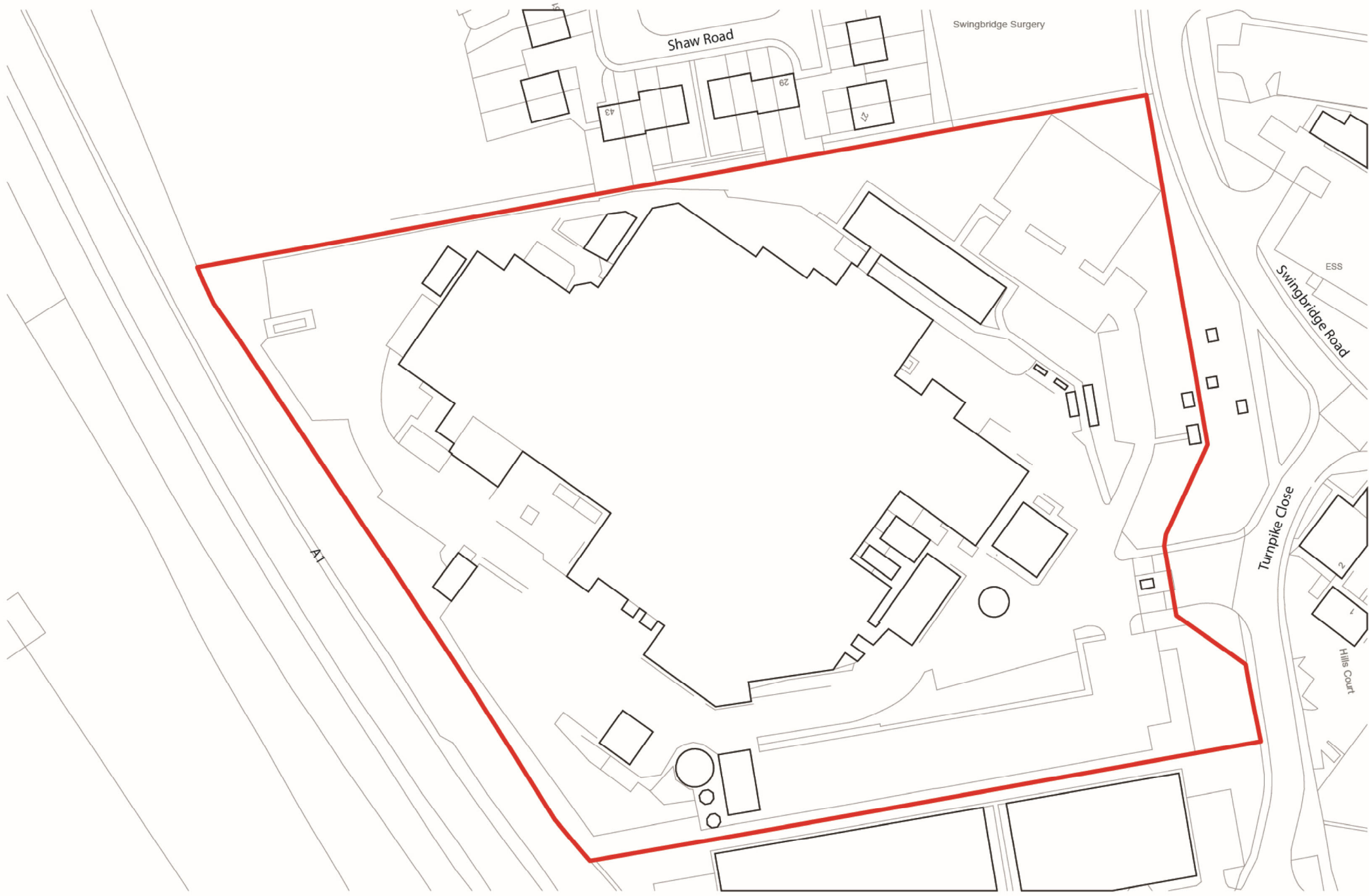
Recommendation

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).

- 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.

¹⁵ discussions were held with Jon Hinde

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



- 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

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