

Agenda for Asset Management Forum Thursday, 13th June, 2019, 9.30 am

Members of Asset Management Forum

Councillors: G Pook (Chairman), I Thomas, K Blakey, S Bond, B Ingham, S Hughes and P Millar

Venue: Blackdown House, Honiton

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(or group number 01395 517546)

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1 Public speaking

Information on [public speaking](#) is available online

2 Welcome to new AMF members

3 Introduction to:

- Role of AMF
- General Fund land and buildings portfolio
- Work of the Property & Estates Team
- Introduction to work of the Regeneration Team

4 Notes from the previous meeting (Pages 3 - 6)

5 Declarations of interest

Guidance is available online to Councillors and co-opted members on making [declarations of interest](#)

6 Matters of urgency

Information on [matters of urgency](#) is available online

7 Confidential/exempt item(s)

To agree any items to be dealt with after the public (including the press) have been excluded. There are no items which officers recommend should be dealt with in this way.

8 Performance Dashboard (Pages 7 - 11)

9 Property Matters Newsletter (Pages 12 - 15)

- 10 Seaton Workshop Units (Pages 16 - 20)
Update report from the Senior Manager – Property & Estates
- 11 Beer Pilot and Community Asset Transfers generally - verbal update
- 12 AOB

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[Decision making and equalities](#)

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EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Asset Management Forum held at Council Chamber, Blackdown House, Honiton on 25 February 2019

Attendance list at end of document

The meeting started at 9.30 am and ended at 10.35 am

39 Public speaking

There was no public speaking.

40 Notes from the previous meeting

The notes of the meeting held on 29 November 2018 and 17 January 2019 were agreed.

41 Apologies

Apologies were received from Cllr Iain Chubb.

42 Declarations of interest

Councillor Geoff Pook

Minute 47

Disclosable Personal Interest – Chairman of Beer Parish Council

43 Matters of urgency

There were no matters of urgency.

44 Confidential/exempt item(s)

RESOLVED that the classification given to the documents to be submitted to the Sub-Committee be confirmed and that the report relating to exempt information be dealt with under Part B of the agenda.

45 Performance Dashboard

The Forum was presented with the latest version of the Performance Dashboard. Tim Child, Senior Manager - Property and Estates, directed familiarise the Forum to the key areas, highlighting:

- Capital receipts had increased to £180,750 an increase of £58,500 and with a further £92,500 in the pipeline for this financial year and being progressed with Legal;
- There were a particularly high number of open reactive maintenance and facilities management related cases on Lagan. This is due to a large number of instructions put out to external contractors and still needing closing. During the recent period the Property Services Maintenance Technicians had been working on Blackdown House;
- Planned maintenance costs were currently below budget, but reactive maintenance costs above. Some recoding was needed but broadly these are expected to balance;

- The Seaton Workshops project had slipped, due to lack of officer time. However, it was hoped that the project would be prioritised and project group meetings and progress being made before next AMF;

Comments made on the dashboard included a proposal that the future report for this item should include key legends to help explain the rental chart.

ACTION For future meetings issue the Performance Dashboard to Members with the key legends clearly viewable on the report .

RESOLVED that the Performance Dashboard be welcomed and continue to be provided as a standing item for future meetings of the Forum.

46

Property Matters Newsletter

The latest Newsletter had been circulated beforehand to members of the Forum to consider. This and future Newsletters is no longer a confidential document and is available to all Councillors.

The purpose of the Newsletter was to raise awareness of the breadth of work undertaken by Property & Estates but also to promote the breadth and importance of the Council's land and property portfolio.

**RESOLVED 1. that the content of the Property Matters Newsletter be noted;
2. that Property & Estates be congratulated for producing the Property Matters Newsletter.**

47

Beer Pilot Update

The Forum noted that EDDC continued to work with Beer ~Parish Council to prepare a robust business case to allow the transfer of assets at Beer to take place at no extra cost in the medium term to EDDC, mitigating future cost liabilities on EDDC and facilitating local management and 'ownership' of assets'. The Senior Manager – Property & Estates reported that there had been a meeting last week with Beer Parish Council, which had a positive outcome, but there were still a few issues being considered.

A report would be prepared for consideration by Cabinet, including a business case, in due course.

In response to a question for a Member regarding the devolution of assets to other Town and Parish Councils, the Deputy Chief Executive reported that once all the data and assets available had been identified, then the Council would be in a position to go to Town and Parish Councils to see if they wanted to take on assets within their parish areas.

It was anticipated that a draft Community Asset Transfer Policy would be produced in due course and would be consulted on with Town and Parish Councils.

RESOLVED that the update on the Beer Pilot be noted.

48

The Vice Chairman to move the following

"that under Section 100 (A) (4) of the Local Government Act 1972, the public (including the press) be excluded from the meeting as exempt information, of the description set page 4

out on the agenda, I likely to be disclosed and on balance the public interest is in discussing this item in private session (Part B)".

49 **Drill Hall, Esplanade, Sidmouth**

Consideration was given to a report updating Members on the outcome of the marketing exercise and selection process for the Drill Hall site in Sidmouth and to make a recommendation for the selection of the preferred developer.

The Forum agreed that the preferred developer and the proposed business, Offer 2, was the best choice available and a very suitable sort of business for the area. Members were also made aware that a future refurbishment of the Drill Hall might also take in the adjacent toilet block as well. Members noted that the Core Group, who selected the preferred bidder, consisted of two Sidmouth District Councillors and Sidmouth Town Council.

The Forum wished to thank the Core Group and Officers involved for their work on the marketing and selection process for the preferred bidder for the Drill Hall site in Sidmouth.

RESOLVED that having discussed the content of the Cabinet report and its Annexes, the Forum concurred with the report's recommendation that Offer 2 be approved as the preferred bidder for the site.

Attendance List

Councillors present:

G Pook (Chairman)
D Barrow
P Diviani
A Moulding
P Skinner
I Thomas

Councillors also present (for some or all the meeting)

M Armstrong
D Barratt
J Dyson
C Gardner
M Rixson
P Stott

Officers in attendance:

Tim Child, Senior Manager Property and Estates
Richard Cohen, Deputy Chief Executive
John Hudson, Accountant
Christopher Lane
Colin Whitehead
Rob Harrison, Senior Estates Surveyor

Councillor apologies:

I Chubb

Chairman

Date:

Property & Estates Performance Dashboard - June 13th AMF

Updated June 2019

| Key | |
|-------|--|
| Red | Unsatisfactory progress/ Not Yet Started |
| Amber | Issues |
| Green | On target/completed |



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Performance Of Portfolio

| Overall Management of the Portfolio | Last Report | This Report | Notes |
|--|-------------|-------------|---|
| Estates - Rent Roll | £874,191 | £894,439 | |
| Estates - Re-letting (total 411) | 5 | 4 | Garage at West Street (on market), Warren View (with Legal and pending further ground investigation) and Sidford Pavillion (negotiations ongoing), Site 3 Durham Way Honiton (meeting with countryside & Streetscene arranged for 3rd June) |
| Estates - Held for Sale Assets (total 434) | 2 | 2 | Drill Hall (with legal), Knowle Offices (with legal) |
| Estates - Capital Receipts (in financial year) | £180,750 | £0 | None yet this financial year but a further £92,500 received as planned at tail end of last financial year. End of year position was therefore £273,250. |
| Property & FM - Laggan Completed Works (23/11/18 - 18/02/2019) | 201 | 409 | 120 open cases. Significant reduction in open cases now showing due to Technical Surveyor having returned to work and audited open cases. |
| Property & FM - Planned Maintenance Spend To Budget (18/19) % | | 12% | £21,052.56 of £169,750 |
| Property & FM - Reactive Maintenance Spend To Budget (18/19) % | | 10% | £11,902.48 of £113,750 |
| Instructions with Legal | 23 | 24 | |

Service Plan Objectives

Encouraging our communities to be outstanding

| Objective | Officer | Target Date | RAG Last Period | RAG This Period | Current Position |
|---|-------------------------|-------------|-----------------------|-----------------------|--|
| Review of basis for lettings to sports and activity clubs ensuring tenure arrangements exist which promote self sustainability. To conclude in formal adoption of new arrangements. | Tim Child/ Rob Harrison | 31/03/20 | Red | Red | 03.06.19 No plans to start until towards end of service plan period |
| Manage the Beer Parish Council asset devolution pilot scheme proposals. To conclude in transfer of agreed assets to Beer Parish Council. | Tim Child | 31/05/19 | Yellow | Yellow | 03.06.19 Awaiting sign-off from other Services as to Business Case and will then bring AMF report forward. |

Developing an outstanding local economy

| | | | | | |
|--|-----------------|----------|--------|--------|---|
| Full project appraisal and business case to either a) Deliver new workshop units at Colyford Road, Seaton & Fosseway, Seaton, or b) use of land for alternative proposals. Agreement by Cabinet of proposals. | Colin Whitehead | 31/07/19 | Red | Yellow | 03.06.19 Report coming to June AMF. |
| Seaton Moridunum – Agree strategy for future of this site. Either dispose or retain but either way ensuring that asset contributes to enhancement of seafront. Agreement by Cabinet of proposal. | Tim Child | 31/05/19 | Yellow | Yellow | 03.06.19 Anticipate instructing consultant within next 2 weeks to advance negotiations. |

Continuously improving to be an outstanding council

| | | | | | |
|--|--------------|----------|--------|--------|--|
| Commercial Property Income Generation – secure investment to generate £450,000 per annum net income as per transformation strategy. £50,000 in 2019/20 and preparation for £300,000 further income in 2020/21. | Tim Child | 31/03/20 | Green | Green | 03.06.19 Opportunity to generate the £50,000 for 2019/20 being progressed. Thought being given to possible investments to contribute towards latter years. |
| Successful delivery of current One Public Estate projects in Axminster and Exmouth – review of assets, synergies and scoping of opportunities. | Tim Child | 30/06/19 | Yellow | Yellow | 03.06.19 At latest Devon OPE Board Meeting considered the possibility of postponing the Exmouth project pending a possible wider review of depots. NHS now engaged on the Axminster project hence initial workshop now to be arranged. |
| Increase rent roll from let property at rent review by £15,000 (from base of 01/04/2019) through adopting an increasingly commercial approach to the management of the portfolio. This links to a Transformation Strategy objective. | Rob Harrison | 31/03/20 | N/A | Green | 03.06.19 Ahead of target. |

| | | | | | |
|---|--|----------|---|---|---|
| Deliver 5% increase in total rent roll from let property (from base of 01/04/2019) through adopting an increasingly commercial approach to the management of the portfolio. | Rob Harrison | 31/03/20 | N/A | | 03.06.19 Ahead of target. |
| Embed a more corporate approach to managing land and property to ensure better utilisation and efficiency of the estate, making better use of a wider data set, using this to report on performance and using this to inform strategic decision making. Cabinet decision will be required and then adoption across Council. | Tim Child | 30/06/19 | | | 03.06.19 New Property Records & Admin Officer now in post so pulling in data from other Services will now commence. Vacant post has delayed progress for 6 months. |
| Capture future investment requirements in all General Fund buildings. | Colin Whitehead | 30/06/19 | | | 03.06.19 Work 75% complete but now 05.08.19 is completion date. |
| Assess the financial and non-financial performance of all non-dwelling assets. Financial modelling will be by way of Net Present Value and non-financial modelling will consider the contribution towards social, economic or environmental wellbeing of a community. Further more detailed modelling will be required for certain asset types but this objective will inform decision making to support the Council's Transformation Strategy objective around generating revenue savings through reviewing assets of £200,000 in 2020/21, £100,000 in 2021/22, £75,000 in 2022/23 and £75,000 in 2023/24. | Tim Child | 31/08/19 | N/A | | 03.06.19 Work to follow completed stock condition data therefore 2 month delay. |
| Review of Landlord Health & Safety compliance across entire General Fund property portfolio. Address non-compliance if necessary. | Colin Whitehead | 30/08/19 | | | 03.06.19 Work delayed due to resourcing challenges. |
| Targeted review of Business Rates liabilities on asset portfolio. Appealing of Business Rates where savings are envisaged. | Rob Harrison | 31/03/20 | N/A | | 03.06.19 Early discussions have commenced. |
| Implement final stages of Property & Estates restructure. In particular, ensure new Facilities Management arrangements for Blackdown House and Exmouth Town Hall are fit-for-purpose and support the changing nature of the organisation. | Tim Child / Colin Whitehead / Rob Harrison / | 30/06/19 | | | 03.06.19 All recruitment and changes in working practices now Complete . |
| Deliver a Systems Thinking Review of key systems within both Teams to deliver improved service through efficiency and effectiveness. | Colin Whitehead / Rob Harrison | 31/03/20 | N/A | | 03.06.19 Processes identified within Estates Team and work already progressing. For Property & FM Team, process/es still being considered. All Managers undergone training. |
| Remodelling of East Devon Business Centre to maximise lettable space and income. Generate £10,000 rental increase. Linked to Transformation Strategy objective. | Rob Harrison | 30/06/19 | N/A | | 03.06.19 Complete |
| Review of PV array on Council assets. Linked to Transformation Strategy objective. | Colin Whitehead | 31/08/19 | N/A | | 03.06.19 Progressing |
| Develop Successes Newsletter which can be issued quarterly to all Councillors. | Rob Harrison | 30/06/19 | N/A | | 03.06.19 Complete |

Other Key Projects

| Key Projects - Service Development | Officer | Target Date | Last Report | This Report | Notes |
|---|-----------------------------|-------------|-------------|-------------|--|
| Estates - Address backlog of lease event activities | Rob Harrison | 01/04/20 | | | 03.06.19 Unallocated tasks now reduced to 108. Down from 250 at peak. |
| Estates - Improve internal and external perception & visibility of work and portfolio | Rob Harrison | 01/04/20 | | | 03.06.19 More tweets needed but other than that, Complete |
| Property Records - Utilise Business Objects training to report on staff and portfolio performance | Tim Child | 01/09/19 | | | 03.06.19 New Property Records and Admin Officer started in May. Will need to be trained. |
| Property Records - Broaden remit to provide more comprehensive function | Tim Child / Colin Whitehead | 01/09/19 | | | 03.06.19. New Property Records and Admin Officer with wider scope now recruited. Complete |
| Property Records - 'Super User' role for Uniform within P&E | Rob Harrison | 01/09/19 | | | 03.06.19 New Property Records and Admin Officer started in May. Will need to be trained. Will be complete within 2 months. |
| Property & FM - Incorporate use of Uniform into Property Services | Colin Whitehead | 01/04/20 | | | 03.06.19 New Property Records and Admin Officer started in May. Will need to be trained. |
| Service wide - Incorporate use of Uniform across other key Services | Tim Child | 01/04/20 | | | 03.06.19 Needs buy-in from other Services. Wider work being undertaken to consider what corporate system should be used |
| Estates - Adopt RTB's for Housing as BAU | Rob Harrison | 01/06/19 | N/A | | 03.06.19 14 instructions so far this year, system in place to monitor cases and end to end times etc. Complete |

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| Key Projects - Delivery | Officer | Target Date | Last Report | This Report | Notes |
|---|-----------------|-------------|-------------|-------------|---|
| Transfer of Younghayes Centre and Worship land, Cranbrook | Rob Harrison | | | | 03.06.19 Pushing for completion of Younghayes transfer. Dissapointing delay and out of hands of EDDC. |
| Honiton and Sidmouth Pools changing rooms reconfiguration / refurbishment | Colin Whitehead | | N/A | | 03.06.19 Tendering to commence May / June with start date towards end of year. |
| New ventilation and air condition systems at Honiton and Sidmouth pools | Colin Whitehead | | N/A | | 03.06.19 Tendering to commence May / June with start date towards end of year. |
| Broadclyst Leisure Centre reroofing | Colin Whitehead | | N/A | | 03.06.19 Survey complete. Tendering now to start. Tender to commence June with works commencing by end of year. |
| Community Asset Transfer Policy | Tim Child | | N/A | | 03.06.19 Draft supported by SMT. To be taken to AMF. |
| New Drone Policy | Aaron Manley | | N/A | | 03.06.19 Draft prepared for early consideration. Once Officer consultation has been completed, will be presented to Overview. |
| Travellers Procedure | Tim Child | | N/A | | 03.06.19 Drafted and supported by other key Services. To be formally rolled-out within next few weeks. |
| Depot Policy | Tim Child | | N/A | | 03.06.19 Exploring with Devon County One Public Estate Board the merits of a county wide review of depot space which might then feed into EDDC. |

| | | | | | |
|----------------------------------|-----------------|--|-----|---|---|
| Hayne Lane | Tim Child | | N/A |  | 03.06.19 Exploring development opportunities. |
| Exmouth Leisure Centre extension | Colin Whitehead | | N/A |  | 03.06.19 Planning application to be submitted by end of 2019. |



PROPERTY MATTERS

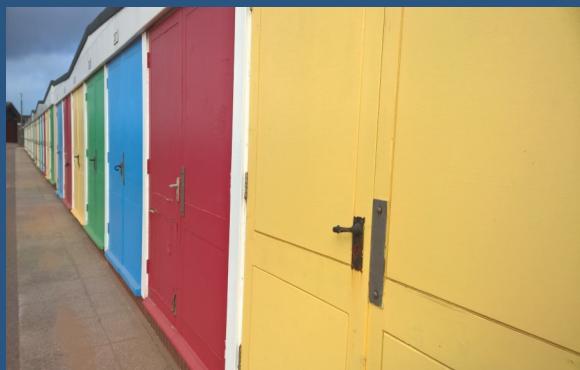
Property & Estates Update

June 2019

Here Comes The Summer!

The Property Services Team have been getting ready for the summer tourists by carrying out upgrade and repair works to Queens Drive Space, in Exmouth. Last year Queens Drive Space proved to be very popular with locals and tourist alike, as we look forward to another successful season.

Extensive repair works have been underway for quite a few months in getting the beach huts in Sidmouth and Exmouth ready for the summer season. All works are being carried out by the Property Services Team of Maintenance Technicians. In particular the beach huts at Jacobs ladder were badly damaged by winter storms. All works in Sidmouth have been completed and works in Exmouth will be complete in time for the start of the main summer season at the middle of July.



*The latest deals
and updates on
the activities in
Property &
Estates*



Riverside Workshops

In This Issue

- New Work for Estates Team
- Riverside Workshops Leases Completed
- New face in the team
- Stock condition work underway



Riverside Workshops

New leases completed at Riverside Workshops

The Estates Team have recently completed 2 new leases at Riverside Workshops in Seaton. Following vacaton of the two units the team moved to secure new tenants for the units.

The new lettings mean that the estate continues to boast 100% occupancy and have also resulted in an increase in rental income of £2,165 per annum.

The new leases commenced in March 2019 and will run until 2025.

Estates Team take on Housing Valuation Work

In February, the Estates Team started undertaking valuation work on behalf of the Council's HRA to assess the market value of properties which are the subject of Right to Buy Applications.

To date the team has carried out 14 valuations on Council owned houses across the district with a notable peak in May where there were 8 new valuation instructions.

The work is an example of the broad spectrum of professional services the team can offer and means that the Council no longer needs to use external consultants to carry out this area of work.

Mobile Banks boost car park income

Following decisions to close High Street branches, demand for sites for use by Mobile banks has increased in recent months.

The Estates Team have recently agreed terms to allow mobile banks to use parts of car parks in Ottery St Mary and Budleigh Salterton.

The mobile banks will visit the car parks on several occasions each week and boost income from these car parks by £4,000

New Member of Property & Estates Team



Lorna Todd has joined the Property & Estates Team as the Property Records & Administration Officer.

Lorna's primary focus will be on ensuring that the Council has the best possible data required to help us to more effectively manage the Council's portfolio, understand performance of assets and make property related decisions

Unit to let at Manstone Workshops

With the existing lease due to expire in July, the Estates Team are currently marketing Unit 7 Manstone Workshops.

The property is an end terrace workshop unit with double doors to the front and accommodation extending to approximately 490 sq ft (46 sq m).

The unit is available at an asking rent of £3,700 per annum and it is hoped the opportunity will generate significant interest as units on this popular estate don't come to the market often.



Unit 7 Manstone Workshops

Asset Valuation Work Completed

The Estates Team have completed the Annual Asset valuation work which forms part of the Council's Statement of Accounts.

The work involved providing Asset Valuations for a wide range of properties including Car Parks, Leisure Centres, Public Toilets and Industrial Estates.

A Stitch in Time!

The Property Services Team are in the process of carrying out an extensive stock condition survey across all of its corporate stock. The purpose behind the stock condition survey is so that the authority will have an up to date picture not only of the current condition of all corporate buildings but details of its maintenance liability over the next 30 year period. It will also highlight any corporate property assets that are in a poor state of repair that may no longer be suitable for use.

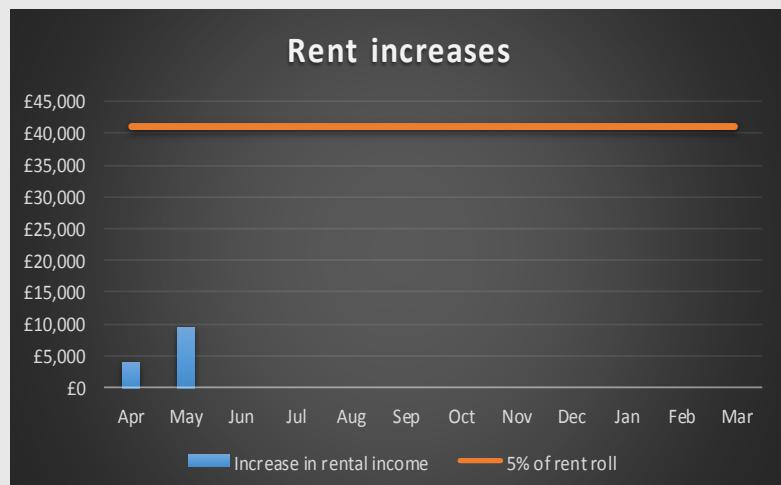


Progress Towards Service Plan Objective On Track

The current service plan sets an objective of achieving an overall increase in rental income of 5% in the current financial year.

As can be seen from the graph, increases achieved in the first two months of the year stand at £9,370.

These early results mean that the team is well on the way to delivering this objective over the remaining 10 months of the year.



Your Property & Estates Teams

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Together with 3 Maintenance Technicians

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Report to AMF on Thursday 13th June 2019

SEATON WORKSHOPS – Progress Report

RECOMMENDATIONS:

Fosseway Park -proceed to a Full Business Case to reflect the amended specification and current market evidence. Which AMF this is taken to will depend on whether the Detailed Business Case involves tendering for the build works or relies on existing cost estimate. If the former, likely December, if the latter likely September.

Colyford Road - A further report will come back to a future AMF once the site has been considered more strategically.

BACKGROUND:

Resourcing pressures had meant that this project was put on-hold for past 12 months but is now once again being progressed.

The Colyford Road site once comprised a former depot, St Johns HQ and garage. It was proposed to construct 14 new build commercial units along with vehicle turning zones for 28 parking bays and associated soft landscaping. Attached is an aerial photograph with the site edged red.

The Fosseway Park site was acquired by the Council for the purpose of constructing small employment units. The proposal was for the construction of 7 new build commercial units along with vehicle turning zones for 12 parking bays and associated soft landscaping. Attached is an aerial photograph with the site edged red.

Back in 2014 designs and specifications were formulated with the schemes then being tendered as two separate projects. The return of tender costs proved to be prohibitively expensive causing the construction and build out of these projects not to proceed at that time.

A further tender process was undertaken in 2017 as a design and build tender but again the return of tenders proved to be prohibitively expensive and therefore the projects did not progress.

CURRENT POSITION:

It has been established that the original design and specification on both of these schemes have resulted in what then was costly tenders.

External consultants have been engaged and have produced a more cost effective and simplified design for the Fosseway Park site with EDDC Officers undertaking a much more strategic review of the Colyford Road site to determine future uses and demand.

FOSSEWAY PARK – DESIGN WORK:

Consultants have now undertaken a full review of the design concept and specification in order to achieve a more viable and deliverable scheme. Areas of the original design and procurement that we are looking to review include the following:

1. Reducing the high level external finishes of brickwork and other details, by allowing for a typical industrial unit workshop type construction with a more traditional steel frame and cladding type solution.
2. The reduction of external works including ponding and landscaping areas.
3. The reduction of grasscrete parking areas with rain water catchments.
4. Internal wall finishes to all units rather than a plaster finish, to be a painted concrete block finish.
5. The previous procurement approach was on a design and build basis, but we consider a more cost effective procurement route in this instance would be for a more traditional tendering process, where we are able to keep a tighter control on construction costs.

The latest cost estimate is circa £950,000, not dissimilar to earlier tenders as whilst the specification has now reduced, build costs have increased. Unfortunately rental values have not increased at the same rate.

Planners have already indicated that they would not be adverse to a more typical industrial unit / workshop type approach at Fosseway Park, as this would be in keeping with industrial units and workshops which are already in existence.

FOSSEWAY PARK – INITIAL VIABILITY WORK:

It is proposed that the funding would be through PWLB. That said, if EDDC did fund using existing reserves, the opportunity cost would be mirrored by the PWLB rate so at this stage it is reasonable to assess on this premis. Assuming a 10 month build period, £950,000 build costs and a rental of £8 per sq ft along with reasonable assumptions around voids, management and maintenance costs we have projected likely return based on PWLB borrowing over different terms. The income returns are best shown within the below chart.



At a high level this is indicating that to ensure a positive cashflow in year 1 and indeed generally in early years, EDDC would need to borrow over 40 years. The issue that needs exploring further is whether this is appropriate for this construction type. That said, even with borrowing over 40 years, the initial yield based on the £950,000 build cost and ignoring land value reflects just a 0.93% initial yield in year 1, reducing to 0.44% in year 2 to reflect maintenance costs then becoming a true cost. At this stage, this therefore indicates that this is a high risk investment due to the very low return and the possibility of falling into negative cashflow. Indeed if this scheme were to progress, the decision would be driven by non-financial drivers. In essence the original concerns remain absolutely relevant now.

NEXT STEPS:

FOSSEWAY PARK

Detailed business case to be worked up and taken to future AMF for a steer on whether to proceed with an investment through the appropriate decision making route or to explore an alternative, being possible disposal of site. Will include report on title, strategy bearing in mind existing EDDC units within Seaton, detailed viability and consideration of other options.

Tim Child
Senior Manager – Property & Estates

Colyford Road

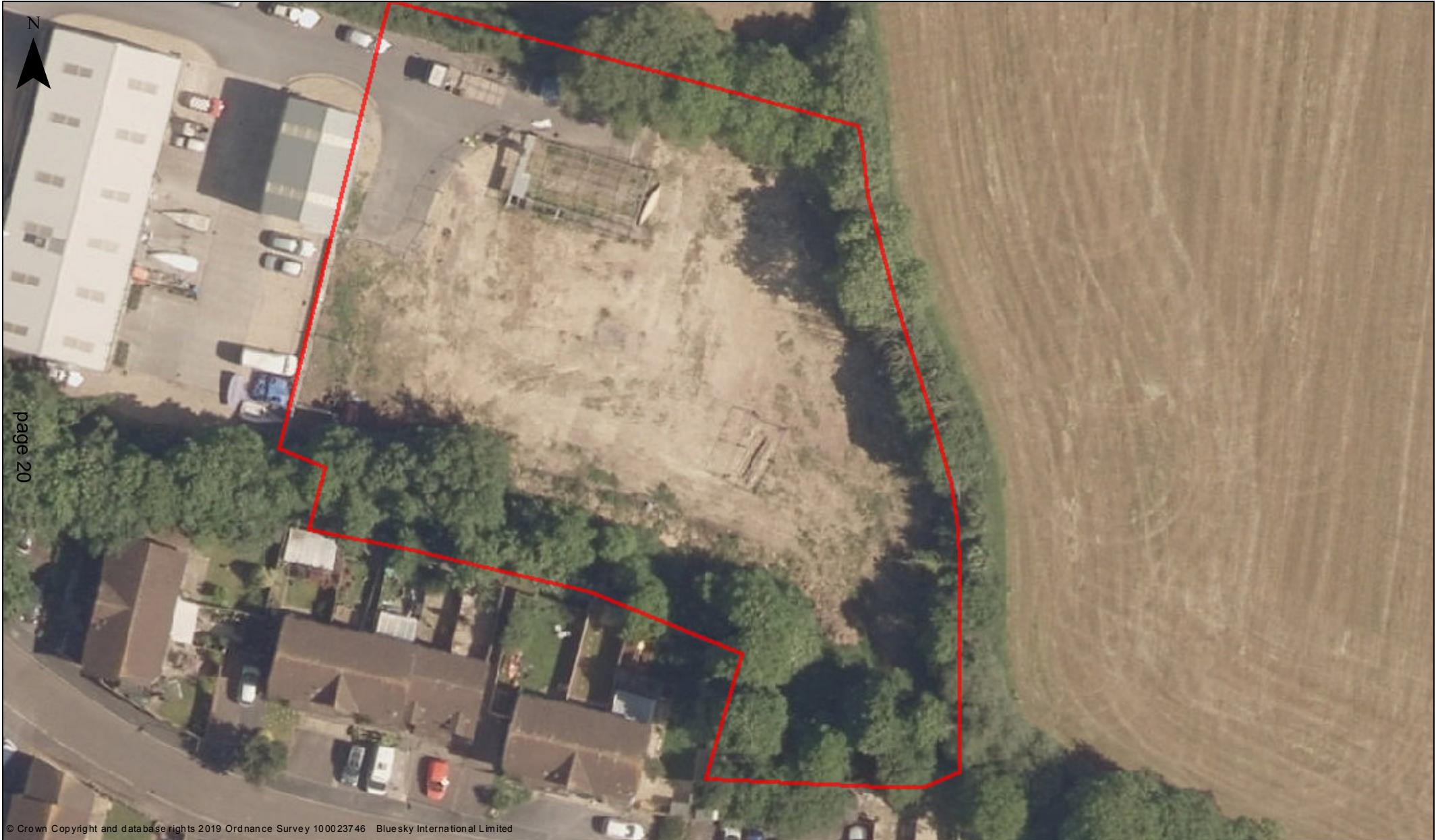


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Fosseway Site



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